

# **Australian Healthcare and Hospitals Association**

**ACN: 008 528 470**

## **Financial Statements**

**For the Year Ended 30 June 2017**

**Australian Healthcare and Hospitals Association**

**ACN: 008 528 470**

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**For the Year Ended 30 June 2017**

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**Australian Healthcare and Hospitals Association**

**ACN: 008 528 470**

**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SECTION 60-40 OF THE AUSTRALIAN CHARITIES  
AND NOT FOR PROFITS COMMISSION ACT 2012 TO THE DIRECTORS OF  
AUSTRALIAN HEALTHCARE AND HOSPITALS ASSOCIATION**

As lead auditor for the audit of Australian Healthcare and Hospitals Association for the year ended 30 June 2017, I declare that to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the Australian Charities and Not for Profits Commission Act 2012 in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

**MCS Audit Pty Ltd**



**Phillip W Miller CA  
Director**

**Dated in Canberra on: 23 August 2017**

**Australian Healthcare and Hospitals Association**

**ACN: 008 528 470**

**Statement of Profit or Loss and Other Comprehensive Income**  
**For the Year Ended 30 June 2017**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Revenue	<b>3,036,301</b>	<b>3,310,655</b>
Employee benefits expense	<b>(1,375,752)</b>	<b>(1,122,162)</b>
Depreciation and amortisation expense	<b>(47,839)</b>	<b>(55,720)</b>
Travel Expenses	<b>(236,385)</b>	<b>(105,423)</b>
Admin and Other Expenses	<b>(367,662)</b>	<b>(292,148)</b>
Consultants	<b>(607,355)</b>	<b>(1,199,578)</b>
Publications and Printing	<b>(133,001)</b>	<b>(125,129)</b>
Event Expenses	<b>(192,483)</b>	<b>(344,751)</b>
<b>Profit before income tax</b>	<b>75,824</b>	<b>65,744</b>
Income tax expense	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>	<b>75,824</b>	<b>65,744</b>

The accompanying notes form part of these financial statements.

**Australian Healthcare and Hospitals Association**

**ACN: 008 528 470**

**Statement of Financial Position**

**30 June 2017**

	Note	2017 \$	2016 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	1,036,085	1,038,164
Trade and other receivables	7	785,512	733,526
Other assets	8	274,052	133,577
<b>TOTAL CURRENT ASSETS</b>		<b>2,095,649</b>	<b>1,905,267</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	9	877,269	918,363
Intangible assets	10	30,739	31,698
<b>TOTAL NON-CURRENT ASSETS</b>		<b>908,008</b>	<b>950,061</b>
<b>TOTAL ASSETS</b>		<b>3,003,657</b>	<b>2,855,328</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	472,867	520,675
Provisions	12	75,582	58,114
Other liabilities	13	1,066,333	816,700
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,614,782</b>	<b>1,395,489</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	14	91,013	220,000
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>91,013</b>	<b>220,000</b>
<b>TOTAL LIABILITIES</b>		<b>1,705,795</b>	<b>1,615,489</b>
<b>NET ASSETS</b>		<b>1,297,862</b>	<b>1,239,839</b>
<b>EQUITY</b>			
Reserves		149,522	149,522
Retained earnings		1,148,340	1,090,317
<b>TOTAL EQUITY</b>		<b>1,297,862</b>	<b>1,239,839</b>

The accompanying notes form part of these financial statements.

**Australian Healthcare and Hospitals Association**  
**ACN: 008 528 470**

**Statement of Changes in Equity**  
**For the Year Ended 30 June 2017**

	<b>Retained Earnings</b>	<b>Asset Replacement Reserve</b>	<b>Branch Member Reserve</b>	<b>Asset Revaluation Reserve</b>	<b>Total</b>
	\$	\$	\$	\$	\$
<b>Balance at 1 July 2016</b>	<b>1,090,316</b>	<b>80,000</b>	<b>30,000</b>	<b>39,522</b>	<b>1,239,838</b>
<b>Prior period adjustments</b>	<b>(17,800)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(17,800)</b>
<b>Profit attributable to the company</b>	<b>75,824</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>75,824</b>
<b>Balance at 30 June 2017</b>	<b>1,148,340</b>	<b>80,000</b>	<b>30,000</b>	<b>39,522</b>	<b>1,297,862</b>

