

Australian Men's Shed Association Limited

Financial Statements

For the Financial Year Ended 30 June 2016

Australian Men's Shed Association Limited

Financial Statements for the Financial Year Ended 30 June 2016

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Australian Men's Shed Association Limited

Directors' Report 30 June 2016

Your directors present their report on the Company for the financial year ended 30 June 2016.

Directors

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

Names

Ted Donnelly
David Helmers
Graeme Curnow
Paul Sladdin
Kevin Callinan
Bryce Routley
John Sharples
Michael Wiggin

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

Company secretary

David Helmers

Principal Activities

The principal activities of Australian Men's Shed Association Limited during the financial year was the promotion and provision of advice for the establishing, operating and management of men's sheds across Australia.

No significant changes in the nature of the Company's activity occurred during the financial year.

Operating Results

The Company recorded a surplus of \$ 24,666 (2015: \$ 160,494).

Significant Changes in State of Affairs

No significant changes in the Company's state of affairs occurred during the financial year.

After Balance Day Events

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

Australian Men's Shed Association Limited

Directors' Report 30 June 2016

Future developments

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

Environmental Issues

The Company's operations are subject to various environmental regulations under the laws of the Commonwealth and State of Australia. The Board believes that the Company had adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the company.

Meetings of directors

Throughout the financial year, 3 meetings of directors were held. Attendances were

	Number Eligible to attend	Number Attended
Ted Donnelly	3	3
David Helmers	3	3
Graeme Curnow	3	3
Paul Sladdin	3	3
Kevin Callinan	3	3
Bryce Routley	3	3
John Sharples	3	3
Michael Wiggin	3	3

Information on Current Directors

Ted Donnelly Ted started work as a Polymer Chemist and had a number of positions in R&D, Production management & Marketing both in the UK and Australia. For the last 18 years before retirement he was a Technical Consultant, based in the UK, but operating worldwide on new materials for electronic components, particularly printed circuits. Ted was a founder member of the Lane Cove Community Men's Shed when it started in 1998, is still responsible for its day to day operation and has also helped with the start-up of several other Sheds. He is the co-author of the manual "Setting Up A Men's Shed", developed the website in 2005 and has administered it since. He has been involved in establishing and running AMSA since its inception in 2007.

David Helmers David has over 17 years experience in a medium sized family business and was the General Manager of a large Association with experience in administration, marketing and tertiary studies. David has represented AMSA at the Senate Hearing into Men's Health, the National Roundtable Meeting on the Men's Health Policy and he has continuously lobbied for the Association and our members at all levels of Government.

Graeme Curnow Graeme took early retirement in 2007 after a career which embraced a diverse range of industries including Pharmaceutical, Cosmetics, Household Goods Manufacture, Heavy Engineering, Production Management and then within the whole spectrum Personnel Management. With the formation of the Queensland Men's Shed Association in 2012, Graeme became the inaugural President.

Australian Men's Shed Association Limited

Directors' Report

30 June 2016

Meetings of directors (cont'd)

