

# Annual Report 2018



Australian  
Shareholders'  
Association

[australianshareholders.com.au](http://australianshareholders.com.au)



# 2018 in numbers

4,739



members

45,919



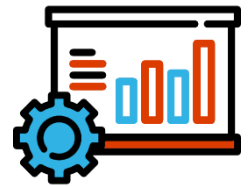
proxies valued at  
\$3,661m

512



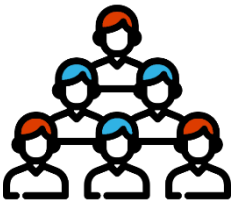
member meetings

14



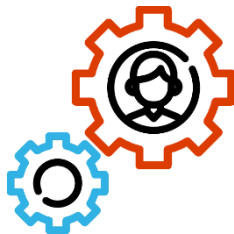
seminars with 977  
delegates

357



National Conference  
delegates

12



webinars

402



media mentions

11



submissions



new website  
and database



online  
Investor Journey

financial literacy  
pilot project for  
women 65+



new  
initiatives

Founding member of  
Alliance for a Fairer  
Retirement System



webinars



convenor  
support days





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# Chair's report

I am looking forward to answering all your questions and talking about our future at the AGM. However, as I have only been Chair since 1 March 2019, at this time I think it is more relevant and appropriate to read the words of our former Chair, Diana D'Ambra, who for the last four years oversaw the revitalisation of our ASA.

**Allan Goldin**

Chair

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As I retire from the Board of the ASA, I am confident that the association is in a strong position, both financially and in the quality of its volunteers and staff. However, as retail investors, we have never been faced by more difficult market conditions. Most commentators predict we shall shortly see the end of the longest stock market bull run in history. And the political and economic climate remains uncertain both locally and globally.

This is when your membership of the ASA will provide the most benefit — you will be able to discuss the soundness of your investment strategies with other members and rely on the 'wisdom of the crowd' rather than the 'direction of the herd'. Almost every investor makes money on a rising market, but it is only the astute investors who avoid significant losses in a market downturn.

ASA, through its discussion groups, forums, events and its online portal, can provide you with the knowledge and confidence to face the undoubted challenges that 2019-2020 will throw our way.

As Chair I was pleased to oversee the continued strengthening of ASA. This continued in 2018 while keeping our membership fees at very reasonable levels. As I outlined at the 2017 AGM and in the 2017 ASA annual report, we planned to make significant investments in 2018 in both people and technology. We did and as with all investments there is a cost, which resulted in a deficit of \$53,526. However, I am sure both will provide benefits to members over 2019 and beyond.

Your Board is conscious of the many financial challenges facing a large proportion of our members in their retirement and I hope you have seen the strong representation by your association in advocating for fairer retirement policies when governments announce changes to tax, superannuation and investment regulations.

The Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry provided our monitors with plenty of material and the final report and 2018 AGM season confirmed that ASA is ahead of its time when it comes to advocating improved corporate governance.

I hope one of the legacies of my term as Chair will be the continuation of the hybrid AGMs where every member can participate in the ASA general meeting, wherever they are located. You no longer need to travel to the venue of the AGM to participate in 'real time'. This is true corporate democracy in action, and I hope more listed companies follow our example.

A key element of a strong Board is its plans for renewal, including addressing diversity and the balance of skills. Don Hyatt, Geoff Bowd and I are stepping down to make room for new Board members and fresh and diverse thinking. We are pleased that ASA members Carol Limmer and Pamela Murray-Jones have agreed to join the Board. I am confident they will bring their unique skills and experience to the Board.

To conclude I would like to thank all the directors I have worked with over the last five years, the office staff and members for their support and encouragement. I will remain a volunteer and hope to catch up regularly with members at my local discussion groups and Sydney Investor Forum.

In closing and in these uncertain times, I quote Sir John Templeton who established the Templeton Growth Fund. In 1999, *Money* magazine named him 'arguably the greatest global stock picker of the century'.

Sir John said, 'The four most dangerous words in investing are: this time it's different.'

Sound advice for investors!

**Diana D'Ambra**

Retiring Chair

# CEO's report

ASA introduced a range of new initiatives in 2018, the details of which are set out below. In short, we implemented a new integrated website and database; ran the pilot program funded by our grant from Financial Literacy Australia; introduced webinars; held our first-ever convenor support days in all states; introduced the Investor Journey section of our website and helped found the Alliance for a Fairer Retirement System in response to Labor's proposed policy to remove refundable franking credits. As well, our monitors and advocacy efforts were highly occupied responding to evidence given at the banking Royal Commission.

## Advocacy

We continued to be the voice of the individual investor. We regularly appeared in the media and at external events to speak about governance issues arising from the Royal Commission. Our views on director elections and remuneration reports of financial institutions and companies in general were also widely disseminated in the media. The work of our monitors in holding companies to account had significant impact at many AGMs in 2018.

We also advocated on many fronts to stop the introduction of the proposed policy to abolish refundable franking credits — being a founding member of the Alliance was a central plank. Our advocacy work on this front continues in 2019.

ASA was also an active member of the ASX Corporate Governance Council, which in 2018 developed first the consultation draft and then the final version of the 4th edition of the *Corporate Governance Principles and Recommendations*, released in early 2019.

More detail is available in the Advocacy section on page 4.

## IT infrastructure

In 2018, ASA implemented its new integrated website and database. Members gave extremely positive feedback about the fresh, new website design, improved website navigation, faster speed and increased features to help them on their investment journey. Many more of our members now use the online payment system for membership renewals or joining as a member and event registration, having found it extremely easy and fast to use. This is a huge improvement from the old system and will increase over time. The new website also allows ASA to easily host webinars and videos, as well as providing seamless and speedy access to our voting intentions. Our new system is a foundation that allows us to build for the future in terms of online initiatives. In 2019 we will be moving into online education so that investors can be learning 'anywhere, anytime'. Our investment in online

education is key to not only fulfilling our mission but also ensuring the financial sustainability of our organisation.

## Membership

In 2018, ASA came very close to stabilising membership numbers. Preserving the foundation of our membership is key, while we introduce new initiatives and services to increase membership and revenue. We also seek to attract investors who might not wish to take out membership but are keen to pay for our education services. Strategically, we recognise that not every investor will be attracted to membership. However, maintaining trust whereby investors return to purchase education products and services from us is another form of relationship that we are keen to maintain.

We welcome these investors as new members when they join, but also welcome them being attracted to our education offerings as non-members, as both forms of relationship contribute to the financial sustainability of the organisation. Credible education services, either online or face-to-face, allow us to meet differing investor needs.

More detail on membership can be found on page 3.

## Education

We went from strength to strength with our national conference, increasing delegate numbers, revenue and sponsorship yet again in 2018. Our other education events were also highly successful, particularly in the second half of the year. Education and conference revenue increased by \$161,846 from 2017. We attracted more non-members to our education events — they comprised 33% of our delegates across all education events, compared to 22% in 2017. More details are provided on page 6.

An important initiative in 2018 was the pilot project funded by our grant from Financial Literacy Australia to assist women 65+ to build confidence to participate in financial decision-making. We received the independent evaluation report at the end of November. We met the project's key objectives of improving confidence and changing behaviour in more than 65% of participants. We will be rolling the program out across Australia in 2019. This project showcases ASA's credibility as an independent education provider and provides us with materials to develop further education offerings for women taking on investment responsibilities to ensure their financial future.

## Financial health

The operating activity in the financial statements shows a deficit of \$53,526 for the year, due to ASA's investment in IT



infrastructure to a total amount of \$90,100. ASA also expended \$58,000 on digital marketing and \$34,645 of funds received from ASIC at the end of 2016. Our digital marketing spend successfully expanded our brand awareness and profile, with 3,275 more investors seeking to engage with us, an increase in investor engagement of 47% from 2017. The national conference, education, membership and sponsorship revenue all increased from 2017.

## Strategic initiatives

With a defined set of strategic priorities and plans to further diversify revenue to ensure the long-term sustainability of ASA, we enter 2019 with a clarity of purpose. Our significant investment in our new IT system provides the foundation on which to build to provide online education offerings. We have formed new alliances with other organisations and will continue to forge new partnerships to assist us in fulfilling our mission of protecting shareholder rights and assisting investors to become more informed.

# Membership

A key objective in 2018 was to stabilise membership and arrest the decline in membership numbers experienced over many years. We came close to achieving this objective, with membership at 4,739 at the close of the year (2017: 4,783).

Membership revenue was up by \$45,290 from 2017, but the need to diversify revenue by providing further education offerings, primarily in the online arena, is central to our strategy for a sustainable organisation.

We successfully ran a series of dedicated campaigns in 2018 not only to ensure member retention, but also to attract new members. In 2018, 437 new members joined the ASA (2017: 404).

ASA investor community



I would like to thank the staff at ASA who were critical to the success of introducing many new initiatives in 2018. Members frequently comment on the strong productivity and professionalism of our staff and I thank them for their dedication and commitment.

