

Australian Men's Shed Association Limited

Financial Statements

For the Financial Year Ended 30 June 2018

Australian Men's Shed Association Limited

Financial Statements for the Financial Year Ended 30 June 2018

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Australian Men's Shed Association Limited

Directors' Report 30 June 2018

Your directors present their report on the Company for the financial year ended 30 June 2018.

Directors

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

Names

Graeme Curnow	Resigned 24 November 2017
Paul Sladdin	
Bryce Routley	Resigned 24 November 2017
Kevin Callinan	Resigned 21 June 2018
John Sharples	
Anastasios Mousaferiadis	
Stuart Eustice	
Peter Hendry	
Charles Trafford	
Neil Sperring	
Matthew Plumridge	Appointed 21 June 2018

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

Company secretary

Matthew Plumridge held the office of company secretary throughout the financial year and up to the date of this report.

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 deficit of \$ 145,461 (2017: surplus \$ 183,171).

Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Company during the year.

Events after the reporting 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.

Australian Men's Shed Association Limited

Directors' Report 30 June 2018

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

During the financial year, 4 meetings of directors were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Graeme Curnow	2	2
Paul Sladdin	4	2
Bryce Routley	2	2
Kevin Callinan	4	4
John Sharples	4	4
Anastasios Mousaferiadis	4	3
Stuart Eustice	4	3
Peter Hendry	4	4
Charles Trafford	4	4
Neil Sperring	4	4
Matthew Plumridge	1	1

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.

Australian Men's Shed Association Limited

Directors' Report 30 June 2018

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 2018 has been received and can be found on page 4 of the financial report.

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

Director:

Dated this day of 2018

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 2018, 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 this day of 2018

Australian Men's Shed Association Limited

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

Opinion

We have audited the financial report of Australian Men's Shed Association Limited, which comprises the statement of financial position as at 30 June 2018, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- (i) giving a true and fair view of the Company's financial position as at 30 June 2018 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 1 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 the Company, 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.

Responsibilities of 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 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 the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

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

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

PKF
Chartered Accountants

MARTIN MATTHEWS
Partner

Newcastle, NSW

Dated this day of2018

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 2018 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.

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

Director

Dated this day of 2018

Australian Men's Shed Association Limited

Statement of Profit or Loss and Other Comprehensive Income for the Financial Year Ended 30 June 2018

	Note	2018 \$	2017 \$
Revenue	2(a)	2,998,139	2,760,480
Employee benefits expense	2(b)	(798,110)	(687,454)
Depreciation and amortisation expense	2(b)	(48,704)	(2,998)
Member development grants & donations	2(b)	(1,279,211)	(913,750)
Administration expenses		(55,744)	(40,340)
Conference expenses		(61,541)	(20,071)
Advertising and promotions		(89,122)	(37,145)
Professional services expense		(118,599)	(174,874)
Travel & motor vehicle expenses		(112,825)	(96,262)
Insurance expense		(542,358)	(554,901)
Other expenses		(37,386)	(49,514)
(Deficit)/Surplus before income tax		(145,461)	183,171
Income tax expense	1(k)	-	-
(Deficit)/Surplus for the year		(145,461)	183,171
Other comprehensive income for the year		-	-
Total comprehensive income		(145,461)	183,171

The accompanying notes form part of these financial statements.

Australian Men's Shed Association Limited

Statement of Financial Position as at 30 June 2018

	2018	2017
Note	\$	\$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	592,450	579,801
Trade and other receivables	16,113	37,453
Other assets	321,632	370,898
TOTAL CURRENT ASSETS	930,195	988,152
NON-CURRENT ASSETS		
Property, plant and equipment	71,186	114,281
Intangible assets	-	5,609
TOTAL NON-CURRENT ASSETS	71,186	119,890
TOTAL ASSETS	1,001,381	1,108,042
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	151,568	48,046
Provisions	62,466	43,618
Other liabilities	368,797	462,869
TOTAL CURRENT LIABILITIES	582,831	554,533
NON-CURRENT LIABILITIES		
Provisions	41,568	31,066
TOTAL NON-CURRENT LIABILITIES	41,568	31,066
TOTAL LIABILITIES	624,399	585,599
NET ASSETS	376,982	522,443
EQUITY		
Retained earnings	376,982	522,443
TOTAL EQUITY	376,982	522,443

