

# Annual Financial Report

for the year ended 30 June 2019

**Committee for Economic  
Development of Australia**  
ABN 49 008 600 922

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## Directors' Report

Your Directors have pleasure in presenting their report on the Company for the financial year ended 30 June 2019.

### Directors

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

Paul McClintock AO, Chairman  
Jeffrey Borland (commenced 25 June 2019)  
Gordon de Brouwer (commenced 24 June 2019)  
John Edwards (ceased 20 November 2018)  
Patricia Faulkner AO  
John Langoulant AO  
Rodney Maddock (ceased 31 July 2019)  
Megan Motto  
Pradeep Philip (commenced 20 November 2018)  
Miriam Silva  
Catherine Sinclair (ceased 20 November 2018)  
Diane Smith-Gander AO  
Stephen Spargo AM  
Andrew Stevens  
Ian Watt AC  
Melinda Cilento, CEO

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

### Company Secretary

The following person(s) held the position of company secretary at the date of the report:

Kyl Murphy, State Director, Queensland (ceased 30 June 2019)  
Richard Bowen, Chief Operations Officer (commenced 1 July 2019)

### Principal Activities

The Company is an independent, apolitical, member organisation, whose membership is drawn from the business, government, community and education sectors. The Company undertakes research and promotes discussion and debate on the issues affecting Australia's economic and social development.

### Short-term and Long-term Objectives

The Company's objective is the achievement of better economic, social and environmental outcomes for Australia, which it pursues through a range of research and advocacy in support of the implementation of better policy.

## Directors' Report

### Information on Directors:

- |                       |   |
|-----------------------|---|
| Paul McClintock AO    | <ul style="list-style-type: none"><li>- Chair, CEDA</li><li>- Chair, Broadspectrum Pty Ltd</li><li>- Chair, NSW Ports</li><li>- Chair, I MED Network Radiology</li><li>- Chair, Laser Clinics Australia</li><li>- Chair, Sydney Health Partners</li><li>- Deputy Chair, St Vincent's Health Australia Limited</li><li>- Director, O'Connell Street Associates Pty Limited</li><li>- Director, The George Institute for Global Health</li></ul>  |
| Melinda Cilento, CEO  | <ul style="list-style-type: none"><li>- Director, Australian Unity</li><li>- Co-Chair, Reconciliation Australia</li><li>- Director, Woodside Petroleum (ceased April 2019)</li></ul>  |
| Jeffrey Borland       | <ul style="list-style-type: none"><li>- Truby Williams Professor, Department of Economics, University of Melbourne</li><li>- President, Economic Society of Australia, Victorian Branch</li><li>- Member, Melbourne University Publishing Editorial Advisory Board</li><li>- Member, Industry Advisory Board, Department of Economics, Macquarie University</li></ul>   |
| Gordon De Brouwer PSM | <ul style="list-style-type: none"><li>- Honorary Professor and Distinguished Policy Fellow, Australian National University</li><li>- Adjunct Professor, University of Canberra</li><li>- Non-resident fellow, Centre for Strategic and International Studies, Washington, D.C.</li><li>- Director, Australian Nuclear Science and Technology Organisation</li><li>- Member, Advisory Board of the 50/50 by 2030 Foundation</li><li>- Member, Advisory Board of The Nature Conservancy Australia</li></ul>   |
| Patricia Faulkner AO  | <ul style="list-style-type: none"><li>- Chair, Jesuit Social Services</li><li>- Chair, Telecommunications Industry Ombudsman</li><li>- Chair, Melbourne Racing Club Foundation</li><li>- Chair, Advisory Panel to the CEO Commonwealth Bank</li><li>- Board member, VicSuper.</li><li>- Board Member, Melbourne Theatre Company</li><li>- Board Member, Catholic Professional Standards</li><li>- Committee Member, Melbourne Racing Club</li><li>- Deputy Chair, St Vincent's Health Australia (ceased December 2018)</li></ul>  |
| John Langoulant AO    | <ul style="list-style-type: none"><li>- Chair, Government Employees Superannuation Board</li><li>- Chair, Westpac Group, Western Australia</li><li>- Chair, Power and Water Corporation (Darwin)</li><li>- Chair, Dampier to Bunbury Natural Gas Pipeline</li><li>- Chair, Rottnest Island Authority</li><li>- Chair, Pawsey Supercomputing Centre</li><li>- Chair, Telethon Kids Institute (ceased August 2019)</li><li>- Chair, The Lester (formerly ARTrinsic)</li><li>- Chair Fundraising Committee WA Parks Foundation (from July 2018)</li><li>- Board Member, National Disability Insurance Agency</li><li>- Board Member Multinet Pty Ltd. (from July 2018)</li><li>- Board Member Amana Living (from May 2019)</li><li>- Chair, Committee for Perth (ceased November 2018)</li></ul> |
| Rodney Maddock        | <ul style="list-style-type: none"><li>- Vice Chancellor's Fellow and Professor, Victoria University</li><li>- Chair, Investment Committee Bell Potter</li><li>- Professor, Monash Business School, Monash University (ceased December 2018)</li><li>- Director, LSL Partners (ceased December 2018)</li></ul>   |
| Megan Motto           | <ul style="list-style-type: none"><li>- CEO Governance Institute of Australia</li><li>- Director, Standards Australia</li><li>- Director, Next Gen &amp; Co</li></ul>   |
| Pradeep Philip        | <ul style="list-style-type: none"><li>- Partner, Deloitte Access Economics</li><li>- Director, The Medtech Actuator</li><li>- Member, Melbourne School of Governance Advisory Board, University of Melbourne</li><li>- Board Member, Melbourne Montessori School</li></ul>  |