I would also like to thank our members and particularly our volunteers, who are the lifeblood of ASA.

All members of ASA benefit from the dedication of our convenors, our monitors, our members of State Committees, our State Chairs, our Company Monitoring Committee Chairs and our directors. With their help, ASA continues to provide ongoing learning and education; amplifies the voice of the individual shareholder; provides connection and community and champions the interests of retail shareholders. A worthy cause to which many dedicate time and effort.

**Judith Fox**

Chief Executive Officer

Of these, 78% took out one-year membership, of which 69% took out Green membership. The take-up of the two-year membership model continues to be strong, with 42% of members now holding this subscription.

While six new corporate members joined ASA, 11 corporate members either ceased to exist as entities or chose not to renew in 2018; thus overall, corporate membership is down to 65 for 2018 (2017: 70).

Investors in a non-member relationship with ASA increased significantly — up from 6,966 in 2017 to 10,241 in 2018, an increase of 47%. This was due to our digital marketing efforts to ensure more investors hear about ASA and can access our education offerings and relevant information. Strategically, ASA recognises that not all of these investors wish to become members. Our aim is to ensure that we maintain a relationship of relevance and trust with them, so that they continue to access our paid education offerings.

|                          | 2018  | 2017  | 2016  | 2015  | 2014  |
|--------------------------|-------|-------|-------|-------|-------|
| <b>Members — retail</b>  | 4,674 | 4,713 | 4,833 | 4,895 | 5,121 |
| <b>Corporate members</b> | 65    | 70    | 70    | 64    | 58    |

# Advocacy

ASA's advocacy experience during 2018 was dominated by the outworking of the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry and the concerns about the impact on retirement income of the proposed Labor policy to cancel the refund of excess franking credits to a range of parties who now receive and rely on them.

While at the outset of the year it had been expected that most misconduct in the financial services industry had been aired previously and that therefore additional reputational damage would not occur, the mass of disclosures further harmed the standing in the community of the companies in the sector. The disclosures relating to AMP and the big four banks were the most disappointing. All but the Commonwealth Bank (that had previously replaced its CEO and also cut bonuses for executives to zero) ended up with first 'strikes' for their remuneration reports. Meanwhile, displays of a lack of accountability by the board at AMP saw the replacement of its chair and other directors as well as the CEO.

The volunteer company monitors prepared for and attended many other AGMs. During 2018, 116 volunteer monitors, including trainee monitors, represented ASA, led by Company Monitoring Chairs Rod McKenzie (VIC), Fiona Balzer (QLD), Allan Goldin (NSW/ACT), Bob Ritchie (SA) and Len Roy (WA) represented ASA.

ASA published voting intentions for 177 company meetings (2017: 173) across Australia. ASA representatives also collected proxy votes at an additional 31 company meetings (2017: 42) for companies that we did not formally monitor during 2018.

The table below sets out the contribution of each State:

|                            | NSW/ACT | Vic | Qld | WA | SA | Total |
|----------------------------|---------|-----|-----|----|----|-------|
| <b>Companies monitored</b> | 69      | 60  | 11  | 21 | 11 | 172   |
| <b>Proxy collection</b>    | 14      | 10  | 3   | 1  | 3  | 31    |
| <b>Monitors</b>            | 30      | 34  | 14  | 21 | 12 | 111   |

Company monitors held meetings with the chairs of 80% of monitored companies and met with a non-executive director other than the chair of a further 6% of monitored companies.

Media coverage of ASA's position was consistent, averaging more than one article per day and covering many of the monitored companies over the AGM season. ASA also figured

in thematic articles reflecting the high number of 'first strikes' against remuneration in 2018 and 'against' votes for director elections and re-elections that were even higher than 2017.

Focus issues for the year included remuneration disclosure, with opposition to combined incentive schemes where the only hurdle after the first year is role retention; an emphasis on using face value rather than fair value to calculate the number of performance rights allocated to satisfy incentive schemes; and inclusion of a table of actual take-home pay. The remaining focus issues included directors' and the CEO's skin in the game; appropriately composed boards; and disclosure by companies of shareholder participation in capital raising, voting and company meetings.

During the year, ASA funded a research project into ASX200 company remuneration reports in 2017 Annual Reports. We note that these statistics have improved during 2018.

The research showed that 37% of the companies had minimum shareholding guidelines for key management personnel and 65% of non-executive directors; 48% of short-term incentives included a deferral component, while 19% of long-term incentives (LTI) plans exceeded three years in length. Also revealed in the research was that 70% of companies used face value as the allocation method of LTI equity grants and 26% used fair value (4% did not have an LTI) and 41% of companies included an actual remuneration table (48% of the top 100 by size).

ASA opposed the remuneration reports for a total of 54 companies in 2018 (2017: 58), representing approximately 32% of companies where a resolution to adopt a remuneration report was put to the meeting. Of the monitored companies, 18 companies received a 'strike' on remuneration (being a vote of more than 25% against) (2017: 7). ASA voted against the remuneration report for nine of these 18 companies (2017: 2 of 7). An additional 21 monitored companies (2017: 35) received a protest vote of more than 10%.

In 2018, we undertook a campaign seeking a standing proxy from non-members that attracted 100 responses covering 1,200 companies. However, overall, the proxy numbers were lower than those in 2017 — a fall of 6.2% in the number of proxies given and 8.4% in proxy value.

ASA's advocacy activities also included submissions to government and regulatory bodies on matters relevant to retail shareholders as well as involvement in a number of important external committees.

In 2018, ASA contributed to 12 formal inquiries (2017: 11), as follows:

- Joint submission on Product Intervention Powers Design and Distribution Obligations (PIP DADO) exposure draft — February
- Submission to Royal Commission into banking: IPO lockout — March
- Submission to ASX Corporate Governance Council on *Corporate Governance Principles and Recommendations*: 4th ed, consultation draft — July
- Submission to ALRC Inquiry into class action proceedings and third-party litigation funders — July
- Submission to Governance Institute of Australia on shareholder resolutions: is there a case for change — August
- Joint submission on PIP DADO exposure draft: revised — August
- Submission on The Financial Adviser Standards and Ethics Authority Submission Consultation Papers 3-7: Breakey and Sampford (developed with input from members of ASIC's Consumer Advisory Panel) — August
- Submission to Standing Committee on Economics Inquiry into the implications of removing refundable franking credits — October
- Joint submission on PIP DADO bill to Senate Economics Committee — October
- Joint submission to Inquiry into the Implications of Removing Refundable Franking Credits by the Alliance for a Fairer Retirement System — November

ASA also appeared before the Standing Committee on Economics Inquiry into the implications of removing refundable franking credits and was a founding member of the Alliance for a Fairer Retirement System. Other members include the Self Managed Super Fund Association, National

Seniors Australia, Listed Investment Companies and Trusts Association, Self-managed Independent Superannuation Funds Association, Stockbrokers & Financial Advisers Association, Association of Independent Retirees and Australian Investor Association. Together we represent the millions of senior Australians, shareholders, self-funded retirees and those planning a sustainable retirement. The Alliance also held a Summit in October to explore the impact of the proposed policy.

On the proactive front, ASA sought reform of the listing rules by lodging a submission calling for disclosure of retail shareholder participation in capital raisings and wrote to and met both the Government and Opposition on the proposal to remove refundable ranking credits. We also wrote to the Senate Economics Committee regarding PIP DADO and non-suitable targets. ASA contributed throughout the year to the ASX Corporate Governance Council's deliberations on the 4th edition.

ASA is represented on the following committees and panels:

- AASB Disclosure Initiative Project Advisory Panel
- ASIC Consumer Advisory Panel (CAP)
- ASIC Regional Liaison Committee
- ASX Corporate Governance Council
- ASX CHES Replacement project
- ATO Individual Stewardship Group
- Business Reporting Leaders Forum (BRLF)
- Corporate Reporting Users Forum
- Security Registrars Association of Australia

ASA was also involved in the following matters:

- Securities Registrars roundtable on market implications of CHES replacement and meetings with ASX and stakeholders on this issue
- AICD roundtable on corporate governance

|  | 2018   | 2017   | 2016   | 2015   |
|--|--------|--------|--------|--------|
| <b>\$m value of ASA proxies</b>              | 3,661  | 3,963  | 3,897  | 3,893  |
| <b>Proxies received</b>                      | 45,919 | 48,066 | 51,615 | 55,940 |
| <b>Average remuneration voting in favour</b> | 68%    | 67%    | 62%    | 70%    |
| <b>Companies holding a poll</b>              | 87%    | 86%    | 78%    | 80%    |



# Education

A key aspect of ASA's mission is to assist our members to build investment knowledge and skills, which we do through the provision of our wide range of educational offerings. In 2018 we expanded our offerings, providing members with access not only to the annual conference and cost-effective, face-to-face events, but also webinars and a range of online resources, including the new, comprehensive section of the website — Investor Journey. This online toolkit is designed as a gateway to a pool of trusted resources that will help both new and experienced investors navigate their way through a range of investing topics. ASA provided networking and learning opportunities through structured and unstructured member meetings across the country and the online forum.