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 2018

	2018	2017
Note	\$	\$
Cash from operating activities:		
Receipts from funding bodies, members, sponsorship and donations	3,229,175	2,879,320
Payments to suppliers and employees	(3,219,815)	(2,986,662)
Interest received	3,289	4,284
Net cash (used in)/ provided by operating activities	12,649	(103,058)
Cash flows from investing activities:		
Payment for property, plant and equipment	-	(45,955)
Net cash used in investing activities	-	(45,955)
Cash flows from financing activities:		
Net cash used in financing activities	-	-
Net increase / (decrease) in cash and cash equivalents held	12,649	(149,013)
Cash and cash equivalents at beginning of year	579,801	728,814
Cash and cash equivalents at end of year	592,450	579,801

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 2018

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2017	522,443	522,443
Deficit for the year	(145,461)	(145,461)
Balance at 30 June 2018	<u>376,982</u>	<u>376,982</u>

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2016	339,272	339,272
Surplus for the year	183,171	183,171
Balance at 30 June 2017	<u>522,443</u>	<u>522,443</u>

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 2018

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.

(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) Going concern

Australian Men's Shed Association has a current funding agreement in place with the Department of Health for continuation of funding until 30 September 2019. The Board are confident that Australian Men's Shed Association will obtain funding beyond 20 September 2019. Accordingly, notwithstanding the uncertainty over Australian Men's Shed Association's funding, in light of the net asset position as at 30 June 2018, the Board has determined it appropriate that the financial report be prepared on a going concern basis.

(e) 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.

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.

Australian Men's Shed Association Limited

Notes to the Financial Statements for the Financial Year Ended 30 June 2018

1 Summary of Significant Accounting Policies (cont'd)

(f) 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.

(g) 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.

(h) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be 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.

(i) Provisions

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

(j) 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.

(k) Income tax

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

Australian Men's Shed Association Limited

Notes to the Financial Statements for the Financial Year Ended 30 June 2018

1 Summary of Significant Accounting Policies (cont'd)

(l) 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.

(m) 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.

(n) 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).

(o) 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.

(p) 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 2017.

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.

Australian Men's Shed Association Limited

Notes to the Financial Statements for the Financial Year Ended 30 June 2018

1 Summary of Significant Accounting Policies (cont'd)

(q) 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 July 2018).

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

AASB 16: Leases (applicable for annual reporting periods commencing on or after 1 July 2019).

The company has yet to determine the impact of these new Standards.

(r) 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 \$1,000 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 2018

2 Surplus for the year

(a) Revenue

	2018	2017
	\$	\$
Sales revenue		
Government grants	1,697,254	1,833,108
Rendering of services	739,863	702,719
Donations	557,733	220,369
	<u>2,994,850</u>	<u>2,756,196</u>
Other income		
Interest income	3,289	4,284
	<u>2,998,139</u>	<u>2,760,480</u>

(b) Expenses

Depreciation and amortisation of non - current assets	48,704	2,998
Employee benefits expense	798,110	687,454
Member development grants and donations	1,279,211	913,750

3 Key management personnel

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

Graeme Curnow	Stuart Eustice
Paul Sladdin	Matthew Plumridge
Bryce Routley	Peter Hendry
Kevin Callinan	Charles Trafford
John Sharples	Neil Sperring
Anastasios Mousaferiadis	

Specified directors remuneration

The non-executive directors received no remuneration during their terms in office in for both the 2017 and 2018 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 2018