- Paul Sladdin** Paul's background and qualifications are in community education and community development in which he has been involved for the past 25 years. Since 2000 he has been the CEO of the Mansfield Community Education Centre in North East Victoria which is both a Registered Training Organisation and a Neighbourhood House which auspices the Mansfield Community Men's Shed. His involvement with the Men's Shed movement began in 2005 when he was instrumental in the founding and establishment of the Mansfield Community Men's Shed and contributed to the development of the Victorian Government's Men's Shed policy and funding program. Through the Mansfield Shed, Paul has been involved with VMSA since its inception and was elected to the committee in 2009 and then elected as VMSA President in November 2010. Paul is also a Director of the Mansfield and District Community (Bendigo) Bank and a Country Fire Authority (CFA) Lieutenant in the Bonnie Doon brigade as well as being a member's delegate with Volunteer Fire Brigades Victoria (VFBV) which represents Victoria's CFA volunteers.
- Kevin Callinan** Kevin retired in 1999 after a long career as a senior manager in government and the private sector. He holds tertiary qualifications in management of organisations, public administration and economics. He has been active in community organisations holding leadership positions. As initiator of Ku-ring-gai Community Workshop 'The Shed', dating from 2005, he set up a small shed at Turramurra in a disused sports building (50sqm) in 2009 and pursued the longer term ambition to establish a larger purpose built building for The Shed. This was achieved and the Shed has been successful in securing grants from government, council and community organisations to outfit "The Shed" with good quality new machinery.
- Bryce Routley** Bryce started work in the state government in 1975 as a chemist in a water testing laboratory in Adelaide then progressed into industrial wastewater treatment, water catchment management and finally into being an educator of businesses in becoming more energy and water efficient. He has now left the state government to continue this work as a private consultant and to have more time to be devoted to mens sheds. He is the chair of the Pooraka Farm Community Centre and has been the driving force in establishing a local mens shed through the centre, resulting in being chosen as a "Living Legend" for 2012 by the local council for his work. His passion for supporting mens sheds is borne out of a belief that the explosive development of mens sheds will be a major force in shaping the future of Australian society in the near future.
- John Sharples** Trained as a teacher of Industrial Arts (Woodwork, Metalwork & Technical Drawing) and was employed with the NSW Department of School Education for 39 years with 1 year teaching in New Zealand. Holds Certificate in Personnel Management (Charles Sturt University Bathurst). Promoted to Head of Department status then Inspector of Schools in the Hunter and North West regions of NSW.
- Transferred to educational administration as Manager Recruitment Promotion & Transfer with the NSW Department of School Education then Manager of Personnel in Metropolitan North Region. After 7 years in administration moved back into schools as the first Deputy Principal and now patron of, Tumby Umbi High School.
- Since retirement in 2005 :
- Led committees to establish The Entrance Men's Shed and the Bateau Bay Men's Shed and managed this shed as President for 5 years.
 - Held the role of President of the Men's Sheds Central Coast Inc. for 3 years.
 - Elected Zone Representative for Central Coast Sheds now expanded to include Western and Upper Hunter Sheds.
 - Secretary of NSW Branch of AMSA.
 - Developed training programs to support carers seeking to bring men with special needs to sheds.
 - Participated in the development of the inaugural and revised Constitutions of the NSW Branch of AMSA.

Australian Men's Shed Association Limited

Directors' Report

30 June 2016

Meetings of directors (cont'd)

Michael Wiggin Mike spent the majority of his working life in the mining industry after an early stint in the Army. He worked in both underground and open pit mines as a mining engineer before starting work as a blasting engineer in 1982. In the following 22 years he worked in Australia and Indonesia for the Rio Tinto, Orica and Dyno Nobel as well as getting Masters in Mineral Economics. For the last 8 years, he ran his own consultancy. Through all this he devoted his spare time to woodworking. Mike joined WA Fine Wood Work Association in 2009 and is currently the Vice Chairman of that group. After retiring in 2012, he joined the Mosman Park Community Men's Shed in 2013 and the WAMSA committee, which he now chairs, that same year. His ambition is to see Men's Sheds recognised as key contributors to successful and thriving communities across Australia.

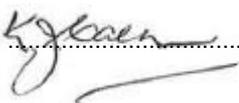
Indemnifying Officers or Auditors

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of Australian Men's Shed Association Limited.

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2016 has been received and can be found on page 5 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

Director: 

Dated: 24 August 2016

Australian Men's Shed Association Limited

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2016, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* and the *Australian Charities and Not-for-Profits Commission Act 2012* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



PKF
Chartered Accountants



MARTIN MATTHEWS
Partner

Newcastle, NSW

Dated: 24 August 2016

Australian Men's Shed Association Limited

Independent Audit Report to the Members of Australian Men's Shed Association Limited

Report on the Financial Report

We have audited the accompanying financial report, being a general purpose financial report, of Australian Men's Shed Association Limited, which comprises the statement of financial position as at 30 June 2016, 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.

Directors' Responsibility for the Financial Report

The directors of the Company are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are appropriate to meet the requirements of the *Corporations Act 2001* and the *Australian Charities and Not-for-Profits Commission Act 2012* and are appropriate to meet the needs of the members. The directors' responsibility also includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution to members for the purpose of fulfilling the directors' financial reporting under the Corporations Act 2001. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

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

Australian Men's Shed Association Limited

Independent Audit Report to the Members of Australian Men's Shed Association Limited

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's Opinion

In our opinion the financial report of Australian Men's Shed Association Limited is in accordance with the *Corporations Act 2001* and the *Australian Charities and Not-for-Profits Commission Act 2012*, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2016 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1 and complying with the Corporations Regulations 2001.



