

AUSTRALASIAN REPORTING AWARDS LIMITED
ABN 11 145 956 172

FINANCIAL REPORT FOR THE YEAR ENDED
30 SEPTEMBER 2018

AUSTRALASIAN REPORTING AWARDS LIMITED

ABN 11 145 956 172

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AUSTRALASIAN REPORTING AWARDS LIMITED

ABN 11 145 956 172

DIRECTORS' REPORT

In accordance with section 300B of the Corporations Act 2001 (Cth) the Directors present this report on the company, Australasian Reporting Awards Limited (ABN 11 145 956 172) a company limited by guarantee, for the financial year 1 October 2017 to 30 September 2018.

The company's short-term objectives

1. To continually adapt the ARA Awards process to accommodate changing expectations and reporting methods.
2. To increase the number of organisations that submit their annual, sustainability and integrated reports for review and obtain constructive feedback in the ARA Awards process.
3. To increase the number of annual, sustainability and integrated reports that fully satisfy the ARA Criteria.
4. To achieve sufficient sponsorship to allow entry costs to be set at levels that do not discourage entries.

The company's long-term objectives

1. To improve the quality of annual, sustainability and integrated reporting by organisations in Australia, New Zealand and other countries in the Asia-Pacific Region.
2. To raise awareness among the leaders and managers of reporting organisations of the benefits of complete, open, honest, transparent and timely disclosure of information to stakeholders.
3. To enable private sector, public sector and not-for-profit organisations in Australia, New Zealand and other countries in the Asia-Pacific region to be highly effective in communicating financial, business and sustainability-related information.
4. To enhance community understanding of the purposes of organisations, of how they operate and of the results they achieve.
5. To improve community awareness of valid and objective measures of organisational performance, and greater understanding of the results organisations have achieved.

The company's strategy for achieving those objectives

1. Preparing, annually updating and widely distributing guidelines (as the ARA Criteria) for preparing annual, sustainability and integrated reports in Australia, New Zealand and other countries in the Asia-Pacific region. ARA Criteria are based on considered best practice and statutory considerations.

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DIRECTORS' REPORT (continued)

2. Promoting and conducting an annual awards process involving assessment of annual, sustainability and integrated reports with respect to the ARA Criteria and presenting reports that satisfy the criteria with 'Awards for Excellence' at a prestigious Awards Presentation Dinner. This 'benchmarking' process is to encourage Boards of Directors, Chief Executive Officers, Directors-General, and Senior Management of organisations to focus on the scope, integrity and effectiveness of their reporting to stakeholders.
3. Providing practical advice to entrants in the Awards by way of educative feedback sessions with an ARA Co-ordinator or Adjudicator to help them improve the quality of their reporting.
4. Conducting an annual seminar on reporting with presentations from expert speakers and panel members on different aspects of reporting about the activities of an organisation.
5. Providing educational briefing sessions, advice and support materials for adjudicators involved in the Awards adjudication processes to ensure a consistent, high quality approach to adjudication.
6. Timely communication with previous entrants and other organisations to encourage them to enter the Awards, attend the Awards Presentation Dinner, attend the Seminar on Reporting, and arrange a feedback session.
7. Recruiting and training of people who have extensive experience in the preparation of annual reports to become ARA Adjudicators.
8. Recruiting people with relevant expertise and experience in financial and sustainability communication to become Directors of the company.
9. Seeking financial sponsorships or in-kind support from organisations that share an interest in improving the quality of communication between organisations and their stakeholders.

Principal Activities during the year

The principal activity of the company is contributing to the development of effective reporting by assessing annual, sustainability and integrated reports and providing advice, education and training to persons who are involved in preparing annual, sustainability and integrated reports for an organisation to enable them to be more effective in informing the organisation's stakeholders and the public about the nature and scope and the performance and prospects of that organisation.

This is achieved primarily by conducting annual Awards for Excellence in annual, sustainability and integrated reporting.

The Awards process includes: preparing and promulgating guidelines (criteria) for preparing an annual, sustainability or integrated report; adjudication of annual, sustainability and integrated reports and recognising reports that meet the criteria with an award; conducting an annual educative Seminar on Reporting; and providing constructive advice via feedback sessions to those who enter the Awards.

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DIRECTORS' REPORT (continued)

Levels of participation in the Awards and Awards presented from 2013 to 2018.

Number of Entries	2013	2014	2015	2016	2017	2018
General Award	220	202	214	213	205	219
Special Award	145	140	130	142	116	121