## Directors' Report

### Information on Directors (continued):

- |                    |   |
|--------------------|---|
| Miriam Silva       | <ul style="list-style-type: none"><li>- Chair, Premier's Council for Women (SA)</li><li>- Director, South Australian Film Corporation</li><li>- Director, Islamic Museum of Australia</li><li>- Board Member, Malek Fahd Islamic Schools Limited</li><li>- Member, University of South Australia Council</li><li>- Member, Muslim Women's Association of South Australia</li><li>- Director, Centre for Muslim Wellbeing (from Feb 2019)</li></ul>  |
| Diane Smith-Gander | <ul style="list-style-type: none"><li>- Chair, Safe Work Australia</li><li>- Chair, Asbestos Safety and Eradication Council of Australia</li><li>- Director, AGL Energy Limited</li><li>- Director, Wesfarmers Limited</li><li>- Director, Keystart Group of Companies</li><li>- Director, North Queensland Airports</li><li>- Adjunct Professor in Corporate Governance, University of Western Australia</li><li>- Deputy Chair, UWA Business School Advisory Board</li><li>- Member, Fundraising committee, WA Parks Foundation</li><li>- Member NFRA (Norton Rose Fullbright Australia) Partnership Council</li><li>- Senior Advisor McKinsey &amp; Company</li><li>- Business champion, New Colombo Plan</li><li>- Member, Expert Panel, Australian Prudential Regulation Authority (APRA) capability review (from March - June 2019)</li><li>- Board Member, Henry Davis York (ceased June 2019)</li></ul> |
| Stephen Spargo AM  | <ul style="list-style-type: none"><li>- Chair, Australian Golf Foundation</li><li>- President, Golf Victoria Ltd</li><li>- Director, Stanbury Consultants Pty Ltd</li><li>- Director, The Florey Institute for Neuroscience and Mental Health</li><li>- Director, Cormack Foundation Pty Ltd</li><li>- Director, Foundation for Australia-Japan Studies</li><li>- Member, Asia Society AustralAsia Centre Advisory Board</li><li>- Adjunct Professor in Law Resources, Monash Law School, Monash University</li></ul>   |
| Andrew Stevens     | <ul style="list-style-type: none"><li>- Chair, Innovation and Science Australia (from December 2018)</li><li>- Chair, Data Standards Body</li><li>- Director, Thorn Group Australia</li><li>- Director, Greater Western Sydney Football Club Limited</li><li>- Director, Stockland Corporation Limited</li><li>- Member, Advisory Executive, UNSW Business School</li><li>- Member, Male Champions of Change</li><li>- Chair, Advanced Manufacturing Growth Centre (ceased March 2019)</li><li>- Director, MYOB Group Limited (ceased May 2019)</li></ul>   |
| Dr Ian Watt AC     | <ul style="list-style-type: none"><li>- Chair, International Centre for Democratic Partnerships</li><li>- Chair, Australian Davos Connection Advisory Council</li><li>- Chair, Public Policy Committee, Grattan Institute</li><li>- Chair, Australian Governance Masters Index Fund</li><li>- Director, Citigroup Pty Ltd</li><li>- Director, Smartgroup Corporation Limited</li><li>- Director, O'Connell Street Associates Pty Ltd</li><li>- Senior Adviser, Flagstaff Partners Pty Ltd</li><li>- Board Member, Grattan Institute</li><li>- Member, Male Champions of Change</li><li>- Member, Melbourne School of Governance Advisory Board, University of Melbourne.</li><li>- Member, Australian National Maritime Museum Council</li><li>- Chair, Smart Infrastructure Facility (ceased August 2018)</li><li>- Chair, BAE Systems Australia (ceased February 2019)</li></ul>                              |

## Directors' Report

### Meetings of Directors:

### Directors' Meetings

	<b>Number Attended</b>	<b>Number Eligible</b>
Paul McClintock AO	5	5
Jeffrey Borland	0	0
Gordon de Brouwer	0	0
John Edwards	2	2
Patricia Faulkner AO	4	5
John Langoulant AO	2	5
Rodney Maddock	3	5
Megan Motto	5	5
Pradeep Philip	2	3
Miriam Silva	4	5
Catherine Sinclair	2	2
Diane Smith-Gander AO	4	5
Stephen Spargo AM	4	5
Andrew Stevens	2	5
Ian Watt AC	5	5
Melinda Cilento	5	5

### Contribution in winding up

CEDA is an approved research institute under Section 73A of the Income Tax Assessment Act. The entity is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. In the event of winding up each member is liable for a sum not exceeding \$500 towards meeting any outstanding obligations of the entity. At 30 June 2019, the collective liability of members was \$385,000 (2018: \$392,000).

### Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2019 has been received and can be found on page 28, and forms part of the directors' report.