## Annual conference

The national conference in 2018 attracted 357 delegates — the largest number of delegates ASA has seen — and achieved a record surplus. Held annually since 2015, the conference is gaining momentum as shown by the increase in both delegates and sponsors. Almost one-third of the delegates at the 2018 conference have attended four or more conferences.

|                  | 2018 | 2017 | 2016 | 2015 |
|------------------|------|------|------|------|
| <b>Location</b>  | SYD  | MEL  | SYD  | MEL  |
| <b>Delegates</b> | 357  | 348  | 263  | 274  |
| <b>Sponsors</b>  | 21   | 20   | 16   | 13   |

The combination of high-profile presenters, a depth of program choices and quality presentations aimed at helping individual investors improve their investing skills and broaden their investment knowledge, as well as the opportunities to network with fellow investors and professionals, contributed to the success of the 2018 conference.

The conference was augmented by a number of optional activities held following the conference including a seminar and three site tours.

## Seminars

In keeping with the strategy of delivering high-quality, face-to-face education events at affordable rates, ASA held the following events around Australia:

- Transitioning to retirement in Parramatta – joint event with National Seniors Australia
- Intergenerational wealth planning in Sydney, Brisbane, Melbourne and Adelaide

- Share investing strategies in Canberra, Sydney, Perth, Brisbane and Melbourne
- Listed Investment Company Showcase in Brisbane, Sydney and Melbourne
- Investors Big Day Out in Ballarat

These events met member expectations, as they consistently achieved an overall satisfaction rating of 90% or higher.

|               | 2018 | 2017 | 2016 | 2015 |
|---------------|------|------|------|------|
| <b>Events</b> | 14   | 17   | 23   | 15   |

The joint event with National Seniors Australia (NSA) was a trial and highlighted that the membership of different organisations are not necessarily seeking similar information. The low attendance did not encourage either party to trial further joint events.

For the first time ASA partnered with Livewire and the Listed Investment Companies and Trusts Association to deliver the ASA LIC Showcase events in October. These events attracted a higher percentage of non-members attending. Previously, the average non-member attendance was 11%.

|                        | BNE | SYD | MEL |
|------------------------|-----|-----|-----|
| <b>Total delegates</b> | 124 | 205 | 143 |
| <b>% non-members</b>   | 56% | 53% | 58% |

## Financial Literacy Australia grant project: Own Your Financial Future

In accordance with the grant issued to ASA in late 2017, ASA conducted pilot workshops in the first two weeks of September 2018. The workshops were held in Brighton, Geelong, Albury and Hawthorn and were aimed at women aged over 65. Over 50 participants attended. The independent evaluation report showed that over 90% of the participants indicated the workshops increased both their confidence and investment knowledge. During the follow-up interviews conducted by the evaluator, approximately half advised that they would make changes as a result of attending the workshops.

Our objectives were that a minimum of 65% of participants should report improved confidence and changes in behaviour manifesting as a discussion with a partner or professional adviser. Given the results, ASA is not only proud to have met our goals but can prove that our financial education is credible and has effect. The project is running across Australia in 2019.

## Webinars

Free monthly webinars were introduced from April 2018. Not only are they a new benefit that allows members to engage in education even if they are time-poor, they are also particularly helpful for regional members who cannot easily attend face-to-face events held in capital cities. The overall statistics show that our participation (44%) and interest (81%) rates are above the benchmarks (40% and 42% respectively). Approximately 40% of attendees are regional members, and registration numbers have ranged from 76 to 505, with the average being 268.

Feedback from members indicate that many of those who miss the webinar on the day listen to the recording in their own time. All webinars delivered in 2018 are available on the ASA website.

A paid three-part webinar course, An investor's guide to financial statements, was delivered over three weeks in July 2018 and attracted 101 delegates. We will be delivering more free and paid webinars to members in 2019.

## Podcasts and videos

Podcasts and videos are available in the Resources section of the website. During 2018, 30 podcasts were added to the ASA resource library which attracted 6,830 plays (2017: 4,879). Videos from the Listed Investment Company showcase events and the Sydney Intergenerational wealth planning seminar have also been uploaded to the website. The videos are also important to ensure that members in regional areas can access our education offerings.

## Member meetings

Member groups established in 2017 remain strong. In 2018, eight new meeting groups were launched and the Taree and Port Macquarie groups, were re-established. New groups established in NSW were in Ballina, Hills District, Parramatta and the Southern Highlands. A coffee group was re-established on the Gold Coast. WA confirmed two Better Investing Groups and a discussion group in Cottesloe, which brings the overall the number of groups across all states to 55. The increase in the number of groups reflects the increase in the number of meetings held in 2018 — 512 compared to 489 in 2017.

|                        | 2018 | 2017 | 2016 | 2015 | 2014 |
|------------------------|------|------|------|------|------|
| <b>Member groups</b>   | 55   | 45   | 46   | 34   | 31   |
| <b>Member meetings</b> | 512  | 489  | 406  | 356  | 369  |

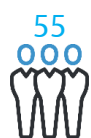
## Investor Journey

This new section of the website focuses on eight broad investing topics that ASA believes are the foundations needed to become a successful investor. Members and non-members can choose to work through the topics or dip into a topic that interests them. Investing is not necessarily a linear process — each topic is interconnected with others. ASA's Investor Journey is both a 'roadmap' and the 'toolkit'; designed to help investors learn and improve their investing knowledge.

## Online forum

ASA's online forum sustained interest during most of 2018 and contains a wide range of educational content, provided by independent, active members. Over 10% of members have accessed the forum.

## 2018 education numbers



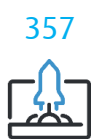
55  
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512  
member meetings



977  
delegates at 14 seminars



357  
National Conference delegates  
with 21 exhibitors



6,830  
plays on 30 podcasts



12  
Online webinars

# Five-year summary

## Financial performance

### Operating revenue

|                      | 2018    | 2017    | 2016    | 2015    | 2014    |
|----------------------|---------|---------|---------|---------|---------|
|                      | \$      | \$      | \$      | \$      | \$      |
| Membership - retail  | 570,992 | 512,609 | 557,209 | 579,596 | 606,362 |
| - corporate/industry | 101,408 | 114,500 | 108,500 | 91,439  | 74,489  |
|                      | 672,400 | 627,109 | 665,709 | 671,035 | 680,851 |

|                         |           |           |           |           |         |
|-------------------------|-----------|-----------|-----------|-----------|---------|
| Education & meetings    | 269,491   | 127,260   | 116,060   | 99,611    | 111,604 |
| Advertising             | 12,950    | 14,200    | 7,800     | 20,819    | 11,720  |
| Donations               | 3,250     | 3,415     | 6,135     | 6,905     | 7,077   |
| Conference              | 318,446   | 297,872   | 203,882   | 232,512   | -       |
| Sponsorship             | 0         | 7,600     | 15,900    | 10,833    | 14,333  |
| Other                   | 24,795    | 7,630     | 1,251     | 994       | 1,127   |
| Total operating revenue | 1,301,322 | 1,085,086 | 1,016,738 | 1,042,709 | 826,712 |

### Other Income

|  |        |        |         |        |        |
|--|--------|--------|---------|--------|--------|
| Interest                               | 23,560 | 25,298 | 23,345  | 19,812 | 19,846 |
| Sundry income - unclaimed compensation | 250    | 10,371 | 138,932 | 10,246 | 25,852 |
| Total other income                     | 23,810 | 35,669 | 162,277 | 30,058 | 45,698 |

### Total income from all sources

|           |           |           |           |         |
|-----------|-----------|-----------|-----------|---------|
| 1,325,142 | 1,120,755 | 1,179,015 | 1,072,767 | 872,410 |
|-----------|-----------|-----------|-----------|---------|

### Expenses

|  |         |         |         |         |         |
|--|---------|---------|---------|---------|---------|
| Employee & contractor                        | 578,361 | 556,088 | 485,754 | 549,151 | 394,131 |
| Rent & depreciation                          | 60,600  | 48,440  | 39,087  | 31,996  | 33,900  |
| Advertising & promotions                     | 65,494  | 9,186   | 11,874  | 7,916   | 10,761  |
| Conference                                   | 152,656 | 154,693 | 120,646 | 150,480 | -       |
| Education & meetings                         | 184,411 | 116,514 | 91,601  | 71,446  | 83,752  |
| Insurance                                    | 12,131  | 14,783  | 11,397  | 13,711  | 11,176  |
| IT infrastructure & software                 | 90,100  | 19,991  | 10,073  | 18,297  | 54,669  |
| Newsletter                                   | 86,775  | 82,789  | 90,038  | 95,733  | 93,601  |
| Postage & couriers                           | 10,242  | 8,381   | 8,138   | 10,537  | 11,363  |
| Stationery & printing                        | 6,222   | 8,987   | 5,127   | 8,741   | 13,042  |
| Travelling & related expenses                | 10,881  | 15,053  | 11,610  | 11,501  | 17,116  |
| General office & admin expenses <sup>1</sup> | 108,395 | 77,553  | 78,537  | 65,113  | 61,776  |
| Legal and audit fees                         | 12,400  | 6,660   | 6,788   | 8,007   | 11,762  |

