

AUSTRALIAN COUNCIL FOR EDUCATIONAL LEADERS



FINANCIAL REPORT | 2019-2020

PROFESSIONAL LEARNING

DYNAMIC NETWORKS

ENLIGHTENED DISCOURSE

RECOGNITION OF EXCELLENCE

EXEMPLAR ORGANISATION

Australian Council for Educational Leaders

ABN 75 132 672 416

Financial Statements

For the Year Ended 30 June 2020

Australian Council for Educational Leaders

ABN 75 132 672 416

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For the Year Ended 30 June 2020

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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 2020, 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.

Nexia Sydney Audit Pty Ltd



Vishal Modi

Director

Dated this 24th day of August 2020

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 2020

	Note	2020 \$	2019 \$
Revenue	4	3,997,460	5,494,546
Employee benefits expense		(1,223,275)	(1,137,532)
Depreciation and amortisation expense		(41,059)	(62,669)
Conference and event expense		(735,219)	(1,121,731)
Membership and development		(191,239)	(258,492)
Branch expenditure		(74,954)	(109,923)
Professional learning		(906,273)	(1,815,925)
Bookshop and resources		(368,768)	(396,395)
Printing and stationery		(25,296)	(27,071)
Marketing expenses		(65,188)	(133,301)
Other expenses		(252,685)	(284,625)
Surplus before income tax		113,504	146,882
Income tax expense		-	-
Surplus for the year		113,504	146,882
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		113,504	146,882

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 2020

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	1,577,979	1,716,319
Trade and other receivables	6	65,009	288,753
Other assets	7	191,320	568,311
TOTAL CURRENT ASSETS		1,834,308	2,573,383
NON-CURRENT ASSETS			
Property, plant and equipment	8	1,776,117	1,796,171
TOTAL NON-CURRENT ASSETS		1,776,117	1,796,171
TOTAL ASSETS		3,610,425	4,369,554
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	102,645	629,960
Employee benefits	10	103,942	54,065
Other liabilities	11	746,430	1,130,410
TOTAL CURRENT LIABILITIES		953,017	1,814,435
NON-CURRENT LIABILITIES			
Employee benefits	10	35,695	46,910
TOTAL NON-CURRENT LIABILITIES		35,695	46,910
TOTAL LIABILITIES		988,712	1,861,345
NET ASSETS		2,621,713	2,508,209
EQUITY			
Retained earnings		2,621,713	2,508,209
TOTAL EQUITY		2,621,713	2,508,209

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity For the Year Ended 30 June 2020

2020

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2019	2,508,209	2,508,209
Surplus attributable to the entity	113,504	113,504
Balance at 30 June 2020	2,621,713	2,621,713

2019

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2018	2,361,327	2,361,327
Surplus attributable to the entity	146,882	146,882
Balance at 30 June 2019	2,508,209	2,508,209

The accompanying notes form part of these financial statements.

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Statement of Cash Flows For the Year Ended 30 June 2020

	Note	2020 \$	2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		4,175,184	5,384,732
Payments to suppliers and employees		(4,309,712)	(5,094,317)
Interest received		19,413	22,463
Net cash provided by/(used in) operating activities	16	<u>(115,115)</u>	<u>312,878</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment		<u>(23,225)</u>	<u>(25,514)</u>
Net cash provided used in investing activities		<u>(23,225)</u>	<u>(25,514)</u>
Net increase / (decrease) in cash and cash equivalents held		(138,340)	287,364
Cash and cash equivalents at beginning of year		1,716,319	1,428,955
Cash and cash equivalents at end of financial year	5	<u>1,577,979</u>	<u>1,716,319</u>

The accompanying notes form part of these financial statements.

Australian Council for Educational Leaders

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Notes to the Financial Statements

For the Year Ended 30 June 2020

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 15 August 2020.

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

The company recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with

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Notes to the Financial Statements

For the Year Ended 30 June 2020

2 Summary of Significant Accounting Policies (continued)

(b) Revenue and other income (continued)

the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

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.

Subscriptions

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

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

(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.