PKF
Chartered Accountants



MARTIN MATTHEWS
Partner

Newcastle, NSW

Dated: 24 August 2016

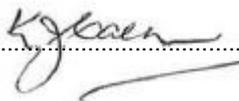
Australian Men's Shed Association Limited

Directors' Declaration

The directors of the Company declare that:

1. the financial statements and notes for the year ended 30 June 2016 are in accordance with the *Corporations Act 2001* and:
 - a. comply with Accounting Standards and the *Australian Charities and Not-for-Profits Commission Act 2012*; and
 - b. give a true and fair view of the Company's financial position and performance in accordance with the accounting policies described in Note 1 to the financial statements of the Company;
2. In the directors opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable with the continuing support of creditors.

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

Director 

Dated: 24 August 2016

Australian Men's Shed Association Limited

Statement of Profit or Loss and Other Comprehensive Income for the Financial Year Ended 30 June 2016

	Note	2016 \$	2015 \$
Revenue	2(a)	2,654,792	2,248,620
Employee benefits expense	2(b)	(571,479)	(515,713)
Depreciation and amortisation expense	2(b)	(3,459)	(3,816)
Member development grants & donations	2(b)	(1,122,270)	(831,644)
Administration expenses		(60,760)	(63,083)
Conference expenses		(55,356)	(15,598)
Advertising and promotions		(69,044)	(22,940)
Professional services expense		(68,154)	(31,531)
Travel & motor vehicle expenses		(50,414)	(68,781)
Insurance expense		(518,891)	(479,091)
Other expenses		(110,299)	(55,929)
Surplus before income tax		24,666	160,494
Income tax expense	1(j)	-	-
Surplus for the year		24,666	160,494
Other comprehensive income for the year		-	-
Total comprehensive income		24,666	160,494

The accompanying notes form part of these financial statements.

Australian Men's Shed Association Limited

Statement of Financial Position as at 30 June 2016

	2016	2015
Note	\$	\$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	18(b) 728,814	858,450
Trade and other receivables	5 12,326	100,770
Other assets	6 366,984	317,099
TOTAL CURRENT ASSETS	<u>1,108,124</u>	<u>1,276,319</u>
NON-CURRENT ASSETS		
Property, plant and equipment	7 75,120	16,899
Intangible assets	8 3,325	-
TOTAL NON-CURRENT ASSETS	<u>78,445</u>	<u>16,899</u>
TOTAL ASSETS	<u>1,186,569</u>	<u>1,293,218</u>
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	9 225,018	558,696
Provisions	10 32,964	33,474
Other liabilities	11 565,329	368,263
TOTAL CURRENT LIABILITIES	<u>823,311</u>	<u>960,433</u>
NON-CURRENT LIABILITIES		
Provisions	10 23,986	18,179
TOTAL NON-CURRENT LIABILITIES	<u>23,986</u>	<u>18,179</u>
TOTAL LIABILITIES	<u>847,297</u>	<u>978,612</u>
NET ASSETS	<u>339,272</u>	<u>314,606</u>
EQUITY		
Retained earnings	339,272	314,606
TOTAL EQUITY	<u>339,272</u>	<u>314,606</u>

The accompanying notes form part of these financial statements.

Australian Men's Shed Association Limited

Statement of Cash Flows For the Financial Year Ended 30 June 2016

	2016	2015
Note	\$	\$
Cash from operating activities:		
Receipts from funding bodies, members, sponsorship and donations	3,212,544	2,429,323
Payments to suppliers and employees	(3,288,198)	(2,218,021)
Interest received	11,767	14,262
Net cash (used in)/ provided by operating activities	18(a) <u>(63,887)</u>	<u>225,564</u>
Cash flows from investing activities:		
Payment for property, plant and equipment	(65,749)	(8,262)
Net cash used in investing activities	<u>(65,749)</u>	<u>(8,262)</u>
Cash flows from financing activities:		
Net cash used in financing activities	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents held	(129,636)	217,302
Cash and cash equivalents at beginning of year	858,450	641,148
Cash and cash equivalents at end of year	18(b) <u><u>728,814</u></u>	<u><u>858,450</u></u>

The accompanying notes form part of these financial statements.