### Total expenses

|           |           |         |           |         |
|-----------|-----------|---------|-----------|---------|
| 1,378,668 | 1,119,118 | 970,670 | 1,042,629 | 797,049 |
|-----------|-----------|---------|-----------|---------|

### Surplus

|          |       |         |        |        |
|----------|-------|---------|--------|--------|
| (53,526) | 1,637 | 208,345 | 30,138 | 75,361 |
|----------|-------|---------|--------|--------|

### Transfer General Reserve

|          |        |         |   |   |
|----------|--------|---------|---|---|
| (34,645) | 39,187 | 103,400 | - | - |
|----------|--------|---------|---|---|

### Members' funds at 31 December

|         |         |         |         |         |
|---------|---------|---------|---------|---------|
| 589,763 | 667,721 | 676,297 | 467,952 | 437,814 |
|---------|---------|---------|---------|---------|

<sup>1</sup> Includes expenses from Financial Literacy Australia pilot project

# Volunteers

The board, staff and members of ASA acknowledge the contribution of the following member volunteers during 2018.

## ACT

Peter Barker  
Brian Blackburn  
Sonja Davie  
Jill Roberts  
Richard Williams  
Robert Cason  
Dianne Diprose  
John Green  
David Happold  
Elton Ivers  
Greg Newlyn  
John O'Callaghan  
Edward Patching  
Rodney Peters  
Edward Roberts  
Dan Steiner

## NSW

Don Adams  
Ian Anderson  
Arthur Anlezark  
Aramais Aroustian  
Roger Ashley  
Meg Bannigan  
Peter Barker  
Gary Barton  
Patricia Beal  
Kerrie Bible  
Stephen Bible  
Lyn Booth  
Nick Bury  
Michael Campbell  
John Cowling  
Mary Curran  
Warren Dennis  
Lisa Dunphy  
Sue Erbag  
Elizabeth Fish  
David Fletcher  
Judith Freckman  
Robert Fuller  
Douglas Gannon  
Michael Giuffrida  
Allan Goldin  
Ian Graves  
Geoff Hansen  
Martin Hope  
David Jackson  
Rod Jeffery  
Barry Korendijk  
Lois Korendijk  
Karen Kundicevic  
Philip Laird  
Joan Lampe  
Peter Landon

Harvey Langford  
Velda Langford  
Carol Limmer  
Alan Lowe  
Helen Manning  
Dick Manuell  
Linda Martin  
Richard McDonald  
Mei Ling McGlynn  
Orlene McKinlay  
Peter Metcalf  
Jeff Morrow  
Helen Muir  
Pamela Murray-Jones  
John Nesbitt  
Michael O'Loughlin  
Geoffrey Orrock  
Janet Parry  
Wayne Parry  
Alfred Pensini  
Michael Perry  
Sue Peters  
Bill Radley  
Rob Ratcliffe  
Estelle Renard  
Ros Renfrey  
Ian Sellers  
Kerrie Tarrant  
Ron van Setten  
Patricia Waley  
Ray Wheeler  
Richard Wilkins  
David Woodside  
Tina Wu  
Joyce Yong

## QLD

Noel Ambler  
Kelly Buchanan  
John Collins  
Bill Dodd  
Pauline Gordon  
Ron Gordon  
Ross Marples  
Peter McNally  
Sally Mellick  
Lee Sackett  
Mike Sackett  
Peter Schiefelbein  
Mike Stalley  
John Stannard  
Kevin Stiff  
Graeme Thistlethwait  
Michael Waterhouse  
Jill Douglas  
Alison Harrington  
Marion Loughnan

Don Matthews  
Bryan Moore  
Raema Troy

## SA

Hans Bailiit  
John Connell  
Michael Davey  
Donald Fairweather  
James Hahn  
Malcolm Keynes  
Stefan Landherr  
Cynthia Loh  
Brad Martin  
Kevin Parken  
Keith Potts  
Robert Ritchie  
Rosemary Symons  
Ken Wakeman  
Genevieve Ward  
John Worthley

## TAS

Ian Day  
Andrew McMahon

## VIC

Peter Aird  
Margit Alm  
Peter Bacon  
Geoffrey Bowd  
Robin Burrows  
Alison Buxton  
Laurence Cahill  
Mike Caldwell  
Betty Clarke-Wood  
Jason Cole  
Ian Curry  
Claudio Esposito  
Lyle Fletcher  
Geoff Forryan  
Gil Fryatt  
Lindsay Gordon  
Bill Grint  
Hans Ha  
Alan Hardcastle  
Maree Harris  
Graeme Hawkins  
Trevor Holden  
Sally Holywell  
Glenn Howell  
Don Hyatt  
Heather Knight  
Belinda Leyland  
Stephen Mayne  
Brian McCarthy  
Mervyn McDougal

Rod McKenzie  
Brett Morris  
Gavin Morton  
Keith Mundy  
Michael Muntisov  
Graham Neal  
Jacques Nicolas  
Michael O'Keeffe  
Jennifer Overington  
Michelle Overs  
David Parkinson  
John Parrott  
Eric Pascoe  
Sandra Pearce  
Peter Rae  
Adam Raymond  
Oliver Raymond  
Mike Robey  
Duncan Seddon  
Sue Shields  
Dennis Shore  
Adrienne Skarbek  
Barbara Tadich  
Ian Thomson  
John Virgona  
Norm West  
John Whittington

## WA

Ian Berry  
Kevin Bowman  
David Brooke  
John Campbell  
Geoff Corrick  
Alan Dickson  
John Ferguson  
Geoffrey Field  
Lorraine Graham  
Ian Greenham  
Bob Kelliher  
Chris Klisc  
Bernie Masters  
Anthony McAuliffe  
Keith Mellis  
Derek Miller  
Barry Nunn  
Lloyd Phillips  
Wayne Platt  
Geoff Read  
Len Roy  
Peter Scales  
Geoff Sherwin  
Peter Tallentire  
Stephen Weston  
Joe Yozzi  
Nafisa Zoeb

*While best efforts have been made to include all volunteers, please accept our apologies if we have missed any names*



# Directors' report

Your Directors present this report on the company for the financial year ended 31 December 2018.

## Directors

The names and details of the Directors in office during the financial year and at the date of this report are:

- Allan Goldin (elected 17 May 2016, appointed Chair January 2019)
- Geoff Bowd (elected 6 May 2015; retired 13 March 2019)
- Alison Buxton (appointed 12 June 2017)
- Diana D'Ambra (appointed 1 January 2014; retired 28 February 2019)
- David Fletcher (appointed 24 October 2016)
- Don Hyatt (appointed 8 January 2015; retired 13 March 2019)
- Carol Limmer (appointed 1 March 2019)
- Stephen Mayne (elected 17 May 2016)
- Pamela Murray-Jones (appointed 1 March 2019)

## Experiences, qualifications and responsibilities

### Allan Goldin BA BLaw

Allan joined ASA in 2009, becoming a monitor the same year. He was appointed Chair of the Board of ASA in early 2019. Allan was NSW ACT Company Monitor Chair from 2012 until December 2018 and is a member of the Policy Committee. He has extensive experience in general management and marketing in wide-ranging fields from listed companies to well-established mid-sized firms. His senior-level roles include COO, CEO and executive director including of a large ASX listed company in the 1990s. Allan has also been involved in establishing several highly successful start-ups and has been employed by private equity firms both to advise on acquisitions and take on short-term change management transition roles. In addition, Allan has a number of international advertising and public relation awards to his name.

### Geoff Bowd BCom MCom

Geoff joined ASA in 2005, has been a company monitor since 2007 and was Chair of the Victorian Company Monitoring Committee from 2012 to late 2016. Geoff was Chair of the Policy Committee. Geoff worked in advertising for four years. For 35 years he was employed by Australian Paper Manufacturers Ltd (which became Amcor Ltd in 1984). He held senior positions in domestic and international marketing, government relations and construction project management.

### Alison Buxton BCom (Marketing) GAICD

Alison joined the board of ASA in 2017. She is also a non-executive director of Wiljuma Pty Ltd, Confoil Pty Ltd, Non-Executive Director & Public Officer of Te Rito Maioha Early Childhood New Zealand Pty Ltd and Independent Director and Marketing Committee Lead for Women Sport Australia. She was previously an independent director of the East Gippsland Food Cluster (EGFC) and a member of its Remuneration & Nominations Committee and Member & Stakeholder Communications & Engagement Committee. Alison has more than 20 years' experience as a senior executive having built a successful career in blue-chip, multinational organisations across several industries. With a background in marketing and supply chains, she has led large teams across Australia and the broader Asia-Pacific market, driving transformational change in complex environments.