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Notes to the Financial Statements

For the Year Ended 30 June 2020

2 Summary of Significant Accounting Policies (continued)

(d) Property, plant and equipment (continued)

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.

(e) Financial instruments

Financial instruments are recognised initially 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

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- amortised cost

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

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Notes to the Financial Statements

For the Year Ended 30 June 2020

2 Summary of Significant Accounting Policies (continued)

(e) Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flow are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise trade payables.

(f) Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

(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.

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Notes to the Financial Statements

For the Year Ended 30 June 2020

2 Summary of Significant Accounting Policies (continued)

(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.

Employee benefits expected to be settled more than one year after the end of the reporting period 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 satisfy vesting requirements.

Defined contribution schemes

Obligations for contributions to defined contribution superannuation plans are recognised as an employee benefit expense in profit or loss in the periods in which services are provided by employees.

(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 2020, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company.

The following Accounting Standards and Interpretations are most relevant to the company:

AASB 15 Revenue from Contracts with Customers

The company has adopted AASB 15 from 1 July 2019. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

AASB 16 Leases

The company has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease

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Notes to the Financial Statements

For the Year Ended 30 June 2020

2 Summary of Significant Accounting Policies (continued)

(j) Adoption of new and revised accounting standards (continued)

liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

AASB 1058 Income of Not-for-Profit Entities

The company has adopted AASB 1058 from 1 July 2019. The standard replaces AASB 1004 'Contributions' in respect to income recognition requirements for not-for-profit entities. The timing of income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other performance obligation at the time of receipt. Income under the standard is recognised where: an asset is received in a transaction, such as by way of grant, bequest or donation; there has either been no consideration transferred, or the consideration paid is significantly less than the asset's fair value; and where the intention is to principally enable the entity to further its objectives. For transfers of financial assets to the entity which enable it to acquire or construct a recognisable non-financial asset, the entity must recognise a liability amounting to the excess of the fair value of the transfer received over any related amounts recognised. Related amounts recognised may relate to contributions by owners, AASB 15 revenue or contract liability recognised, lease liabilities in accordance with AASB 16, financial instruments in accordance with AASB 9, or provisions in accordance with AASB 137. The liability is brought to account as income over the period in which the entity satisfies its performance obligation. If the transaction does not enable the entity to acquire or construct a recognisable non-financial asset to be controlled by the entity, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income immediately. Where the fair value of volunteer services received can be measured, a private sector not-for-profit entity can elect to recognise the value of those services as an asset where asset recognition criteria are met or otherwise recognise the value as an expense.

3 Critical Accounting Estimates and Judgments

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the company operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

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Notes to the Financial Statements

For the Year Ended 30 June 2020

3 Critical Accounting Estimates and Judgments (continued)

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

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Notes to the Financial Statements

For the Year Ended 30 June 2020

4 Revenue and Other Income

Revenue from continuing operations

	2020	2019
	\$	\$
- branch income	21,223	33,871
- professional learning	1,578,398	2,753,283
- bookshop and resources	564,254	520,228
- conference and events	881,386	1,288,304
- member subscriptions	793,463	845,753
- interest received	19,413	22,463
- Jobkeeper subsidy and ATO cash flow boost	116,000	-
- other income	23,323	30,644
	<u>3,997,460</u>	<u>5,494,546</u>

5 Cash and Cash Equivalents

Cash at bank and in hand	499,719	716,319
Short-term deposits	1,078,260	1,000,000
	<u>1,577,979</u>	<u>1,716,319</u>

6 Trade and Other Receivables

CURRENT		
Trade receivables	65,009	288,753
	<u>65,009</u>	<u>288,753</u>

7 Other Assets

CURRENT		
Prepayments	191,320	568,311
	<u>191,320</u>	<u>568,311</u>

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Notes to the Financial Statements