Signed at Melbourne, 26 August 2019 in accordance with a Resolution of the Board of Directors.

DIRECTOR.



Paul McClintock AO  
Chairman

**Statement of Profit or Loss and Other Comprehensive Income****For year ended 30 June 2019**

	<u>NOTE</u>	<u>2019</u> \$	<u>2018</u> \$
Revenue	2 (a)	11,795,622	12,515,771
Depreciation and Amortisation Expense	3	(148,300)	(156,356)
Employee Benefits Expense		(5,680,419)	(4,922,103)
Lease Expense	3	(775,889)	(686,082)
Research and Related Conferences and Briefings Expense		(2,869,647)	(3,267,724)
Other Operating Expenses		<u>(1,795,557)</u>	<u>(1,871,601)</u>
<u>Net Result from Operations</u>		<u>525,810</u>	<u>1,611,905</u>
Finance Income	2 (b)	583,178	572,227
Other Income	2 (c)	105,677	-
<u>Surplus for the Year</u>		<u>1,214,665</u>	<u>2,184,132</u>
Other Comprehensive Income		-	-
Total Comprehensive Income for the Year		<u>1,214,665</u>	<u>2,184,132</u>

## Statement of Financial Position

As at 30 June 2019

	<u>NOTE</u>	<u>2019</u> \$	<u>2018</u> \$
<u>CURRENT ASSETS</u>			
Cash and Cash Equivalents	4	6,819,336	6,254,032
Trade and Other Receivables	5	591,712	588,020
Other Financial Assets	13	536,143	479,144
Other Current Assets	6	<u>331,326</u>	<u>436,750</u>
<u>TOTAL CURRENT ASSETS</u>		<u>8,278,517</u>	<u>7,757,946</u>
<u>NON CURRENT ASSETS</u>			
Equipment and Leasehold Improvements	7	542,589	132,339
Intangibles	8	145,789	130,241
Other Financial Assets	13	<u>7,423,038</u>	<u>7,029,303</u>
<u>TOTAL NON CURRENT ASSETS</u>		<u>8,111,416</u>	<u>7,291,883</u>
<b><u>TOTAL ASSETS</u></b>		<u>16,389,933</u>	<u>15,049,829</u>
<u>CURRENT LIABILITIES</u>			
Trade and Other Payables	9	1,280,898	1,105,462
Short - Term Provisions	10	427,192	659,195
Subscriptions and Income in Advance	11	<u>3,537,226</u>	<u>3,402,838</u>
<u>TOTAL CURRENT LIABILITIES</u>		<u>5,245,316</u>	<u>5,167,495</u>
<u>NON CURRENT LIABILITIES</u>			
Long - Term Provisions	10	<u>148,838</u>	<u>101,220</u>
<u>TOTAL NON CURRENT LIABILITIES</u>		<u>148,838</u>	<u>101,220</u>
<b><u>TOTAL LIABILITIES</u></b>		<u>5,394,154</u>	<u>5,268,715</u>
<b><u>NET ASSETS</u></b>		<u>10,995,779</u>	<u>9,781,114</u>
<u>EQUITY</u>			
Retained Earnings		<u>10,995,779</u>	<u>9,781,114</u>
<b><u>TOTAL EQUITY</u></b>		<u>10,995,779</u>	<u>9,781,114</u>



## Statement of Changes in Equity

For year ended 30 June 2019

	<b>Retained Earnings \$</b>	<b>Total Equity \$</b>
<b>Balance at 30 June 2017</b>	7,596,982	7,596,982
Total Comprehensive Income	<u>2,184,132</u>	<u>2,184,132</u>
<b>Balance at 30 June 2018</b>	9,781,114	9,781,114
Total Comprehensive Income	<u>1,214,665</u>	<u>1,214,665</u>
<b>Balance at 30 June 2019</b>	<u><u>10,995,779</u></u>	<u><u>10,995,779</u></u>

## Statement of Cash Flows

For year ended 30 June 2019

	<u>NOTE</u>	<u>2019</u> \$	<u>2018</u> \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Subscriptions		4,529,728	4,092,735
Research & Related Conferences and Briefings		7,386,212	8,246,505
Payments to Suppliers & Employees		(10,919,037)	(10,760,999)
Interest Received		132,445	111,559
Sundry Income		10,377	22,841
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	14(b)	<u>1,139,725</u>	<u>1,712,641</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Equipment		-	1,454
Purchase of Equipment & Intangibles		(574,421)	(131,521)
<b>NET CASH PROVIDED BY / (USED IN) INVESTING ACTIVITIES</b>		<u>(574,421)</u>	<u>(130,067)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>NET CASH PROVIDED BY / (USED IN) FINANCING ACTIVITIES</b>		<u>-</u>	<u>-</u>
NET INCREASE / (DECREASE) IN CASH HELD		565,304	1,582,574
CASH AT BEGINNING OF YEAR	14(a)	<u>6,254,032</u>	<u>9,113,648</u>
<b>CASH AT END OF YEAR</b>	14(a)	<u><u>6,819,336</u></u>	<u><u>6,254,032</u></u>

## Notes to the Financial Statements

For year ended 30 June 2019

### Note 1 **STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the Australian Charities and Not-for-profits Commission Act 2012.