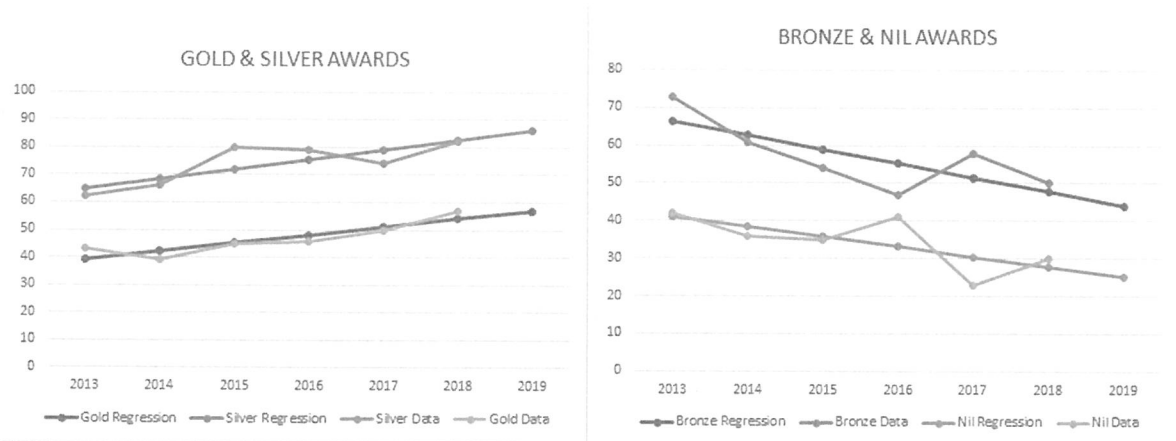
Trends: The number of General Award entries has remained broadly similar while the number of Special Award entries has decreased since 2013.



The trend lines are least squares best fit to the data.

Number of Awards	2013	2014	2015	2016	2017	2018
Gold Award	43	39	45	46	50	57
Silver Award	62	66	80	79	74	82
Bronze Award	73	61	54	47	58	50

Trends: The numbers of Gold and Silver Awards have increased from 2013 while the numbers of Bronze and Nil Awards have decreased.



The trend lines are least squares best fit to the data.

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DIRECTORS' REPORT (continued)

Sponsorship Support

Three new sponsorships were negotiated, two for a sponsorship fee and for one in-kind support with graphic design and related services. These partially offset the long-standing principal sponsorship which ceased in 2017. Work continues to secure a principal sponsor.

How the company measures its performance including key performance indicators

- Governance: Regular self-evaluation by the Board of its performance, and of the company's structure and operations, to ensure continuous improvement in its governance.
- ARA Criteria: Ensuring the company's publications continually promote national and international good practice performance reporting criteria for annual, sustainability and integrated reports.
- Marketing: Ensuring the company's services are promptly and effectively marketed to previous entrants and potential new entrant organisations in Australia, New Zealand and other countries in the Asia-Pacific region with the number of entrants being a KPI.
- Awards: Continuous improvement in the number and quality of Gold, Silver, and Bronze Awards, and Special Awards each year with the number of awards and finalists being KPIs.
- Adjudicators: Continuous improvement in the services provided by Adjudicators each year, especially in the number and quality of feedback sessions provided with the retention rate of Adjudicators being a KPI.
- Education: Ensuring that educational seminars and training sessions adequately cover current developments in best practices for annual, sustainability and integrated reporting with the number of attendees being a KPI.
- Finance: To remain financially sustainable by retaining sufficient cash funds with the level of sponsorship being a KPI.
- Communication: Ensuring timely and effective communication of relevant information to stakeholders with performance against planning schedule being a KPI.

Directors

The names of each person who was a Director at any time during or since the end of the financial year and the period for which the person was a Director are (all were Directors from 1 October 2017 until the date of this report unless indicated otherwise):

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DIRECTORS' REPORT (continued)

Chair	Suresh Cuganesan	
Director	Philip Hughes	
Director	Ray Lane	
Director	Keith Roberts	
Director	Linda Stoneman	
Director	Stephen Varady	
Director	Sylvia Bell	Appointed 12 February 2018
Director	Andrew Crawford	Appointed 12 February 2018

Company Secretary

Ray Lane was Company Secretary throughout this period.

Directors qualifications, special responsibilities and experience

Name & Special Responsibilities	Qualifications	Principal Expertise and Experience
Suresh Cuganesan Chair of the Board	BCom(Hons), MCom(Hons), PhD FCPA, MIAA	Strategy, Performance Reporting, Finance
Keith Roberts	BCom(Hons), FGIA, FCIS, MAPS, MAICD	Reporting, Governance, Consulting
Linda Stoneman	GradDip(Mgmt), MBA	Corporate Performance
Philip Hughes	BSc, BA, MRRP(Dist.)	Reporting, Strategic Planning, Public Policy, Sustainability
Ray Lane Company Secretary	BCom, MPA, FIPAA, FAIDC, MIIA	Governance, Assurance Risk Management, Public Administration
Stephen Varady CSM Chair Awards Cttee	Grad Cert (Public Sector Mgt), MA (Public Sector Leadership)	Strategic Planning, Performance, Public- Sector Management
Sylvia Bell	BSc, MA(Comms), GAICD FPRIA, FIML	Strategy, Communications, Public Sector Management
Andrew Crawford	FAICD. PCPA. MACS CP	Strategy Execution, Project Management, Performance Measurement

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DIRECTORS' REPORT (continued)

Meetings of Directors

During the reporting period, 7 meetings of Directors were held. Attendances were:

	<u>Number eligible to attend</u>	<u>Number attended</u>
Suresh Cuganesan	7	7
Phil Hughes	7	6
Ray Lane	7	7
Keith Roberts	7	7
Linda Stoneman	7	7
Stephen Varady	7	6
Sylvia Bell	4	4
Andrew Crawford	4	4

Membership of the company

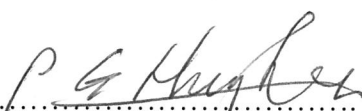
The company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the constitution states each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the entity.