Australian Men's Shed Association Limited

Statement of Changes in Equity For the Financial Year Ended 30 June 2016

2016

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2015	314,606	314,606
Surplus for the year	24,666	24,666
Balance at 30 June 2016	339,272	339,272

2015

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2014	154,112	154,112
Surplus for the year	160,494	160,494
Balance at 30 June 2015	314,606	314,606

The accompanying notes form part of these financial statements.

Australian Men's Shed Association Limited

Notes to the Financial Statements for the Financial Year Ended 30 June 2016

1 Summary of Significant Accounting Policies

(a) Statement of compliance

The financial report is a general purpose report which has been prepared in accordance with the Corporations Act 2001, Australian Charities and Not-for-Profits Commission Act 2012, Australian Accounting Standards and Interpretations, and complies with other requirements of the law.

(b) Basis of Preparation

The financial report has been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. Unless otherwise indicated, all amounts are presented in Australian dollars.

The financial statements were authorised for issue by the directors on xx August 2016.

Critical accounting judgments and key sources of estimation uncertainty

In the application of the company's accounting policies, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Significant estimates and judgements made have been described in Note 1(q) below.

Adoption of New and Revised Accounting Standards

In the current year, the company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period. The adoption of these new and revised Standards and Interpretations has not resulted in changes to the amounts reported for the current or prior years.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(c) Comparative Figures

Comparative figures have been adjusted to conform to changes in presentation for the current financial year where required by accounting standards or as a result of a change in accounting policy.

(d) Property, Plant and Equipment

All property, plant and equipment is stated at historical cost less depreciation.

Depreciation

The depreciable amount of all fixed assets, excluding freehold land, is depreciated on a straight-line or diminishing value basis over the asset's useful life to Company commencing from the time the asset is held ready for use.

Assets held under a finance lease are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

Australian Men's Shed Association Limited

Notes to the Financial Statements for the Financial Year Ended 30 June 2016

1 Summary of Significant Accounting Policies (cont'd)

(d) Property, Plant and Equipment (cont'd)

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

Furniture, Fixtures and Fittings	10 - 20%
Office Equipment	33.3%

The asset's residual values and useful lives are reviewed, and adjusted for if appropriate, at each balance date. An asset's carrying value is written down immediately to its recoverable amount if the assets carrying amount is greater than its estimated recoverable amount. The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of comprehensive income.

(e) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is the equivalent to the date that the Company commits itself to either purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

The Company does not designate any interest as being subject to the requirements of accounting standards specifically applicable to financial instruments.

(f) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held-at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(g) Employee Benefits

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

(h) Provisions

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

Australian Men's Shed Association Limited

Notes to the Financial Statements for the Financial Year Ended 30 June 2016

1 Summary of Significant Accounting Policies (cont'd)

(i) Trade and other payables

Trade and other 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.

(j) Income Tax

The company is exempt from income tax pursuant to s.11-5 of the Income Tax Assessment Act 1997.

(k) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payable are stated inclusive of GST.

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

(l) Government grants

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

(m) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the reporting date and where the outcome can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

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

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

(n) Leases

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

Australian Men's Shed Association Limited

Notes to the Financial Statements for the Financial Year Ended 30 June 2016

1 Summary of Significant Accounting Policies (cont'd)

(o) Capital Risk Management

The company manages its capital to ensure it will be able to continue as a going concern while maximising the return to members through the optimisation of the debt and equity balance. The company's overall strategy remains unchanged from 2015.

The company's not subject to externally imposed capital requirements. Operating cash flows are used to maintain and expand the company's assets, as well as to make the routine outflows of tax, supplier payments and repayment of maturing debt. The company's policy is to use borrowing facilities as available.

(p) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Company has decided against early adoption of these Standards. The following summarises those future requirements, and their impact on the Company:

AASB 9: Financial Instruments (December 2010) and associated Amending Standards (applicable for annual reporting periods commencing on or after 1 January 2018).

AASB 15: Revenue from contracts with customers and associated Amending Standards (applicable for annual reporting periods commencing on or after 1 January 2018).