The financial report covers the Committee for Economic Development of Australia as an individual entity. Committee for Economic Development of Australia is a company limited by guarantee, incorporated and domiciled in Australia.

A statement of compliance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) cannot be made due to the entity applying not-for-profit specific requirements contained in the Australian Accounting Standards.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report.

#### **Basis of Preparation:**

The accounting policies set out below have been consistently applied to all years presented. The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

#### **Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Company:**

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted for the annual reporting period ended 30 June 2019.

The entity's preliminary assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the entity, are set out below.

- AASB 15 Revenue from Contracts with Customers, the Standard establishes a new revenue recognition model, changes the basis for the time of recognise revenue, and improves disclosures about revenue. The Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2020.
- AASB 1058 Income of Not-for-Profit Entities, in conjunction with AASB 15 Revenue from Contracts with Customers. These Standards supersede all the income recognition requirements relating to private sector NFP entities, and the majority of income recognition requirements relating to public sector NFP entities, previously in AASB 1004 Contributions. Based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2020.
- AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities. AASB 2016-8 inserts Australian requirements and authoritative implementation guidance for not-for-profit (NFP) entities into AASB 9 Financial Instruments (2014) and AASB 15 Revenue from Contracts with Customers. This guidance will assist not-for-profit entities in applying those Standards. Based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2020.
- AASB 16 introduces a single comprehensive on-balance sheet accounting model for lease arrangements that apply to lessors and lessees. This effectively removes the distinction between operating leases (off-balance sheet) and finance leases (on-balance sheet) with the exception for short term leases and leases of low value assets. Lessees will now have to bring operating leases onto the balance sheet and recognise a right-of-use asset (ROU) being the asset that is leased and a corresponding lease liability for the amount used to finance the ROU. Committed payments that are now recognised as rental expense will be replaced by the depreciation of ROU and the interest expense from the lease liability.

The date of initial application of AASB 16 by the Company is 1 July 2019, which is for the year ending 30 June 2020.

## Notes to the Financial Statements

For year ended 30 June 2019

The Company has reviewed its financing arrangements with respect to the lease accounting rules in AASB16. The new standard will affect primarily the Company's non-cancellable operating lease commitments. The Company plans to implement a modified retrospective application of AASB 16 and, consequently, will not re-state prior period financial information and will calculate lease assets and lease liabilities as at the beginning of the current period using special rules included in the new standard.

### **Accounting for the Company's operating lease commitments as lessee**

Under the current accounting standard AASB 117, the Company's operating lease commitments are not recognised on the balance sheet and rental payments under the leases were expensed when incurred. From the impact assessment of the new standard completed to date and based on 30 June 2019 figures the impact of the new standard if implemented as at 30 June 2019 would have been as follows. It should be noted that these are preliminary estimates of the impact and are not yet final and the company is still to determine the accounting for the transition to the new standard.

#### **Impact on the Statement of Financial Position**

	<b>As at 30 June 2019</b>
	<b>\$</b>
<b>Assets</b>	
Right-of- use asset	<u>2,716,298</u>
<b>Liabilities</b>	
Lease liabilities	<u>2,716,298</u>
<b>Equity</b>	<u>-</u>

#### **Impact on the Statement of Profit or Loss**

	<b>For year ended 30 June 2020</b>
	<b>\$</b>
Depreciation expense	655,330
Finance costs	135,815
Rental expense	<u>(666,942)</u>
<b>Net Impact on Surplus for the Year</b>	<u>(124,203)</u>

From the adoption of AASB 16, the Company's financial statements will change for the following.

- Rental expense currently recognised will be replaced by the depreciation of the ROU and the interest expense on the lease liability. This will consequently, increase both the Net Result From Operations and Interest Expense
- The statement of cash flows will recognise changes to the lease liability and interest in the period as financing activities in contrast to rental expenses currently recognised as operating activity.

#### **Comparative figures:**

Where necessary, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

#### **Accounting Policies:**

##### **a) Equipment, Leasehold Improvements**

Equipment and Leasehold Improvements are measured on the cost basis less depreciation and impairment losses.

The carrying amount of equipment and leasehold improvements is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

## Notes to the Financial Statements

For year ended 30 June 2019

### ***Depreciation***

The depreciable amount of all fixed assets including capitalised leased assets, but excluding ordinary equipment, are depreciated on a straight-line basis over their useful lives to the company commencing from the time the asset is held ready for use. Any item of less than \$1,000 has been allocated into a low value pool. The straight-line method of depreciation is used. Leasehold improvements and estimated make good costs are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

<u>Class of Fixed Asset</u>	<u>Depreciation Rate</u>
Equipment	20.0%
Computer and Associated Equipment	33.3%
Leasehold Improvements	14.3% - 50.0%
Estimated Make Good Costs	14.3% - 50.0%
Software	33.3%

### **b) Leases**

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, that are transferred to the company are classified as finance leases.

Finance Leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the company will obtain ownership of the asset or over the term of the lease.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

### **c) Impairment of assets**

#### ***Non-derivative financial assets***

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that the loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, and indications that a debtor will enter bankruptcy, adverse changes in the payment status of borrowers or insurers in the company, economic conditions that correlate with defaults or the disappearance of an active market for a security.