	<b>Retained Earnings</b>	<b>Asset Replacement Reserve</b>	<b>Branch Member Reserve</b>	<b>Asset Revaluation Reserve</b>	<b>Total</b>
	\$	\$	\$	\$	\$
<b>Balance at 1 July 2015</b>	<b>721,866</b>	<b>80,000</b>	<b>30,000</b>	<b>39,522</b>	<b>871,388</b>
<b>Net AMLA Equity Introduction</b>	<b>330,106</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>330,106</b>
<b>Prior period adjustments</b>	<b>(27,400)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(27,400)</b>
<b>Profit attributable to the company</b>	<b>65,744</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>65,744</b>
<b>Balance at 30 June 2016</b>	<b>1,090,316</b>	<b>80,000</b>	<b>30,000</b>	<b>39,522</b>	<b>1,239,838</b>

The accompanying notes form part of these financial statements.

**Australian Healthcare and Hospitals Association**

**ACN: 008 528 470**

**Statement of Cash Flows**  
**For the Year Ended 30 June 2017**

	2017	2016
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from members and activities	2,778,838	3,778,670
Payments to suppliers and employees	(2,485,188)	(2,650,592)
Interest received	12,259	6,997
GST remitted to the ATO	(173,214)	(124,772)
Net cash provided by/(used in) operating activities	19 132,695	1,010,303
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property, plant and equipment	(5,787)	(45,847)
Net cash used by investing activities	(5,787)	(45,847)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Repayment of borrowings	(128,987)	-
Net cash used by financing activities	(128,987)	-
Net increase/(decrease) in cash and cash equivalents held	(2,079)	964,456
Cash and cash equivalents at beginning of year	1,038,164	73,708
Cash and cash equivalents at end of financial year	6 1,036,085	1,038,164

The accompanying notes form part of these financial statements.

**Australian Healthcare and Hospitals Association**

**ACN: 008 528 470**

**Notes to the Financial Statements**

**For the Year Ended 30 June 2017**

This general purpose financial report of the Australian Healthcare and Hospitals Association has been prepared in accordance with Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, and the requirements of the Australian Charities Not-for-profits Commissions Act 2012. The financial report has been prepared on an accruals basis and is based on historical costs.

The financial report covers the Australian Healthcare and Hospitals Association as an individual entity. The Australian Healthcare and Hospitals Association is a not-for-profit company limited by guarantee and a registered charity under the Australian Charities Not-for-profits Commissions Act 2012.

Any new Accounting Standards that have been issued but are not yet effective at balance date have not been applied in the preparation of this financial report. The possible impacts of the initial application of these Accounting Standards have not been assessed.

**1 Basis of Preparation**

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Act 2012*.

**2 Summary of Significant Accounting Policies**

**(a) Income Tax**

The Australian Healthcare and Hospitals Association is a Health Promotion Charity under section 50-5 of the Income Tax Assessment Act 1997 and is exempt from income tax.

**(b) Leases**

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

The Company has made an allowance for 'make good' where required under property lease agreements (non-current provision).

**(c) Revenue and other income**

**Sale of goods**

Sales revenue is recognised when the related merchandise or services have been provided and the income earned.

**Membership and Subscription**

Income received as membership and subscriptions for the subsequent financial year has been treated as income in advance during the financial year ended 30 June 2017.

**Grants**

Grants are recognised as revenue in the year received or receivable to the extent of expenditure during the year on the purpose of the grant. Grant monies that have been received or are receivable but have not been expended at the balance date, including interest thereon where required under the terms of the grant, are recognised as unexpended grants in Unearned Revenue.



**Australian Healthcare and Hospitals Association**

**ACN: 008 528 470**

**Notes to the Financial Statements**

**For the Year Ended 30 June 2017**

**2 Summary of Significant Accounting Policies**

**(c) Revenue and other Income**

**Sponsorships**

Funding for special purpose projects via sponsorships is recognised as revenue to the extent that the monies have been applied in accordance with the conditions of the funding. Funding for special purpose projects received prior to the year-end but unexpended at that date are recognised in the financial report as other deferred income in Unearned Revenue.

**Affiliation fees**

Affiliation fee income covers the financial year and is recognised when the relevant invoices are raised.

**Resources received free-of-charge**

Resources received free-of-charge are recognised as revenue when, and only when, a fair value can be reliably determined. They are recognised concurrently as an expense of the same amount.