### Diana D'Ambra BCom MCom FCA GAICD

Diana was appointed Chair on 7 May 2015 and was a member of the Finance and Audit Committee and Chair of the Remuneration and Nomination Committee. Diana is also a non-executive director and Chair of the Australian Design Centre and a non-executive director of Australian Property Institute, The Sydney Community Foundation, City West Housing and Breakthru Ltd. Diana is also a member of the Audit and Risk Committee of NSW Independent Commission Against Corruption (ICAC), the AASB (Australian Accounting Standards Board) project advisory panel and a number of other advisory councils and forums. Diana has more than 25 years' financial management and corporate finance advisory experience in a global accounting firm and more than 12 years' non-executive board experience. Diana also provides advice to corporates on mergers and acquisitions, investment assessment and related strategy issues; assists start-ups improve their operating models; and facilitates director courses at the Australian Institute of Company Directors and bespoke finance courses for investment bankers.

### David Fletcher BAcc CA GAICD

David is Chair of the Finance and Audit Committee. He has over 30 years' experience in public and private companies, holding senior financial and operational roles in major companies in retail, wholesale, fast-moving consumer goods and financial sectors. David has previously been a non-executive director of a number of private companies as well as chair of an ASX listed company. In recent years he has worked in his own consulting and advisory firm with clients, focusing on start-ups, turnarounds and performance-improvement opportunities.



### **Don Hyatt BAppSc DipEd MEd MACE**

Don joined ASA in 2007. He was an ASA Director since January 2014. His primary role was Board member responsible for education and events. He was also a member of the Remuneration and Nomination Committee. Don was the ASA Victorian State Chair from 2011 to 2018 and was also a company monitor between 2011 and 2018. Don taught in the state government school secondary system for over 30 years, retiring as Assistant Principal after a varied career working in schools, Curriculum & Research Branch and the CSIRO. A former President of the Science Teachers' Association of Victoria, Don was involved in curriculum development in the sciences both at state and national level. He is a co-author of several chemistry texts and modules.

### **Carol Limmer BBus FAICD FGIA FIML CHAHRI**

Carol is currently a non-executive director of The Whiddon Group and a member of its Audit & Risk and Property & Services Committees and was previously Chair of its HR & Nominations Committee and a member of its Governance Committee. She is also a member of the Board Nominations and Remuneration Committee of Australian Red Cross. Until recently Carol was Deputy Chair of Pyrmont Community (Bendigo) Bank, where she is still an adviser. She is a member of Jacksons Landing Pyrmont Community Association and also actively engaged in a range of local community organisations. Carol had a long career in the banking/finance industry, including senior executive roles. Her roles took in human resources, public relations, retail banking and involvement in mergers and acquisitions. She has been a company monitor for over 10 years.

### **Stephen Mayne BCom GAICD**

Stephen first joined ASA as a member in the mid-1990s and has spoken at numerous ASA events and forums over the past 20 years. He was first elected to the Board in May 2011, resigning in September 2012 to take up a paid consultancy as ASA Policy & Engagement Coordinator, a role he concluded in September 2014. He was re-elected to the ASA Board in 2016 and sits on the Policy Committee. A Walkley Award-winning business journalist and founder of Crikey.com, Stephen is currently working as a contributor to Alan Kohler's website, *The Constant Investor*, as well as being Communications Adviser at The Alliance For Gambling Reform. A respected shareholder activist, Stephen owns shares in more than 500 companies and has asked spirited questions at more than 400 AGMs. He was a Councillor for the City of Melbourne from 2012 to 2016 and during that time was Chair of its Finance and Governance Committee.

### **Pamela Murray-Jones B BLitt Grad Cert Bus Admin Grad Cert Business Coaching DipEd Dip HR Management**

Pamela joined the board in March 2019. She is a former senior executive with 20 years' experience in the areas of marketing, organisational development, change management and professional development. Her corporate career included management roles in education and training with The Australian Graduate School of Management (AGSM) and the Australian Institute of Company Directors (AICD). She has held various director positions since 2008 and is currently a director of Micromax Pty Ltd. She also coaches executives and boards of small companies and NFPs in governance and strategy. Pamela's qualifications include the Certificate in Company Direction from the Institute of Directors, NZ; the Company Directors Course Diploma from AICD and the Diploma in Share Trading and Investment (national qualification). The skill set she brings to the ASA Board are governance, strategy, marketing, adult education, negotiation and process development.

### **Company secretary**

David Fletcher BAcc CA GAICD is the company secretary and was appointed to the role on 10 May 2017. Ann Phillips BBus AGIA JP is also the company secretary and was appointed to the role on 1 May 2018.

### **Board renewal**

As part of the Board renewal process, the Board welcomed two new Directors — Carol Limmer and Pamela Murray-Jones — both appointed on 1 March 2019. The Chair, Diana D'Ambra, who had served on the Board for five years, retired on 28 February 2019 and non-executive directors Geoff Bowd and Don Hyatt retired on 13 March 2019. Allan Goldin was appointed Chair of the Board in January 2019, effective 1 March 2019.

### **Attendance at Directors' meetings**

During 2018 attendance by individual Directors (including when represented by alternates) at meetings they were entitled to attend, is set out in the table below.

|                            | <b>Number eligible to attend</b> | <b>Number attended</b> |
|----------------------------|----------------------------------|------------------------|
| <b>Allan Goldin</b>        | 6                                | 4                      |
| <b>Geoff Bowd</b>          | 6                                | 6                      |
| <b>Alison Buxton</b>       | 6                                | 5                      |
| <b>Diana D'Ambra</b>       | 6                                | 6                      |
| <b>David Fletcher</b>      | 6                                | 4                      |
| <b>Don Hyatt</b>           | 6                                | 6                      |
| <b>Carol Limmer</b>        | 0                                | 0                      |
| <b>Stephen Mayne</b>       | 6                                | 6                      |
| <b>Pamela Murray-Jones</b> | 0                                | 0                      |

## Principal activities, objectives and strategies

The principal activities of ASA during the year were to protect and advance the interests of retail investors, monitor and improve corporate performance and governance and provide education to member investors.

There was no significant change in the nature of the activities during the year and the operations are in accordance with the constitution.

## Strategy

ASA Directors are charged with ensuring the sustainability of our organisation. They set the strategic directions to ensure the organisation remains financially strong, that the membership is vibrant and renewing and that the organisation remains relevant to constituents, listed companies, government and business regulators, business media and other key stakeholders now and into the future.

All of the major strategic decisions made by ASA are the result of a strategic planning process. Input was sought from State Chairs and State Committees for the Board meeting in August 2018 held with senior management to provide a sustained focus on strategy alone. The Board also reviews strategy at each Board meeting. The process contributes to setting KPIs for the CEO, is clearly documented and the action plans arising from the strategic plan are reported against at each Board meeting.

At the August strategy meeting, the strategic plan for 2019-2021 was reviewed and further developed.

## Key performance measures

The association measures its own performance through the use of both quantitative and qualitative benchmarks. The benchmarks are used by the Directors to assess the financial sustainability of the company and whether the strategic objectives are being achieved.

## Membership

Membership overall was down by 0.92%, but as noted on page 3, stabilisation of membership was the objective. Marketing efforts attracted more investors to ASA. While not all became or will become members, the increase in non-member purchase of education services is key to revenue diversification.

Member acquisition continues as a focus, building on member retention.

## Financial results

Company performance is assessed by the Board of Directors at their four scheduled Board meetings held during the year.

Forecast reviews are presented and discussed as to the progress between budget and actual results achieved. The Finance and Audit Committee also reviews the budget and the results of operations prior to recommendations made to the Board of Directors for their consideration.

Total revenue for the year amounted to \$1,325,142 (2017: \$1,120,755). An operating deficit from ordinary activities of \$53,526 was made for the year, due to significant investment in IT infrastructure and marketing.

Other revenue received during the year included \$25,000 from Financial Literacy Australia to run the pilot project assisting women 65+ to gain confidence in financial literacy and decision-making. The balance of the \$110,186 grant awarded to ASA will be expended in 2019 as the project is rolled out nationally.

Of the \$103,400 contribution received from the Australian Securities & Investments Commission (ASIC) at the end of 2016 to be applied to improving our education and monitoring resources, \$34,645 was expended in 2018. The balance of funds \$29,568 will be expended in 2019 on videos aimed at shareholder education.

Details of the income and expenditure of the ASA during the last two years are shown in the financial statements contained in this annual report.

At the end of 2018 the association had cash and deposit balances totalling \$1,110,683.

## Dividends

Being limited by guarantee, the ASA does not pay dividends.

## Likely developments

Likely developments in the operations of ASA in future financial years have not been included in this report but are disclosed in the Chair and CEO reports at pages 1 and 2.

## Events subsequent to balance date

There are no matters or circumstances that have arisen since the end of the financial year which would significantly affect the operations of the entity in subsequent financial years.