#### ***Financial assets measured at amortised cost***

The Company considers evidence of impairment for financial assets measured at amortised cost (trade and other receivables) at both a specific asset and collective level. All individually significant assets are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

In assessing collective impairment the Company uses historical trends of probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit

## Notes to the Financial Statements

For year ended 30 June 2019

conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted to the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against trade and other receivables. Interest on the impaired asset continues to be recognised. When an event occurring after the impairment was recognised caused the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit and loss.

### ***Non-financial assets***

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of the asset exceeds its recoverable amount.

The recoverable amount of an asset is the higher of fair value less costs to sell and value in use. Depreciated replacement cost is used to determine value in use. Depreciated replacement cost is the current replacement cost of an item of equipment less, where applicable, accumulated depreciation to date, calculated on the basis of such cost.

Impairment losses are recognised in the profit or loss.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### **d) Employee Benefits**

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Those cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

### **e) 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.

### **f) Cash and Cash Equivalents**

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

### **g) Revenue**

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

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

Conference and Sponsorship revenue received for future periods is treated as Income in Advance and recognised as revenue when the event has occurred.

Subscription revenue is progressively recognised over the term of the subscription with the unexpired portion treated as Subscriptions Income in Advance.

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

## Notes to the Financial Statements

For year ended 30 June 2019

### **h) Finance Income**

Finance income comprises interest income on funds invested, fair value gains on financial assets at fair value through profit or loss, dividends, unit trust distributions and imputation credits on funds invested.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument.

### **i) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. 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 balance sheet are shown inclusive of GST.

### **j) Financial Instruments**

#### **1) Recognition, initial measurement and derecognition**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

#### **2) Classification**

For the purpose of subsequent measurement, the Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

See Note 13 for details about each type of financial asset.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

#### **3) Measurement**

At initial recognition, the Company measures a financial asset at its fair value plus (in the case of a financial asset not at fair value through profit or loss) transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

## Notes to the Financial Statements

For year ended 30 June 2019

### ***Debt instruments***

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its debt instruments as follows:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.
- Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortised cost are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit or loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in revenue.

### ***Equity instruments***

The Company subsequently measures all equity investments at fair value. Changes in the fair value of financial assets at fair value through profit or loss are recognised in revenue in the statement of profit or loss as applicable. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

### **4) Impairment**

The Company assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortised cost and FVTPL. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 1(c) details how the company determines whether there has been a significant increase in credit risk. For trade receivables only, the company applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

### Non-derivative financial liabilities

All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Company classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest rate method.

Other financial liabilities comprise of trade and other payables.

### **k) Significant Management Judgement in Applying Accounting Policies**

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

#### *Key Estimates – Impairment*

The Company assesses impairment at each reporting date by evaluating conditions specific to the company that may lead to impairment of assets. When an impairment trigger exists, the recoverable amount of the asset is determined. Value in use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

#### *Key Judgements – Useful Lives of Depreciable Assets*



## Notes to the Financial Statements

For year ended 30 June 2019

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT equipment.

### **l) Income Tax**

The Company is exempt from Income Tax. Accordingly, no income tax expense, deferred or otherwise, or income tax payable amounts are recorded in the financial statements. The Company is, however, entitled to a refund of dividend imputation credits which arise from the Company's investments.

### **m) Going Concern**

The Directors have prepared these accounts on a going concern basis.

The financial report was authorised for issue on 26 August 2019 by the Board of Directors.

### **n) Determination of Fair Values**

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

#### ***Investment in equity and debt securities***

The fair value of financial assets at fair value through profit and loss is determined by reference to their quoted bid price at the reporting date.

#### ***Non-derivative financial liabilities***

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

### **o) Financial Risk Management**

#### ***Overview***

The Company has exposure to credit risk, liquidity risk, market risk and operational risk from its use of financial instruments.

This note presents information about the Company's exposure to these risks, its objectives, policies and processes for measuring and managing risk, and the management of capital. Further quantitative disclosures are included throughout this financial report.

#### ***Risk management framework***

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board has established an Audit and Risk Committee, which is responsible for developing and monitoring risk management policies. The Committees report regularly to the Board of Directors on their activities.

Risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit and Risk Committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

## Notes to the Financial Statements

For year ended 30 June 2019

### ***Credit risk***

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its obligations. The Company limits its exposure to financial asset credit risk by only investing in liquid securities.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Company's customer base, including default risk of the industry in which customers operate, as these factors may have an influence on credit risk.

### ***Liquidity risk***

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity

to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

### ***Market risk***

Market risk is the risk that changes in market prices, such as interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

### ***Operational risk***

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. The Company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Company's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

### ***Investment management***

The Company established a portfolio of investments in March 2017. All investment transactions are carried out within the guidelines set by the Audit and Risk Committee. Generally, the Company seeks to apply a defined percentage of its investment portfolio to a specific investment risk profile in its investments in order to manage volatility in the profit and loss.

The primary goal of the Company's investment strategy is to evaluate its portfolio on a "returns basis". The Audit and Risk Committee is assisted by external advisors in this regard. In accordance with this strategy, investments are designated through the profit and loss because their performance is actively monitored and they are managed on a fair value basis.