All revenue is stated net of the amount of Goods and Services Tax (GST).

**(d) Comparative Figures**

Comparative figures are adjusted to conform to changes in presentation for the current financial year.

**(e) Employee benefits**

Provision is made in respect of liabilities for employee benefits arising from services rendered by employees. These benefits include wages and salaries, annual leave and long service leave entitlements.

Employee benefits expected to be settled within one year are measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits expected to be settled later than one year are measured at the present value of the estimated future cash outflows to be made for those benefits.

Annual leave entitlements are considered a short-term benefit as the Australian Healthcare and Hospitals Association does not have an unconditional right to defer the settlement of these amounts in the event the employee wishes to use their leave entitlement. This is in accordance with AASB 119 Employee Benefits.

The liability for short-term employee benefits is classified as current payables. The liability for long-term employee benefits is classified as non-current provisions.

Contributions are made to employee superannuation funds in compliance with government legislation and are recognised as expenses when incurred.

**(f) 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). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables in the statement of financial position are shown inclusive of the GST. 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.

**Australian Healthcare and Hospitals Association**

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**Notes to the Financial Statements**

**For the Year Ended 30 June 2017**

**2 Summary of Significant Accounting Policies**

**(f) Goods and Services Tax (GST)**

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

**(g) Inventories**

Inventories are measured at the lower of the cost and net realisable value.

**(h) Property, plant and equipment**

Plant and equipment items are recognised when their initial cost is greater than \$1,000 and are measured at cost, less (where applicable) accumulated depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually to ensure it is not in excess of the recoverable amount.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, annually.

Where applicable, the initial cost of plant and equipment assets includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. This is particularly relevant to property leases taken up by the Company where there exists an obligation to restore the property to its original condition on cessation of the lease. The estimated restoration costs are included in the value of the Company's office fittings and furniture, with a corresponding provision for 'make good' recognised.

**Artwork**

Artwork is measured on a fair value basis. At each reporting date, the value of the asset is reviewed to ensure of the asset that is reviewed to ensure that it does not differ materially from the asset's fair value at that date. Where necessary, the asset is revalued to reflect its fair value.

**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.

The depreciation rates used for each class of depreciable asset are shown below:

<b>Fixed asset class</b>	<b>Depreciation rate</b>
Buildings	2.50%
Plant and Equipment	10%-100%
Furniture, Fixtures and Fittings	10%
Computer Equipment	30%

**Australian Healthcare and Hospitals Association**

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**Notes to the Financial Statements**

**For the Year Ended 30 June 2017**

**2 Summary of Significant Accounting Policies**

**(i) Intangibles**

**Software**

Intangible assets are recorded at cost and are recognised when their initial cost is greater than \$1,000.

Software has a finite life and is carried at cost less accumulated amortisation and any impairment losses. Software is amortised on a straight line basis over an estimated useful life of three years, commencing from the time the asset is held ready for use.

Residual values and useful lives are reviewed at each reporting date. In addition they are subject to impairment testing as described in note (j).

**(j) Impairment of non-financial assets**

At each reporting date, the company reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. As a not-for-profit entity, value in use, according to AASB 136 Impairment of Assets, is depreciated replacement cost. Any excess of the asset's carrying value over its recoverable amount is recognised in the statement of comprehensive income as an impairment loss.

In the case of loans and receivables, a 'loss event' may indicate that a debtor(s) is experiencing financial difficulty and will default on payment. After having undertaken all economically viable possible measures of recovery, and it is established that the carrying amount cannot be recovered by any means, the amount will be written off. The amount will be charged to either separate allowance account used to reduce the carrying amount of financial assets impaired by credit losses, or if no impairment account was previously recognised, directly against the carrying amount of the financial asset.

**(k) Financial Instruments**

**Recognition**

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

**Loans and receivables**

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are measured at amortised cost using the effective interest rate method.

**Held-to-maturity investments**

Where investments have fixed maturities, and it is the Company's intention to hold these investments to maturity, the investments are measured at amortised cost using the effective interest rate method.

**Financial Liabilities**

Non-derivative financial liabilities are measured at amortised cost, comprising original debt less principal payments and amortisation.

**Australian Healthcare and Hospitals Association**

**ACN: 008 528 470**

**Notes to the Financial Statements**

**For the Year Ended 30 June 2017**

**2 Summary of Significant Accounting Policies**

**(l) Cash and cash equivalents**

For the purposes of the Statement of Cash Flows, cash includes cash on hand and in at call deposits with banks or financial institutions.