3 Key management personnel (cont'd)

	2018	2017
	\$	\$
Short-term employee benefits(i)	151,003	151,001
Post-employment benefits	32,846	24,484
	<u>183,849</u>	<u>175,485</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

11,750	11,500
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5 Trade and other receivables

Trade receivables
GST receivable

9,482	30,660
6,631	6,793
<u>16,113</u>	<u>37,453</u>

6 Other current assets

Prepayments

321,632	370,898
<u>321,632</u>	<u>370,898</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:

	Software	Furniture, Fixtures and Fittings	Computer Equipment	Total
	\$	\$	\$	\$
Balance at the beginning of year	97,050	7,253	9,978	114,281
Depreciation	(38,820)	(1,114)	(3,161)	(43,095)
Balance at 30 June 2018	<u>58,230</u>	<u>6,139</u>	<u>6,817</u>	<u>71,186</u>

8 Intangible Assets

Trademarks - at cost

5,609

Accumulated amortisation

(5,609)

<u>-</u>	<u>5,609</u>
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Australian Men's Shed Association Limited

Notes to the Financial Statements for the Financial Year Ended 30 June 2018

9 Trade and other payables

	2018	2017
	\$	\$
Trade payables	139,050	37,936
Sundry payables and accrued expenses	12,518	10,110
	<u>151,568</u>	<u>48,046</u>

10 Provisions

Current		
Annual leave provision	62,466	43,618
Non-current		
Long service leave provision	41,568	31,066

11 Other liabilities

Unearned membership income	354,539	433,175
Payable to NSW Association	14,258	29,694
	<u>368,797</u>	<u>462,869</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 2018 (2017: nil).

13 Capital and Leasing Commitments

(a) Operating Lease Commitments

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

	2018	2017
	\$	\$
Payable - minimum lease payments:		
- not later than 12 months	2,700	2,700
- between one year and five years	-	2,700
	<u>2,700</u>	<u>5,400</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 2018

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 (2017: 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 2018 (2017: 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.

18 Cash Flow Information

(a) Reconciliation of Cash Flow from Operations with Surplus

	2018	2017
	\$	\$
(Deficit)/Surplus for the year	(145,461)	183,171
Depreciation and amortisation of non - current assets	48,704	2,998
Changes in assets and liabilities		
- decrease/(increase) in trade and other receivables	21,340	(17,350)
- decrease/(increase) in other assets	49,266	(3,914)
- increase/(decrease) in trade payables and accruals	103,522	(164,349)
- decrease in other current liabilities	(94,072)	(121,348)
- increase in provisions	29,350	17,734
Net cash flows used in operating activities	<u>12,649</u>	<u>(103,058)</u>

Australian Men's Shed Association Limited

Notes to the Financial Statements for the Financial Year Ended 30 June 2018

18 Cash Flow Information (cont'd)

(b) Reconciliation of cash

	2018	2017
	\$	\$
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	592,450	579,801

Included in the total bank balance above is a cash balance of \$14,258 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 2018 (2017: \$29,694).

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 2018 and 30 June 2017:

	Effective Interest Rate		Floating Interest Rate		Non-interest Bearing		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
	%	%	\$	\$	\$	\$	\$	\$
Financial Assets:								
Cash at bank	0.50	0.60	592,450	579,801	-	-	592,450	579,801
Receivables	-	-	-	-	16,113	37,453	16,113	37,453
Total Financial Assets			592,450	579,801	16,113	37,453	608,563	617,254
Financial Liabilities:								
Trade and sundry payables	-	-	-	-	151,568	48,046	151,568	48,046
Employee provisions	-	-	-	-	104,034	74,684	104,034	74,684
Total Financial Liabilities			-	-	255,602	122,730	255,602	122,730

Australian Men's Shed Association Limited

Notes to the Financial Statements for the Financial Year Ended 30 June 2018

19 Financial Instruments (cont'd)

(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 (2017: 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.

(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