### ***Interest rate risk***

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will vary because of changes in market interest rates. The Company manages this by ensuring that its exposure to changes in interest rates is limited to on-call investments.

### ***Capital management***

The Company is a company limited by guarantee and therefore the Company is not subject to any externally imposed capital requirements.

## Notes to the Financial Statements

For year ended 30 June 2019

	<u>2019</u>	<u>2018</u>
	\$	\$
Note 2 (a) <b>REVENUE</b>		
Operating Activities		
Subscriptions	4,395,340	4,290,750
Research and Related Conferences and Briefings	7,389,905	8,200,726
	<u>11,785,245</u>	<u>12,491,476</u>
Non Operating Activities		
Sundry Income	10,377	24,295
Total Revenue	<u>11,795,622</u>	<u>12,515,771</u>
Note 2 (b) <b>FINANCE INCOME</b>		
Interest	132,445	111,559
Gains/(losses) on investments	450,733	460,668
Total Other Income	<u>583,178</u>	<u>572,227</u>
Note 2 (c) <b>OTHER INCOME</b>		
Gains/(losses) on Sale of Fixed Assets	(323)	-
Non-operating Income	106,000	-
Total Other Income	<u>105,677</u>	<u>-</u>
Note 3 <b>SURPLUS FROM ORDINARY ACTIVITIES</b>		
Surplus from Ordinary Activities has been determined after:		
Expenses:		
Depreciation of Equipment	58,630	62,761
Amortisation	89,670	93,595
Impairment Loss - Trade Receivables	2,952	10,636
Net (Gain)/Loss on Disposal Equipment	323	(40)
Rental Expense on Operating Leases		
Minimum Lease Payments	775,889	686,082
Remuneration of the Auditors	26,518	26,600
Note 4 <b>CASH AND CASH EQUIVALENTS</b>		
Cash at Bank and in Hand	361,697	425,644
Short Term Bank Deposits	6,457,639	5,828,388
	<u>6,819,336</u>	<u>6,254,032</u>

Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the Statement of Financial Position in Note 14.

## Notes to the Financial Statements

For year ended 30 June 2019

	<u>2019</u> \$	<u>2018</u> \$
Note 5 <b><u>TRADE AND OTHER RECEIVABLES</u></b>		
Trade Debtors	389,665	418,329
GST Input Credits	210,717	176,191
Provision for Impairment	(8,670)	(6,500)
	<u><u>591,712</u></u>	<u><u>588,020</u></u>

### Provision for Impairment of Receivables

Current trade and term receivables are non-interest bearing and generally on 30 day terms. A provision for impairment is recognised when there is objective evidence that an individual trade or term receivable is impaired.

The Company's trade and other receivables have been reviewed for indicators of impairment. Certain trade receivables were found to be impaired and an allowance for credit losses of \$2,952 (2018: \$10,636) has been recorded accordingly within other expenses. The impaired trade receivables are mostly due from customers in the business-to-business market that are experiencing financial difficulties.

The movement in the allowance for credit losses can be reconciled as follows:

### **Reconciliation of allowance credit losses**

Opening Balance at 1 July 2018	6,500	10,000
Amounts Written off (Uncollectable)	(782)	(14,136)
Impairment Loss	2,952	10,636
Balance at 30 June 2019	<u><u>8,670</u></u>	<u><u>6,500</u></u>

Note 6 <b><u>OTHER CURRENT ASSETS</u></b>		
Prepayments	<u>331,326</u>	<u>436,750</u>
	<u><u>331,326</u></u>	<u><u>436,750</u></u>

**Notes to the Financial Statements****For year ended 30 June 2019**

	<u>2019</u> \$	<u>2018</u> \$
Note 7		
<b><u>EQUIPMENT AND CWIP AND LEASEHOLD IMPROVEMENT</u></b>		
Equipment - At Cost	584,600	740,420
Less: Accumulated Depreciation	(480,968)	(612,465)
<b><u>TOTAL EQUIPMENT</u></b>	<b><u>103,632</u></b>	<b><u>127,955</u></b>
Leasehold Improvements & CWIP & Makegood	1,434,912	1,016,183
Less: Accumulated Depreciation	(995,955)	(1,011,799)
<b><u>TOTAL LEASEHOLD IMPROVEMENTS</u></b>	<b><u>438,957</u></b>	<b><u>4,384</u></b>
<b><u>TOTAL EQUIPMENT AND CWIP AND LEASEHOLD IMPROVEMENT</u></b>	<b><u>542,589</u></b>	<b><u>132,339</u></b>

Note 7(a) **Movements in Carrying Amounts**

Movements in the carrying amounts of each class of non-current asset between the beginning and the end of the current financial year.