**(m) Provisions**

Employee provisions include an estimation component in respect of long term employee benefits, measured as the present value of estimated future entitlements. In determining the present value, management has applied the following judgements: probability of becoming legally entitled, future salary growth rate and long term bond rates.

All revenues and expenses are measured net of the amount of Goods and Services Tax, except where the amount of Goods and Services Tax incurred is not recoverable from the Australian Taxation Office. In these circumstances the Goods and Services Tax is included in the expense amount. Receivables and payables are measured inclusive of goods and services tax.

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

**(n) Fringe Benefits Tax**

The Australian Healthcare and Hospitals Association is eligible for FBT exemption where the total grossed-up value of certain benefits for each employee during the FBT year (1 April to 31 March) is not greater than \$30,000.

**3 Critical Accounting Estimates and Judgements**

The estimates and judgements incorporated into the financial report are 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.

**Australian Healthcare and Hospitals Association**

**ACN: 008 528 470**

**Notes to the Financial Statements**

**For the Year Ended 30 June 2017**

**4 Revenue and Other Income**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
- Sponsorship revenue	<b>195,016</b>	<b>117,181</b>
- Conference income	<b>315,099</b>	<b>109,642</b>
- Member subscriptions	<b>604,674</b>	<b>755,624</b>
- Training	<b>518</b>	<b>26,442</b>
- Royalties	<b>135</b>	<b>28,220</b>
- Institute	<b>57,231</b>	<b>111,000</b>
- Publications	<b>94,232</b>	<b>101,417</b>
- Just Health Benefit Revenue	<b>1,141,511</b>	<b>1,603,143</b>
- Other Income	<b>627,885</b>	<b>457,986</b>
<b>Total Revenue</b>	<b>3,036,301</b>	<b>3,310,655</b>

**5 Result for the Year**

The result for the year was derived after charging / (crediting) the following items:

**Depreciation and Amortisation**

- Furniture and fittings	<b>14,089</b>	<b>13,502</b>
- Internet web design	<b>959</b>	<b>5,344</b>
- Computer equipment	<b>11,590</b>	<b>14,583</b>
- Plant and equipment	<b>864</b>	<b>2,385</b>
- Buildings	<b>20,337</b>	<b>19,905</b>
<b>Total Depreciation and Amortisation</b>	<b>47,839</b>	<b>55,719</b>

**Expenses**

- Consultants	<b>607,355</b>	<b>1,199,578</b>
- Publications and printing	<b>133,001</b>	<b>125,128</b>
- Travel expenses	<b>236,385</b>	<b>105,423</b>
- Admin and other expenses	<b>367,662</b>	<b>292,150</b>
- Other expenses	<b>1,590,833</b>	<b>1,466,913</b>
	<b>2,983,075</b>	<b>3,244,911</b>

**Australian Healthcare and Hospitals Association**

**ACN: 008 528 470**

**Notes to the Financial Statements**

**For the Year Ended 30 June 2017**

**6 Cash and Cash Equivalents**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Cash at bank and on hand	<b>1,036,085</b>	<b>1,038,164</b>
	<b><u>1,036,085</u></b>	<b><u>1,038,164</u></b>

**Represented by-**

Cash on hand	<b>500</b>	<b>88</b>
Cash at bank	<b>516,901</b>	<b>538,076</b>
Term deposits	<b>518,684</b>	<b>500,000</b>
	<b><u>1,036,085</u></b>	<b><u>1,038,164</u></b>

**7 Trade and Other Receivables**

**CURRENT**

Trade receivables	<b>82,175</b>	<b>4,301</b>
Trade debtors	<b>703,337</b>	<b>729,225</b>
	<b><u>785,512</u></b>	<b><u>733,526</u></b>

**8 Other Assets**

**CURRENT**

Prepayments	<b>264,661</b>	<b>124,415</b>
Accreditation costs	<b>9,391</b>	<b>9,162</b>
	<b><u>274,052</u></b>	<b><u>133,577</u></b>

**9 Property, plant and equipment**

**Building**

At cost	<b>813,832</b>	<b>813,453</b>
Accumulated depreciation	<b>(82,571)</b>	<b>(62,234)</b>
	<b><u>731,261</u></b>	<b><u>751,219</u></b>