## Directors' interests and benefits

As ASA is limited by guarantee, none of the Directors holds an interest but each, as a member of the ASA, is liable to the extent of their undertaking under the ASA's constitution.

No Director of ASA, during or since the end of the financial year, received or has become entitled to receive a benefit.

### Proceedings on behalf of the company

No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings. The company was not a party to any such proceedings during the year.

### Auditor's indemnification

ASA has not, during or since the end of the financial year, in respect of any person who is or has been an auditor of ASA, indemnified or made any relevant agreement for indemnifying against a liability incurred as an auditor,

including costs and expenses in successfully defending legal proceedings, or paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an auditor for the costs or expenses to defend legal proceedings.

### Liability of members on winding up

The liability of members (or within one year after ceasing to be a member) on winding up is limited to an amount not exceeding \$5.00.

### Auditors' independence declaration

The Auditors' independence declaration is set out on page 14 and forms part of the Directors' report for the financial year ended 31 December 2018.

### Directors' signatures



**Allan Goldin**

Director

Dated this 27th day of March 2019, Sydney



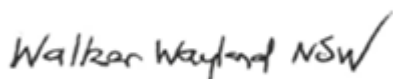
**David Fletcher**

Director

**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER S 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF AUSTRALIAN SHAREHOLDERS' ASSOCIATION LIMITED**

We declare that, to the best of our knowledge and belief, during the year ended 31 December 2018 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.



**Walker Wayland NSW**  
**Chartered Accountants**



**Wali Aziz**  
**Partner**

Dated this 28<sup>th</sup> day of March 2019, Sydney

# Statement of profit or loss and other comprehensive income

FOR THE YEAR ENDED 31 DECEMBER 2018

|   | Note | 2018<br>\$         | 2017<br>\$         |
|---|------|--------------------|--------------------|
| Operating revenue   | 2    | 1,300,546          | 1,085,086          |
| Interest income   |      | 23,560             | 25,298             |
| Other income  |      | 1,036              | 10,371             |
| <b>Total Revenue</b>  |      | <b>1,325,142</b>   | <b>1,120,755</b>   |
| Employee benefits expense   | 3    | (584,467)          | (557,878)          |
| Depreciation expense  | 3    | -                  | (481)              |
| Occupancy expenses  | 3    | (60,600)           | (47,959)           |
| General administration expenses   | 3    | (572,945)          | (352,108)          |
| Conference expenses   |      | (152,656)          | (154,692)          |
| Audit expense   | 3    | (8,000)            | (6,000)            |
| <b>Total expenses</b>   |      | <b>(1,378,668)</b> | <b>(1,119,118)</b> |
| <b>(Deficit) / Surplus before income tax</b>  |      | <b>(53,526)</b>    | <b>1,637</b>       |
| Income tax expense  | 4    | -                  | -                  |
| <b>Surplus for the year</b>   |      | <b>(53,526)</b>    | <b>1,637</b>       |
| <b>Other comprehensive income after income tax:</b>                                 |      |                    |                    |
| Transfers (to) / from reserves  | 12   | (34,645)           | 39,187             |
| <b>Total comprehensive (deficit) / income for the year</b>                          |      | <b>(88,171)</b>    | <b>40,824</b>      |
| <b>Total comprehensive (deficit) / income attributable to members of the entity</b> |      | <b>(88,171)</b>    | <b>40,824</b>      |

The accompanying notes form part of these financial statements



# Statement of financial position

AS AT 31 DECEMBER 2018

|                               | Note | 2018<br>\$       | 2017<br>\$       |
|-------------------------------|------|------------------|------------------|
| <b>ASSETS</b>                 |      |                  |                  |
| CURRENT ASSETS                |      |                  |                  |
| Cash and cash equivalents     | 5    | 1,110,683        | 1,129,556        |
| Trade and other receivables   | 6    | 174,457          | 86,753           |
| Other assets                  | 7    | 83,979           | 61,320           |
| TOTAL CURRENT ASSETS          |      | 1,369,119        | 1,277,629        |
| NON-CURRENT ASSETS            |      |                  |                  |
| Property, plant and equipment | 8    | -                | -                |
| TOTAL NON-CURRENT ASSETS      |      | -                | -                |
| <b>TOTAL ASSETS</b>           |      | <b>1,369,119</b> | <b>1,277,629</b> |
| <b>LIABILITIES</b>            |      |                  |                  |
| CURRENT LIABILITIES           |      |                  |                  |
| Trade and other payables      | 9    | 55,583           | 42,840           |
| Provisions                    | 10   | 16,047           | 4,119            |
| Other liabilities             | 11   | 695,940          | 541,747          |
| TOTAL CURRENT LIABILITIES     |      | 767,570          | 588,706          |
| NON-CURRENT LIABILITIES       |      |                  |                  |
| Provisions                    | 10   | 11,786           | 10,989           |
| TOTAL NON-CURRENT LIABILITIES |      | 11,786           | 10,989           |
| <b>TOTAL LIABILITIES</b>      |      | <b>779,356</b>   | <b>599,695</b>   |
| <b>NET ASSETS</b>             |      | <b>589,763</b>   | <b>677,934</b>   |
| <b>EQUITY</b>                 |      |                  |                  |
| Retained earnings             |      | 560,195          | 613,721          |
| Reserves                      | 12   | 29,568           | 64,213           |
| <b>TOTAL EQUITY</b>           |      | <b>589,763</b>   | <b>677,934</b>   |

The accompanying notes form part of these financial statements

# Statement of changes in equity

FOR THE YEAR ENDED 31 DECEMBER 2018

## BALANCE AT 1 JANUARY 2017

Transfer to reserves  
Surplus attributable to members of the entity

## BALANCE AT 31 DECEMBER 2017

Transfers from reserves  
Deficit attributable to members of the entity

## BALANCE AT 31 DECEMBER 2018

| Reserves | Retained Earnings | Total Equity |
|----------|-------------------|--------------|
| \$       | \$                | \$           |
| 103,400  | 572,897           | 676,297      |
| (39,187) | -                 | (39,187)     |
| -        | 40,824            | 40,824       |
| 64,213   | 613,721           | 677,934      |
| (34,645) | -                 | (34,645)     |
| -        | (53,526)          | (53,526)     |
| 29,568   | 560,195           | 589,763      |

# Statement of cash flows

FOR THE YEAR ENDED 31 DECEMBER 2018

## CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from members and customers  
Payments to suppliers and employees  
Funds received  
Interest received  
Net cash used in from operating activities  
Net decrease in cash held  
Cash and cash equivalents at beginning of financial year  
Cash and cash equivalents at end of financial year

| Note | 2018        | 2017        |
|------|-------------|-------------|
|      | \$          | \$          |
|      | 1,513,649   | 1,147,721   |
|      | (1,556,082) | (1,234,227) |
|      | -           | -           |
|      | 23,560      | 25,299      |
| 19   | (18,873)    | (61,207)    |
|      | (18,873)    | (61,207)    |
|      | 1,129,556   | 1,190,763   |
| 5    | 1,110,683   | 1,129,556   |

The accompanying notes form part of these financial statements

# Notes to the financial statements

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of Preparation

The Australian Shareholders' Association Limited, hereafter referred to as ASA or 'Association', applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: *Application of Tiers of Australian Accounting Standards* and AASB 2010–2: *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements*.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board and the *Corporations Act 2001*. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

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

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

The financial statements were authorised for issue on the date of signing this report by the directors of the company.

#### Accounting Policies

##### a) Revenue

- Revenue from membership fees and other sale of goods and services is recognised as earned and upon the delivery of goods to members. The difference between cash collections and revenue recognised is recorded as unearned income in the Statement of Financial Position.
- Donations are recognised as revenue when received.
- Interest revenue is recognised on an accruals basis.
- Revenue from the rendering of a service is recognised upon the delivery of the service to the members
- Revenue from conferences is recognised upon completion of the conference.
- All revenue is stated net of the amount of goods and services tax (GST).

- Those Charged with Governance considered the fair value of services received in kind, and only material balances have been recognised within the financial statements.

##### b) Property, Plant and Equipment

- Each class of property, plant and equipment is carried at cost or fair value as indicated, less, where applicable, accumulated depreciation and impairment losses.
- Plant and equipment**  
Plant and equipment are measured on the cost basis less depreciation and impairment losses.
- The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets.

##### Depreciation

- The depreciable amount of all fixed assets is depreciated on a diminishing value basis. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

- The useful life used for each class of depreciable assets are:

| Class of Fixed Asset         | Useful Life |
|------------------------------|-------------|
| Office Furniture & Equipment | 3 years     |

- The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.
- The asset class's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.
- Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

##### c) Impairment of Assets

- At the end of each reporting period, the entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

##### d) Employee Benefits

- Provision is made for the company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the

These notes form part of the financial statements

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

- The company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position.
- Contributions are made by the entity to an employee superannuation fund and are charged as expenses when incurred.