	Equipment \$	Leasehold Improvement \$	Capital WIP Mel Lease \$	Makegood Bris Lease \$	TOTAL \$
Balance at the beginning of the year	127,955	2,384	-	2,000	132,339
Additions	34,630	265,035	189,038	-	488,703
Assets disposed / scrapped	(323)	-	-	-	(323)
Depreciation and Amortisation Expense	(58,630)	(17,500)	-	(2,000)	(78,130)
<b>Carrying amount as at 30 June 2019</b>	<b><u>103,632</u></b>	<b><u>249,919</u></b>	<b><u>189,038</u></b>	<b><u>-</u></b>	<b><u>542,589</u></b>

**Notes to the Financial Statements**

For year ended 30 June 2019

	<u>2019</u> \$	<u>2018</u> \$
Note 8		
<b><u>INTANGIBLES</u></b>		
Software	462,919	361,558
Less: Accumulated Amortisation	(317,130)	(231,317)
	<u><u>145,789</u></u>	<u><u>130,241</u></u>

Note 8(a) **Movements in Carrying Amounts**  
Movements in the carrying amount of intangibles between the beginning and the end of the current financial year.

	<b>TOTAL</b> \$
Balance at the beginning of the year	130,241
Additions	85,718
Amortisation expense	(70,170)
<b>Carrying amount as at 30 June 2019</b>	<u><u>145,789</u></u>

	<u>2019</u> \$	<u>2018</u> \$
Note 9		
<b><u>TRADE AND OTHER PAYABLES</u></b>		
Trade Payables	586,894	480,837
Sundry Payables and Accrued Expenses	357,761	297,709
GST Collected	336,243	326,916
	<u><u>1,280,898</u></u>	<u><u>1,105,462</u></u>

Note 10				
<b><u>PROVISIONS</u></b>				
Current	427,192	659,195		
Non Current	148,838	101,220		
	<u><u>576,030</u></u>	<u><u>760,415</u></u>		

	Employee Benefits	Make Good Melbourne Lease	Make Good Sydney Lease	Make Good Brisbane Lease	Total
	\$	\$	\$	\$	\$
Opening Balance at 1 July 2018	489,415	120,000	106,000	45,000	760,415
Additional Provisions	429,575	-	-	-	429,575
Amounts Used/Reversed	(364,960)	(120,000)	(106,000)	(23,000)	(613,960)
<b>Balance at 30 June 2019</b>	<u><u>554,030</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>22,000</u></u>	<u><u>576,030</u></u>

**Notes to the Financial Statements**

For year ended 30 June 2019

Note 10 **PROVISIONS (Continued)****Make Good Provisions**

A provision has been recognised for lease commitments to settle the make good obligations at the conclusion of the respective leases.

**Provision for Long Term Employee Benefits**

A provision has been recognised for non-current employee benefits relating to long service leave for employees. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits have been included in Note 1 (d) to this report.

	<u>2019</u>	<u>2018</u>
	\$	\$
Note 11 <b><u>SUBSCRIPTIONS AND INCOME IN ADVANCE</u></b>		
Subscriptions in Advance	2,353,081	2,267,091
Sponsorship & Conference Centre Income in Advance	1,184,145	1,135,747
	<u><b>3,537,226</b></u>	<u><b>3,402,838</b></u>

Note 12 **CAPITAL AND LEASING COMMITMENTS****Operating Lease and Rental Commitments**

Non - cancellable operating leases contracted for but not capitalised in the Financial Statements.

Payable: Minimum Lease Payments		
Not later than 12 months	779,083	556,461
Between 12 months and 5 years	2,400,164	418,149
Greater than 5 years	666,845	-
	<u><b>3,846,092</b></u>	<u><b>974,610</b></u>

**Notes to the Financial Statements****For year ended 30 June 2019**Note 13 **OTHER FINANCIAL ASSETS**

	<u>2019</u>	<u>2018</u>
	\$	\$
Current		
Cash equivalents	477,546	437,550
GST and Imputation Credits Receivable	58,597	41,594
	<u>536,143</u>	<u>479,144</u>
Non Current		
Debt securities	4,844,960	4,627,839
Equity securities - Australian	1,534,839	1,392,199
Equity securities - International	1,043,239	1,009,265
	<u>7,423,038</u>	<u>7,029,303</u>
	<u>7,959,181</u>	<u>7,508,447</u>

Note 14 **CASH FLOW INFORMATION****a) Reconciliation of Cash**

Cash at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the Statement of Financial Position as follows:

	<u>2019</u>	<u>2018</u>
	\$	\$
Cash at Bank and in Hand	361,697	425,644
Short Term Bank Deposits	6,457,639	5,828,388
	<u>6,819,336</u>	<u>6,254,032</u>

The Company has bank guarantees in favour of the lessors of its commercial premises totaling \$715,316 (2018: \$470,889).

The Company has restricted cash matching the above guarantees secured by its bankers to cover these obligations.