For the Year Ended 30 June 2020

8 Property, plant and equipment

	2020 \$	2019 \$
Buildings		
At cost	1,641,342	1,641,342
Accumulated depreciation	(20,120)	(20,120)
Total land and buildings	1,621,222	1,621,222
Furniture, fixtures and fittings		
At cost	175,127	175,127
Accumulated depreciation	(56,079)	(38,567)
Total furniture, fixtures and fittings	119,048	136,560
Office equipment		
At cost	67,985	77,919
Accumulated depreciation	(39,450)	(39,530)
Total office equipment	28,535	38,389
Computer software		
At cost	59,515	49,765
Accumulated depreciation	(52,203)	(49,765)
Total computer software	7,312	-
Total property, plant and equipment	1,776,117	1,796,171

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

8 Property, plant and equipment (continued)

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 2020					
Balance at the beginning of year	1,621,222	136,560	38,389	-	1,796,171
Additions	-	-	13,475	9,750	23,225
Disposals	-	-	(2,220)	-	(2,220)
Depreciation expense	-	(17,512)	(21,109)	(2,438)	(41,059)
Balance at the end of the year	1,621,222	119,048	28,535	7,312	1,776,117

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Notes to the Financial Statements

For the Year Ended 30 June 2020

9 Trade and Other Payables

	2020	2019
	\$	\$
CURRENT		
Trade and other payables	65,507	585,419
GST payable	37,138	44,541
	<u>102,645</u>	<u>629,960</u>

10 Employee Benefits

CURRENT		
Long service leave	17,866	-
Annual leave	86,076	54,065
	<u>103,942</u>	<u>54,065</u>
NON-CURRENT		
Long service leave	35,695	46,910
	<u>35,695</u>	<u>46,910</u>

11 Other Liabilities

CURRENT		
Deferred income	746,430	1,130,410
	<u>746,430</u>	<u>1,130,410</u>

12 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 2020 the number of members was 6,321 (2019: 6,103).

13 Key Management Personnel Remuneration

The total remuneration paid to key management personnel of the Company is \$ 739,964 (2019: \$ 728,887).

14 Auditors' Remuneration

Remuneration of the auditor for:		
- auditing the financial statements	16,500	16,320
	<u>16,500</u>	<u>16,320</u>

15 Contingencies

In the opinion of the directors, the Company did not have any contingencies at 30 June 2020 (30 June 2019: None).

Australian Council for Educational Leaders

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Notes to the Financial Statements

For the Year Ended 30 June 2020

16 Cash Flow Information

(a) Reconciliation of cash

	2020	2019
	\$	\$
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	1,577,979	1,716,319
	<u>1,577,979</u>	<u>1,716,319</u>

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

Surplus for the year	113,504	146,882
Non-cash flows in profit:		
- depreciation	41,059	62,669
- net loss on disposal of property, plant and equipment	2,220	-
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	223,744	(87,893)
- (increase)/decrease in prepayments	376,991	25,150
- increase/(decrease) in income in advance	(383,980)	542
- increase/(decrease) in trade and other payables	(527,315)	153,033
- increase/(decrease) in employee benefits	38,662	12,495
Cashflows from operations	<u>(115,115)</u>	<u>312,878</u>

17 Events after the end of the Reporting Period

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while the current financial performance is positive on account of the Government stimulus package received by the company up to 30 June 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

18 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

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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



Director



Ross Fox (Aug 24, 2020 08:44 GMT+10)

Dated **Aug 24, 2020**

Aug 24, 2020

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 2020, 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 2020 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.

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.

Nexia Sydney Audit Pty Ltd

Vishal Modi
Director

Dated this 24th day of August 2020

Nexia Sydney Audit Pty Ltd

Level 16, 1 Market Street

Sydney NSW 2000

PO Box H195

Australia Square NSW 1215

p +61 2 9251 4600

f +61 2 9251 7138

e info@nexiasydney.com.au

w nexia.com.au

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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.



VISION AND VOICE



*"I think I have learned
that the best way to lift
one's self up is to help
someone else"*

- Booker T. Washington

VISION AND VOICE



What is the value
of a good
education?
It is the only
way to a better
future.



FINANCIAL REPORT 2019-2020

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Australian Council for Educational Leaders

ABN 75 132 672 416

PO Box 876,
Strawberry Hills,
NSW 2012

P 1800 680 559

E admin@accel.org.au

W accel.org.au