**Plant and equipment**

At cost	<b>12,692</b>	<b>12,692</b>
Accumulated depreciation	<b>(10,806)</b>	<b>(9,942)</b>
	<b><u>1,886</u></b>	<b><u>2,750</u></b>

**Furniture, fixtures and fittings**

At cost	<b>140,901</b>	<b>140,901</b>
Accumulated depreciation	<b>(49,222)</b>	<b>(35,133)</b>
Total furniture, fixtures and fittings	<b><u>91,679</u></b>	<b><u>105,768</u></b>

**Australian Healthcare and Hospitals Association**

**ACN: 008 528 470**

**Notes to the Financial Statements**  
**For the Year Ended 30 June 2017**

**9 Property, plant and equipment**

	2017	2016
	\$	\$
Computer equipment		
At cost	140,758	135,669
Accumulated depreciation	(128,633)	(117,043)
	<u>12,125</u>	<u>18,626</u>
Artworks		
At fair value	40,318	40,000
	<u>40,318</u>	<u>40,000</u>
<b>Total property, plant and equipment</b>	<b><u>877,269</u></b>	<b><u>918,363</u></b>

**(a) Movements in carrying amounts of property, plant and equipment**

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	Plant and Equipment	Furniture, Fixtures and Fittings	Computer Equipment	Art Works	Total
	\$	\$	\$	\$	\$	\$
<b>Year ended 30 June 2017</b>						
Balance at the beginning of year	751,219	2,750	105,768	18,626	40,000	918,363
Additions at cost	379	-	-	5,089	318	5,786
Disposals	-	-	-	-	-	-
Depreciation Expense	(20,337)	(864)	(14,089)	(11,590)	-	(46,880)
<b>Balance at the end of the year</b>	<b><u>731,261</u></b>	<b><u>1,886</u></b>	<b><u>91,679</u></b>	<b><u>12,125</u></b>	<b><u>40,318</u></b>	<b><u>877,269</u></b>

	Buildings	Plant and Equipment	Furniture, Fixtures and Fittings	Computer Equipment	Art Works	Total
	\$	\$	\$	\$	\$	\$
<b>Year ended 30 June 2016</b>						
Balance at the beginning of year	746,036	4,845	107,573	24,437	40,000	922,891
Additions at cost	25,088	290	11,697	8,772	-	45,847
Disposals	-	-	-	-	-	-
Depreciation Expense	(19,905)	(2,385)	(13,502)	(14,583)	-	(50,375)
<b>Balance at the end of the year</b>	<b><u>751,219</u></b>	<b><u>2,750</u></b>	<b><u>105,768</u></b>	<b><u>18,626</u></b>	<b><u>40,000</u></b>	<b><u>918,363</u></b>

**Australian Healthcare and Hospitals Association**

**ACN: 008 528 470**

**Notes to the Financial Statements**

**For the Year Ended 30 June 2017**

**10 Intangible Assets**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Web design		
Cost	<b>189,442</b>	<b>189,442</b>
Accumulated amortisation and impairment	<b>(158,703)</b>	<b>(157,744)</b>
	<b>30,739</b>	<b>31,698</b>

**11 Trade and Other Payables**

Current		
Trade payables	<b>320,632</b>	<b>433,669</b>
Accrued expenses	<b>99,268</b>	<b>32,400</b>
Accrued wages and superannuation	<b>52,967</b>	<b>54,606</b>
	<b>472,867</b>	<b>520,675</b>

**12 Provisions**

CURRENT		
Annual Leave	<b>75,582</b>	<b>58,114</b>
	<b>75,582</b>	<b>58,114</b>

**13 Other Liabilities**

CURRENT		
Membership subscriptions received in advance	<b>750,082</b>	<b>691,674</b>
Deferred income for events	<b>316,251</b>	<b>125,026</b>
	<b>1,066,333</b>	<b>816,700</b>

**14 Borrowings**

Bank loans		
- Buildings	<b>91,013</b>	<b>220,000</b>
	<b>91,013</b>	<b>220,000</b>



**Australian Healthcare and Hospitals Association**

**ACN: 008 528 470**

**Notes to the Financial Statements  
For the Year Ended 30 June 2017**

**15 Reserves**

**(a) Asset Replacement Reserves**

The asset replacement reserve is monies set aside for future capital expenses.