**Notes to the Financial Statements****For year ended 30 June 2019**Note 14 **CASH FLOW INFORMATION (Continued)****b) Reconciliation of Cash Flows from Operations to Surplus from Ordinary Activities**

	<u>2019</u>	<u>2018</u>
	\$	\$
Surplus from ordinary activities	1,214,665	2,184,132
Non - Cash Flows in Surplus from Ordinary Activities		
Depreciation and amortisation	148,300	156,356
Net Loss/(Gains) on Disposal of Fixed Assets	323	(40)
Net Loss/(Gains) on Investments	(450,733)	(460,668)
Changes in Assets and Liabilities:		
Decrease / (Increase) in Trade and Other Receivables	(3,692)	45,779
Decrease / (Increase) in Prepayments	105,424	(74,841)
Increase / (Decrease) in Trade and Other Payables	175,435	3,728
Increase / (Decrease) in Subs and Income in Advance	134,388	(198,015)
Increase / (Decrease) in Provisions	(184,385)	56,210
<b><u>CASH FLOWS FROM OPERATIONS</u></b>	<b><u>1,139,725</u></b>	<b><u>1,712,641</u></b>

**Notes to the Financial Statements****For year ended 30 June 2019**Note 15 **KEY MANAGEMENT PERSONNEL REMUNERATION**

The names and positions held of the key management personnel in office at any time during the financial year are:

<b>Key Management Person</b>	<b>Position</b>
Jarrold Ball	Chief Economist
Richard Bowen	Chief Operations Officer and Company Secretary (Company Secretary responsibilities commenced 1 July 2019)
Hamilton Calder	State Director – SA/NT
Michael Camilleri	State Director – VIC/TAS
Melinda Cilento	Chief Executive Officer
Belinda Gleeson	Director, People and Culture (since 11 June 2019)
Lee Kelly	State Director – NSW/ACT
Kyl Murphy	State Director – QLD and Company Secretary (ceased Company Secretary responsibilities 30 June 2019)
Roxanne Punton	Director, External Affairs
Paula Rogers	State Director – WA

The remuneration of the Company has been designed to align the objectives and reward of key management personnel (KMP) with the Company's business objectives. The majority of KMP receive remuneration that is a combination of a fixed remuneration component and a short-term incentive (STI) opportunity. One member of KMP receives fixed remuneration only.

Remuneration arrangements are designed to attract and retain employees with the skills and experience required to support the Company's sustained performance and achievement of its strategic priorities. Fixed remuneration is determined based on the requirements of the role, market conditions and the skills and experience of the employee. STI payments are determined based on performance against a range of financial and non-financial metrics determined annually by the board with the support of the People and Governance Committee, to align with the Company's strategic priorities.

KMP receive a superannuation guarantee contribution as required by law, which currently is 9.5 per cent. They do not receive any other retirement benefits.

All remuneration paid to KMP is valued at the cost to the Company and expensed. Under the Company's constitution, directors (other than executive staff) do not receive remuneration.

Refer below for an outline of key management personnel remuneration:

	<b><u>2019</u></b>	<b><u>2018</u></b>
	<b>\$</b>	<b>\$</b>
Short-term employee benefits	2,160,857	1,846,823
Post-employment benefits	193,543	167,043
Other long-term benefits	167,791	146,609
Termination benefits	-	109,442
<b>Total remuneration</b>	<b><u>2,522,191</u></b>	<b><u>2,269,917</u></b>

## Notes to the Financial Statements

For year ended 30 June 2019

Note 16      **RELATED PARTY TRANSACTIONS**

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

Note 17      **COMPANY DETAILS**

The registered office of the company is:

CEDA  
Level 3  
271 Spring Street  
MELBOURNE VIC 3000

The principal place of business is:

CEDA  
Level 3  
271 Spring Street  
MELBOURNE VIC 3000

The Company's principal activities are as shown in the Directors' Report.

Note 18      **MEMBERS' GUARANTEE**

The Company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$500 each towards meeting any outstanding obligations of the Company. At 30 June 2019 the number of members was 770 (2018: 784).

Note 19      **EVENTS AFTER THE BALANCE DATE**

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 between the reporting date and the date of authorisation.

## Directors' Declaration

- 1) The directors of the company declare that the financial statements and notes, as set out on pages 5 to 25 are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, *Corporations Act 2001* and present fairly the company's financial position as at 30 June 2019 and its performance for the year ended on that date in accordance with Accounting Standards and other mandatory professional reporting requirements.
  
- 2) In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed at Melbourne, 26 August 2019 in accordance with a Resolution of the Board of Directors.

DIRECTOR.

A handwritten signature in black ink, appearing to read "Paul McClintock AO". The signature is written in a cursive, flowing style.

Paul McClintock AO  
Chairman

# Independent Auditor's Report

## To the Members of Committee of Economic Development Australia

### Report on the audit of the financial report

#### Opinion

We have audited the financial report of Committee of Economic Development Australia (the Registered Entity), which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the financial report of Committee of Economic Development Australia has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- a presents fairly, in all material respects, the Registered Entity's financial position as at 30 June 2019 and of its performance and cash flows for the year then ended; and
- b complies 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 Registered Entity in accordance with 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.

#### Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Registered Entity's director's report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

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

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

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

#### **Responsibilities of management and those charged with governance for the financial report**

The Directors of the Registered Entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the ACNC Act. This responsibility also includes such internal control as management determines 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, 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.

The Directors are responsible for overseeing the Registered Entity'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 the 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 this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our auditor's report.

Grant Thornton Audit Pty Ltd  
Chartered Accountants



Darren Scammell  
Partner – Audit & Assurance

Melbourne, 26 August 2019

## Auditor's Independence Declaration

### To the Directors of Committee for Economic Development of Australia

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Committee for Economic Development of Australia for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton Audit Pty Ltd  
Chartered Accountants



Darren Scammell  
Partner – Audit & Assurance

Melbourne, 26 August 2019