AASB 16: Leases (applicable for annual reporting periods commencing on or after 1 January 2018).

These standards are not expected to have a significant impact on the Company's financial statements.

(q) Critical accounting estimates and judgements

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Estimation of useful lives

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

Provision for doubtful debts

The valuation of provision for doubtful debts is estimated by considering the ageing receivables, communication with the debtors and prior history. The directors determined that a nil provision for impairment of receivables was an appropriate provision based on aged receivables and debtor days.

Long service leave provision

As discussed in Note 1, the liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Australian Men's Shed Association Limited

Notes to the Financial Statements for the Financial Year Ended 30 June 2016

2 Surplus for the Year

(a) Revenue

	2016	2015
	\$	\$
Sales revenue		
Government grants	1,646,909	1,529,100
Rendering of services	657,492	575,774
Donations	339,975	129,484
	<u>2,644,376</u>	<u>2,234,358</u>
Other income		
Interest - investment	10,416	14,262
	<u>2,654,792</u>	<u>2,248,620</u>

(b) Expenses

Depreciation of non - current assets	3,459	3,816
Employee benefits expense	571,479	515,713
Member development grants and donations	1,122,270	831,644

3 Key Management Personnel

The specified directors of Australian Men's Shed Association Limited during the year were:

Ted Donnelly*	Bryce Routley*
David Helmers	John Sharples*
Graeme Curnow*	Michael Wiggins*
Paul Sladdin*	Kevin Callinan*

* Non-executive director

The specified executive director of Australian Men's Shed Association Limited during the year was:

David Helmers

Specified directors remuneration

The non-executive directors received no remuneration during their terms in office in for both the 2015 and 2016 financial years.

Specified executives remuneration

The Board reviews the remuneration packages of the executive director on an annual basis. Remuneration packages are reviewed and determined with due regard to current market rates and are benchmarked against comparable industry salaries adjusted by a performance factor to reflect changes in the performance of the company.

Australian Men's Shed Association Limited

Notes to the Financial Statements for the Financial Year Ended 30 June 2016

3 Key Management Personnel (cont'd)

	2016	2015
	\$	\$
Short-term employee benefits(i)	149,355	151,082
Post-employment benefits	13,548	12,350
	<u>162,903</u>	<u>163,432</u>

(i) This amount includes salaries and wages paid in the period.

4 Auditors' Remuneration

Remuneration of the auditor of the Company for:

Audit of the financial report

11,250	10,950
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5 Trade and other receivables

Trade receivables

GST receivable

8,324	69,274
4,002	31,496
<u>12,326</u>	<u>100,770</u>

6 Other current assets

Prepayments

366,984	317,099
<u>366,984</u>	<u>317,099</u>

7 Property, Plant and Equipment

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

	Capital Works in Progress	Furniture, Fixtures and Fittings	Computer Equipment	Total
	\$	\$	\$	\$
Balance at the beginning of year	-	9,002	7,897	16,899
Additions	60,000	1,136	1,392	62,528
Depreciation	-	(1,539)	(2,768)	(4,307)
Balance at 30 June 2016	<u>60,000</u>	<u>8,599</u>	<u>6,521</u>	<u>75,120</u>

8 Intangible Assets

	2016	2015
	\$	\$
Trademarks - at cost	3,325	-
Accumulated amortisation and impairment	-	-
	<u>3,325</u>	<u>-</u>

Australian Men's Shed Association Limited

Notes to the Financial Statements for the Financial Year Ended 30 June 2016

9 Trade and other payables

	2016	2015
	\$	\$
Trade payables	104,992	20,911
Sundry payables and accrued expenses	120,026	537,785
	<u>225,018</u>	<u>558,696</u>

10 Provisions

Current		
Employee benefits	32,964	33,474
	<u>32,964</u>	<u>33,474</u>
Non-current		
Long service leave	23,986	18,179
	<u>23,986</u>	<u>18,179</u>

11 Other liabilities

Unearned membership income	427,991	368,263
Unearned grant income	105,791	-
Payable to NSW Association	31,547	-
	<u>565,329</u>	<u>368,263</u>

12 Dividends

The company's constitution prevents the declaration of dividends. Accordingly no dividend has been declared in respect of the year ended 30 June 2016 (2015: nil).