**(b) Branch Member Reserve**

The branch member reserve is for the development of membership in Queensland.

**(c) Asset Revaluation Reserve**

The reserve records the revaluations of non-current assets.

**16 Members' Guarantee**

The company is incorporated under the Australian Charities and Not-for-profits Commission Act 2012 and is a company limited by guarantee.

If the company is wound up, the Memorandum of Association States that each member is required to contribute a maximum of \$1 each towards meeting any outstanding obligations of the company.

**17 Key Management Personnel**

**Details of Key Management Personnel**

**Board of Directors**

The names of persons who comprised the Board of Directors during the year ended 30 June 2017 are:

- Paul Dugdale
- Nigel Fidgeon
- Adrian Pennington
- Walter Kmet
- Deborah Cole
- Michael Brydon
- Paul Burgess
- Gaylene Coulton
- Jill Davidson
- Alison Verhoeven

**Australian Healthcare and Hospitals Association**

**ACN: 008 528 470**

**Notes to the Financial Statements**

**For the Year Ended 30 June 2017**

**17 Key Management Personnel**

No Director, or parties related to them, received any remuneration from the Company during the year other than for reimbursement of expenses incurred.

**18 Related Parties**

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other persons unless otherwise stated.

The Board Directors did not receive any remuneration for services provided during the year.

**19 Cash Flow Information**

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

Reconciliation of net income to net cash provided by operating activities:

	2017	2016
	\$	\$
Profit for the year	75,824	65,744
Depreciation	47,839	55,719
Prior period adjustments	(17,800)	(27,400)
Changes in assets and liabilities:		
(increase)/decrease in trade and other receivables	(51,990)	475,012
Introduction - AMLA surplus	-	330,106
(increase)/decrease in prepayments	(140,475)	(63,227)
increase/(decrease) in income in advance	249,636	7,670
increase/(decrease) in trade and other payables	(47,808)	159,364
increase/(decrease) in provisions	17,469	7,315
Cashflows from operations	<u>132,695</u>	<u>1,010,303</u>

**20 Subsequent Events**

There have been no events subsequent to the reporting date that require disclosure in the financial statements.

**21 Statutory Information**

The registered office of the company is:

Australian Healthcare and Hospitals Association  
Unit 8  
2 Phipps Close  
Deakin ACT 2600

**Australian Healthcare and Hospitals Association**

**ACN: 008 528 470**

## **Responsible Persons' Declaration**

The responsible persons declare that in the responsible persons' opinion:

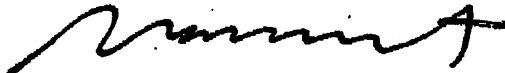
- there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
- the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

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

Deborah Cole  
Director



Walter Kmet  
Director



Dated this 21<sup>st</sup> day of August 2017

**Australian Healthcare and Hospitals Association  
ACN: 008 528 470**

**Independent Audit Report  
To the Members of  
Australian Healthcare and Hospitals Association**

**Opinion**

I have audited the financial report of Australian Healthcare and Hospitals Association, which comprises the statement of financial position as at 30 June 2017, 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 declaration by those charged with governance.

In my opinion, the accompanying financial report of Australian Healthcare and Hospitals Association 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 registered entity's financial position as at 30 June 2017 and of its financial performance for the year ended; and
- (ii) complying with Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

**Basis for Opinion**

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the registered entity in accordance with the auditor independence requirements of Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* 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 my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

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

**Information Other than the Financial Report and Auditor's Report Thereon**

Those charged with governance are responsible for the other information. The other information comprises the information included in the registered entity's annual report for the year ended 30 June 2017, but does not include the financial report and my auditor's report thereon.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

#### **Responsibilities of Management and Those Charged with Governance**

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as management determines 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.

In preparing the financial report, management is responsible for assessing the registered entity'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 management either intends to liquidate the registered entity or to cease operations, or has no realistic alternative but to do so.

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

#### **Auditor's Responsibilities for the Audit of the Financial Report**

My 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 my 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, I exercise professional judgement and maintain professional scepticism throughout the audit. I 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 my 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 registered entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 registered entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the registered entity 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.

I 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 I identify during my audit.

**Name of firm:** MCS Audit Pty Ltd



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**Name of director:** Phillip W Miller CA

**Address:** Unit 1/37 Geils Court, Deakin ACT 2600

**Dated:** 23 August 2017