### e) Cash and Cash Equivalents

- Cash and cash equivalents include cash on hand and deposits held at-call with banks.

### 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. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

### g) Income Tax

- In accordance with Section 6-5 of the *Income Tax Assessment Act 1997*, the company is required to calculate its taxable income in accordance with the mutuality principle, whereby the company is only taxed on non-member income less deductible non-member expenditure. Taxable income received by the company is offset by deductible expenditure resulting in no income tax liability.

### h) Website

- The entity has determined that the costs incurred in the development and any ongoing costs associated with maintaining the website do not meet the definition of an intangible asset under AASB 138 (NFP) – *Intangible Asset* and has been expensed and is included in administration expense in the Statement of Profit or Loss and Other Comprehensive Income.

### i) Provisions

- Employee provisions represent amounts accrued for annual leave and long service leave.
- The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the company does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the company does not have an unconditional right to defer the

settlement of these amounts in the event employees wish to use their leave entitlement.

- The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

### j) Comparative Figures

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

### k) Payables

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

### l) Critical Accounting Estimates and Judgments

- The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

#### • Key estimates

##### *Impairment*

The Association assesses impairment at each reporting date by evaluation of conditions and events specific to the Association that may be indicative of impairment triggers.

### m) New and Amended Accounting Policies

- Those Charged with Governance have reviewed the accounting standards and have not identified any potential impact on new and amended accounting policies.
- Accounting Standards issued by the AASB that are not yet mandatorily applicable to the Association, together with an assessment of the potential impact of such pronouncements on the Association when adopted in future periods, are discussed below:
  - AASB 9: *Financial Instruments and associated Amending Standards* (applicable to annual reporting periods beginning on or after 1 January 2019).
- The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.
- The key changes that may affect the Association on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of the Standard, the application of such accounting would be largely prospective.

- The directors anticipate that the adoption of AASB 9 will not have an impact on the Association's financial instruments, including hedging activity, it is impracticable at this stage to provide a reasonable estimate of such impact.
- ii. AASB 15: *Revenue from Contracts with Customers* (applicable to annual reporting periods beginning on or after 1 January 2019, as deferred by AASB 2015-8: *Amendments to Australian Accounting Standards – Effective Date of AASB 15*).
- When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a Limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.
- The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:
  - identify the contract(s) with a customer;
  - identify the performance obligations in the contract(s);
  - determine the transaction price;
  - allocate the transaction price to the performance obligations in the contract(s); and
  - recognise revenue when (or as) the performance obligations are satisfied.
- The transitional provisions of this Standard permit an entity to either: restate the contracts that existed in each prior period presented per AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors* (subject to certain practical expedients in AASB 15); or recognise the cumulative effect of retrospective application to incomplete

contracts on the date of initial application. There are also enhanced disclosure requirements regarding revenue.

- The directors anticipate that the adoption of AASB 15 may have an impact on the Association's financial statements, however it is impracticable at this stage to provide a reasonable estimate of such impact.
- iii. AASB 16: *Leases* (applicable to annual reporting periods beginning on or after 1 January 2019).
- When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: *Leases* and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.
- The main changes introduced by the new Standard include:
  - recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
  - depreciation of right-to-use assets in line with AASB 116: *Property, Plant and Equipment* in profit or loss and unwinding of the liability in principal and interest components;
  - variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
  - variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
  - lease components and instead account for all components as a lease; and
  - additional disclosure requirements.
- The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108 or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.
- The directors anticipate that the adoption of AASB 16 will impact the Association's financial statements via the recognition of a right of use asset and corresponding lease liability. The right of use asset will be amortised over the lease term plus option period, and notional interest will be recognised on the lease liability.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

### NOTE 2: REVENUE

#### Operating Revenue

|                            | 2018<br>\$ | 2017<br>\$ |
|----------------------------|------------|------------|
| — Membership fees          | 672,400    | 627,109    |
| — National Conference      | 318,446    | 297,872    |
| — Education and meetings   | 269,491    | 128,219    |
| — Other Revenue            | 18,812     | 26,886     |
| — Financial Literacy Grant | 21,397     | 5,000      |
| Total Revenue              | 1,300,546  | 1,085,086  |

### NOTE 3: SURPLUS FOR THE YEAR

#### a. Expenses

The statement of profit or loss includes the following items of expenditure.

#### Depreciation:

|                                     |   |     |
|-------------------------------------|---|-----|
| — computer equipment                | - | 481 |
| Total depreciation and amortisation | - | 481 |

|                           |         |         |
|---------------------------|---------|---------|
| Employee benefits expense | 584,467 | 557,878 |
|---------------------------|---------|---------|

#### Other operational expenses:

|                                     |         |         |
|-------------------------------------|---------|---------|
| Education and meetings              | 204,498 | 116,514 |
| Legal Expenses                      | 4,400   | 660     |
| Newsletter                          | 86,775  | 82,789  |
| General and administration expenses | 187,172 | 132,153 |
| IT Infrastructure                   | 90,100  | 19,991  |
|                                     | 572,945 | 352,107 |

#### Rental expense on operating leases

|                          |        |        |
|--------------------------|--------|--------|
| — Minimum lease payments | 60,600 | 47,959 |
|--------------------------|--------|--------|

#### Auditor Remuneration

|                            |       |       |
|----------------------------|-------|-------|
| — audit services           | 8,000 | 6,000 |
| — other services           | -     | -     |
| Total Auditor Remuneration | 8,000 | 6,000 |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

### NOTE 4: TAX EXPENSE

|   | 2018<br>\$ | 2017<br>\$ |
|---|------------|------------|
| a. The components of tax (expense)/income comprises:  |            |            |
| — Current tax   | -          | -          |
| — Deferred tax  | -          | -          |
|   | <u>-</u>   | <u>-</u>   |
| b. The prima facie tax on profit from ordinary activities before income tax is reconciled to income tax as follows: |            |            |
| Prima facie tax payable on profit from ordinary activities before income tax at 27.5% (2017: 27.5%):                | (14,719)   | 450        |
| Add:  |            |            |
| Tax effect of:  |            |            |
| - other non-allowable items   | 348,343    | 255,835    |
| - losses not brought to account as a deferred tax asset   | 9,372      | 15,135     |
| Less:   |            |            |
| Tax effect of:  |            |            |
| - deductible expenses   | (158)      | (1,992)    |
| - non-assessable income   | (343,995)  | (331,485)  |
| Income tax attributable to entity   | <u>-</u>   | <u>-</u>   |
| c. Available tax losses   | 363,928    | 322,193    |
| Tax losses are available for non mutual income to the extent that it exceeds non mutual deductible expenses.        |            |            |

### NOTE 5: CASH AND CASH EQUIVALENTS

#### CURRENT

|                 |     |                  |                  |
|-----------------|-----|------------------|------------------|
| Cash at bank    |     | 227,173          | 113,788          |
| Cash on deposit | (i) | <u>883,510</u>   | <u>1,015,768</u> |
|                 |     | <u>1,110,683</u> | <u>1,129,556</u> |

(i) Term Deposits are made up of 4 deposits:

- \$269,226 – Maturing 29 April 2019, earning 2.55%
- \$249,315 – Maturing 05 December 2019, earning 2.70%
- \$103,151 – Matured 04 February 2019, earning 2.55%. Reinvested for a further 12 months to 04 February 2020.
- \$261,818 – Maturing 29 April 2019, earning 2.55%

Cash on Deposit is considered to be Term Deposits that have a maturity date within 3 months of year end. As all Term Deposits held can be broken at anytime with a forfeiture of interest, the Term Deposits held are deemed to be Cash on deposit.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

### NOTE 6: RECEIVABLES

#### CURRENT

Sundry Debtors  
Interest receivable

| Note | 2018<br>\$     | 2017<br>\$    |
|------|----------------|---------------|
|      | 162,409        | 79,688        |
|      | 12,048         | 7,065         |
| 17   | <u>174,457</u> | <u>86,753</u> |

### NOTE 7: OTHER ASSETS

#### CURRENT

Bank Guarantee  
Bonds Paid  
Prepaid operating expenses

|               |               |
|---------------|---------------|
| -             | -             |
| 11,300        | 11,300        |
| 72,679        | 50,020        |
| <u>83,979</u> | <u>61,320</u> |

### NOTE 8: PROPERTY, PLANT AND EQUIPMENT

#### Office equipment:

At cost  
Less accumulated depreciation

|          |          |
|----------|----------|
| 11,541   | 11,541   |
| (11,541) | (11,541) |
| -        | -        |

#### Computer equipment:

At cost  
Accumulated depreciation

|         |         |
|---------|---------|
| 8,224   | 8,224   |
| (8,224) | (8,224) |
| -       | -       |