13 Capital and Leasing Commitments

(a) Operating Lease Commitments

Non - cancellable operating leases contracted for but not capitalised in the financial statements:

	2016	2015
	\$	\$
Payable - minimum lease payments:		
- not later than 12 months	2,700	2,700
- between one year and five years	5,400	8,100
	<u>8,100</u>	<u>10,800</u>

This operating lease is in relation to a photocopier leased by the Company for a period of 5 years commencing in June 2014.

Australian Men's Shed Association Limited

Notes to the Financial Statements for the Financial Year Ended 30 June 2016

14 Related party transactions

Key management personnel remuneration

Details of key management personnel remuneration are disclosed in note 3 to the financial statements.

Other transactions with specified directors

During the year there were no transactions with specified Directors or their relatives (2015: nil) not otherwise disclosed in the financial statements.

15 Events After the Balance Date

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

16 Contingent Liabilities and Contingent Assets

There were no contingent assets or liabilities as at 30 June 2016 (2015: nil).

17 Segment information

The company promotes the idea of Independent Community Men's Sheds and acts as a resource centre for Men's Sheds across Australia. Accordingly there is only one business and geographical segment.

Australian Men's Shed Association Limited

Notes to the Financial Statements for the Financial Year Ended 30 June 2016

18 Cash Flow Information

(a) Reconciliation of Cash Flow from Operations with Surplus

	2016	2015
	\$	\$
Surplus for the year	24,666	160,494
Depreciation and amortisation of non - current assets	4,203	3,816
Loss/(gain) on sale or disposal of non - current assets	-	2,749
Changes in assets and liabilities		
- (increase)/decrease in trade and other receivables	88,444	(84,023)
- (increase)/decrease in other assets	(49,885)	(98,257)
- increase/(decrease) in trade payables and accruals	(333,678)	188,443
- increase/(decrease) in other current liabilities	197,066	50,502
- increase/(decrease) in provisions	5,297	1,840
Net cash flows provided by/ (used in) operating activities	<u>(63,887)</u>	<u>225,564</u>

(b) Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

Bank balances	<u>728,814</u>	<u>858,450</u>
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Included in the total bank balance above is a cash balance of \$33,828 relating to the NSW Mens Shed Association. AMSA hold these funds on behalf of NSW and therefore a corresponding liability has been recognised at 30 June 2016.

Australian Men's Shed Association Limited

Notes to the Financial Statements for the Financial Year Ended 30 June 2016

19 Financial Instruments

(a) Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 1 to the financial statements.

Interest Rate Risk

The Company's cash reserves are subject to interest rate risk, but the company is not dependent on this income.

Maturity profile of financial instruments

The following table details the company's exposure to interest rate risk as at 30 June 2016 and 30 June 2015:

	Effective Interest Rate		Floating Interest Rate		Non-interest Bearing		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
	%	%	\$	\$	\$	\$	\$	\$
Financial Assets:								
Cash at bank	-	1.83	728,814	858,450	-	-	728,814	858,450
Receivables	-	-	-	-	12,326	100,770	12,326	100,770
Total Financial Assets			728,814	858,450	12,326	100,770	741,140	959,220
Financial Liabilities:								
Trade and sundry payables	-	-	-	-	225,018	558,696	225,018	558,696
Employee provisions	-	-	-	-	56,950	51,653	56,950	51,653
Total Financial Liabilities			-	-	281,968	610,349	281,968	610,349

(b) Credit risk management

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables from customers. As the overwhelming majority of the company's revenue are government grants, the directors' consider credit risk to be minimal.

Fair value of financial instruments

The directors consider that the carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their fair values (2015: net fair value).

(c) Liquidity risk management

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

Australian Men's Shed Association Limited

Notes to the Financial Statements for the Financial Year Ended 30 June 2016

19 Financial Instruments (cont'd)

(d) Market risk

As a resource centre for Men's Sheds across Australia, the directors' consider market risk to be minimal.

There has been no change to the Company's exposure to market risks or the manner in which it manages and measures the risk from the previous period.

20 Company Details

Principal Place of Business and Registered Office

The principal place of business and registered office is:

66 King Street
Newcastle NSW 2300