Total property, plant and equipment

|   |   |
|---|---|
| - | - |
|---|---|

### Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

#### 2017

Balance at the beginning of the year  
Additions at cost  
Depreciation expense  
Disposals  
Carrying amount at the end of the year

| Office<br>Equipment | Computer<br>Equipment | Total |
|---------------------|-----------------------|-------|
| \$                  | \$                    | \$    |
| -                   | 481                   | 481   |
| -                   | -                     | -     |
| -                   | (481)                 | (481) |
| -                   | -                     | -     |
| -                   | -                     | -     |

#### 2018

Balance at the beginning of the year  
Additions at cost  
Depreciation expense  
Disposals  
Carrying amount at the end of the year

|   |   |   |
|---|---|---|
| - | - | - |
| - | - | - |
| - | - | - |
| - | - | - |
| - | - | - |

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

|  | Note | 2018<br>\$ | 2017<br>\$ |
|--|------|------------|------------|
| <b>NOTE 9: PAYABLES</b>                                |      |            |            |
| CURRENT  |      |            |            |
| Trade Creditors  |      | 9,048      | 26,369     |
| Accruals   |      | 8,000      | 6,680      |
| Other Creditors  |      | 38,535     | 9,791      |
|  | 9a   | 55,583     | 42,840     |
| a. <b>Financial liabilities classified as payables</b> |      |            |            |
| Payables:  |      |            |            |
| — total current  |      | 55,583     | 42,840     |
| Financial liabilities as payables                      | 17   | 55,583     | 42,840     |

## NOTE 10: PROVISIONS

|                    |     |        |        |
|--------------------|-----|--------|--------|
| CURRENT            |     |        |        |
| Annual leave       | 10a | 16,047 | 4,119  |
| NON-CURRENT        |     |        |        |
| Long Service Leave | 10a | 11,786 | 10,989 |

### Employee Benefits

|   |        |
|---|--------|
| a.  | \$     |
| Analysis of total provisions:                   |        |
| Opening balance at 1 January 2017               | 15,108 |
| Additional provisions raised/(used) during year | 12,725 |
| Balance at 31 December 2018                     | 27,833 |

### Provision for Employee Benefits

Provision for employee benefits represents amounts accrued for annual leave.

The current component for this provision includes the total amount accrued for annual leave entitlements. Based on past experience, the company expects the full amount of annual leave balances classified as current liabilities to be settled within the next 12 months. These amounts must be classified as current liabilities since the company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

|                                     | Note | 2018<br>\$ | 2017<br>\$ |
|-------------------------------------|------|------------|------------|
| <b>NOTE 11: OTHER LIABILITIES</b>   |      |            |            |
| Membership fees in advance          |      | 444,588    | 440,645    |
| Advertising revenue in advance      |      | -          | 750        |
| Conference income in advance        |      | 179,000    | 99,637     |
| Unallocated Membership payments     |      | 935        | 715        |
| Financial Literacy Grant in advance |      | 55,733     | -          |
| Education Event Inc in advance      |      | 15,685     | -          |
|                                     |      | 695,940    | 541,747    |

The Association does not have a standard membership period, with members able to join or renew on any day of the year. As a result of this, the Association carries a provision for the unexpired portion of the cash paid for membership renewals during the year (i.e. that portion that does not fall into 2018 income) at 31 December 2018.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

### NOTE 12: RESERVES

|                               | 2018     | 2017     |
|-------------------------------|----------|----------|
|                               | \$       | \$       |
| Opening Balance               | 64,213   | 103,400  |
| Transfer (from) / to reserves | (34,645) | (39,187) |
| Closing Balance               | 29,568   | 64,213   |

Funds received from ASIC were transferred to a reserve and will be applied to improve education offerings to members, improve resources to member monitors, and enhanced accessibility to member services.

### NOTE 13: CAPITAL AND LEASING COMMITMENTS

#### Operating Lease Commitments

Payable — minimum lease payments:

|  |         |         |
|--|---------|---------|
| — not later than 12 months                           | 63,024  | 60,400  |
| — later than 12 months but not later than five years | 54,080  | 116,896 |
|  | 117,104 | 177,296 |

- a. The property lease commitment is non-cancellable operating leases contracted for but not capitalised in the financial statements. The current lease in Elizabeth St Sydney expires in October 2020.

### NOTE 14: EVENTS AFTER THE REPORTING PERIOD

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

### NOTE 15: KEY MANAGEMENT PERSONNEL COMPENSATION

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel.

|   | 2018    | 2017    |
|---|---------|---------|
|   | \$      | \$      |
| The remuneration for key management personnel (KMP) is: |         |         |
| CEO (commenced 27 February 2017)                        | 180,000 | 151,385 |
| Other key management personnel compensation             | 190,635 | 224,682 |
|   | 370,635 | 376,067 |

### 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.

#### Directors' transactions with the Association

Directors have had no commercial transactions with the Association other than as members and volunteers. However, directors are reimbursed for reasonable expenses incurred in performing their duties.

#### Directors' Remuneration

Directors are not remunerated for their services to the Association.

From time to time directors of the company may participate in ASA activities. Participation is on the same terms and conditions as those entered into by any other member of the Association.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

### NOTE 17: FINANCIAL RISK MANAGEMENT

The Association's financial instruments consist of deposits with banks, accounts receivable and payable. The totals for each category of financial instruments, measured at cost, are as follows:

|                                    | Note | 2018<br>\$       | 2017<br>\$       |
|------------------------------------|------|------------------|------------------|
| <b>Financial assets</b>            |      |                  |                  |
| Cash and cash equivalents          | 5    | 1,110,683        | 1,129,556        |
| Receivables                        | 6    | 174,457          | 86,753           |
| <b>Total financial assets</b>      |      | <u>1,285,140</u> | <u>1,216,309</u> |
| <b>Financial liabilities</b>       |      |                  |                  |
| Financial liabilities at cost:     |      |                  |                  |
| — Payables                         | 9a   | 55,583           | 42,840           |
| <b>Total financial liabilities</b> |      | <u>55,583</u>    | <u>42,840</u>    |

The board's overall risk management strategy seeks to assist the Association in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management is implemented by management and reviewed by directors.

### NOTE 18: FAIR VALUE MEASUREMENTS

The company does not have any assets or liabilities that are carried at fair value in the statement of financial position and has no assets or liabilities that are measured at fair value on a non-recurring basis.

### NOTE 19: NOTE TO THE STATEMENT OF CASH FLOWS

Reconciliation of operating profit to net cash generated from operating activities:

|   |                 |                 |
|---|-----------------|-----------------|
| (Deficit) / surplus for the year                    | (53,526)        | 1,637           |
| Non-cash flows in surplus:                          |                 |                 |
| Depreciation and amortisation                       | -               | 481             |
| Movement in lease incentive                         | -               | -               |
| Movement in   | (34,645)        | -               |
| Changes in assets and liabilities:                  |                 |                 |
| Decrease/(increase) in receivables                  | (87,704)        | (35,602)        |
| (Increase)/decrease in prepayments                  | (22,659)        | (4,068)         |
| (Decrease)/increase in payables                     | 12,743          | (9,259)         |
| (Decrease) in provision                             | 12,725          | 5,311           |
| Increase in income in advance                       | 154,193         | (19,707)        |
| <b>Net cash generated from operating activities</b> | <u>(18,873)</u> | <u>(61,207)</u> |

### NOTE 20: ENTITY DETAILS

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

Australian Shareholders' Association Limited  
Suite 11, Level 22, 227 Elizabeth Street  
Sydney, New South Wales, Australia, 2000

# Directors' Declaration

The directors of the entity declare that:

1. The financial statements and notes, as set out on pages 15 to 26, are in accordance with the *Corporations Act 2001* and:
  - a. comply with Australian Accounting Standards; and
  - b. give a true and fair view of the financial position as at 31 December 2018 and of the performance for the year ended on that date of the entity.
2. In the directors' opinion there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

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

## Directors' signatures



**Allan Goldin**  
(Director)



**David Fletcher**  
(Director)

Dated this 27th day of March 2019, Sydney

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
AUSTRALIAN SHAREHOLDERS' ASSOCIATION LIMITED

**Report on the Audit of the Financial Report**

**Opinion**

We have audited the financial report of Australian Shareholders' Association Limited (the company), which comprises the statement of financial position as at 31 December 2018, 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, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the financial report of Australian Shareholders' Association Limited is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the company's financial position as at 31 December 2018 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

**Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Australian Shareholders' Association Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

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 Auditors' Report Thereon**

The directors are responsible for the other information. The other information comprises the information included in the company's annual report for the year ended 31 December 2018, 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
AUSTRALIAN SHAREHOLDERS' ASSOCIATION LIMITED**

**Responsibilities of the Directors for the Financial Report**

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**Auditors' 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
AUSTRALIAN SHAREHOLDERS' ASSOCIATION LIMITED**

**Auditors' Responsibilities for the Audit of the Financial Report (continued)**

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



**Walker Wayland NSW**  
**Chartered Accountants**



**Wali Aziz**  
**Partner**

Dated this 28<sup>th</sup> day of March 2019, Sydney



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