At 30 September 2018, there were 9 members of the company, and the total amount members are liable to contribute if the company is wound up is \$90.

Auditor's Independence Declaration

The auditor's independence declaration for the reporting year ended 30 September 2018 has been received and is attached on page 9 and forms part of this Directors' Report in accordance with section 298(1AB) (b) of the Corporations Act 2001.

In accordance with section 298(2) of the Corporations Act, signed in accordance with a resolution of the Board of Directors.


.....
Phil Hughes (Director)

Dated this 12th day of November 2018

AUSTRALASIAN REPORTING AWARDS LIMITED

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**AUDITOR'S INDEPENDENCE DECLARATION UNDER S 307C OF
THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF
AUSTRALASIAN REPORTING AWARDS LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 30 September 2018 there has been:

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

Trood Pratt Audit & Assurance Services Pty Ltd
TROOD PRATT AUDIT & ASSURANCE SERVICES PTY LTD

A. Spratt

A J SPRATT

Director

Dated at Sydney this 12th day of November 2018

AUSTRALASIAN REPORTING AWARDS LIMITED

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

	2018	2017
	\$	\$
Revenue	293,251	284,926
Feedbacks: Payments to Adjudicators	(22,281)	(19,362)
Administration services fees	(137,496)	(137,496)
Awards dinner, seminar and feedback expenses	(86,645)	(81,457)
Postage and couriers	(7,817)	(11,166)
Other expenses	(34,504)	(47,675)
Current year surplus/(deficit) before income tax	4,508	(12,230)
Income tax expense	-	-
Current year surplus/(deficit)	4,508	(12,230)
Other comprehensive income	-	-
Total comprehensive surplus/(deficit) for the year	4,508	(12,230)

The accompanying notes form part of this financial report.

AUSTRALASIAN REPORTING AWARDS LIMITED

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Statement of Financial Position as at 30 September 2018

	Note	2018	2017
		\$	\$
Assets			
Current Assets			
Cash and cash equivalents		112,532	85,674
Accounts receivable and other debtors		4,419	14,165
Prepayments		-	12,604
Total Current Assets		<u>116,951</u>	<u>112,443</u>
Total Assets		<u>116,951</u>	<u>112,443</u>
Net Assets		<u>116,951</u>	<u>112,443</u>
Equity			
Retained Surplus		<u>116,951</u>	<u>112,443</u>
		<u>116,951</u>	<u>112,443</u>

The accompanying notes form part of this financial report.

AUSTRALASIAN REPORTING AWARDS LIMITED

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Statement of Changes in Equity For the Year Ended 30 September 2018

	Accumulated Funds
	<u>\$</u>
	,
Balance at 1 October 2016	124,643
Deficit for the year	(12,230)
Contributions from members	30
Total comprehensive deficit	<u>(12,200)</u>
Balance at 30 September 2017	<u>112,443</u>
Surplus for the year	4,508
Contributions from members	-
Total comprehensive surplus	<u>4,508</u>
Balance at 30 September 2018	<u>116,951</u>

The accompanying notes form part of these financial statements

AUSTRALASIAN REPORTING AWARDS LIMITED

ABN 11 145 956 172

Statement of Cash Flows For the Year Ended 30 September 2018

	Note	2018 \$	2017 \$
Cash flows from operating activities			
Receipts from contractors		301,429	284,195
Payments to suppliers and contractors		(276,139)	(322,586)
Interest received		1,568	731
Net cash provided by/(used in) operating activities		<u>26,858</u>	<u>(37,660)</u>
Cash flows from financing activities			
Contributions from members		-	30
Net cash provided by financing activities		<u>-</u>	<u>30</u>
Net increase/(decrease) in cash held		26,858	(37,630)
Cash at beginning of the financial year		<u>85,674</u>	<u>123,304</u>
Cash at end of the financial year		<u><u>112,532</u></u>	<u><u>85,674</u></u>

The accompanying notes form part of these financial statements

AUSTRALASIAN REPORTING AWARDS LIMITED

ABN 11 145 956 172

Notes to the Financial Statements For the Year Ended 30 September 2018

Note 1 – Summary of Significant Accounting Policies

The directors have prepared the financial statements on the basis that the company is a non-reporting entity because there are no users who are dependent on general purpose financial statements. These financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the Corporations Act 2001.

The financial statements have been prepared in accordance with ASRE 2415: Review of a Financial Report – Company Limited by Guarantee, the mandatory Australian Accounting Standards applicable to entities reporting under the Corporations Act 2001 and the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with those of previous periods unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on a cash basis and are based on historical costs unless otherwise stated in the notes. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on 12th November 2018 by the directors of the company.

Accounting Policies

(a) Income Tax

The income tax expense (income) for the year comprises current income tax expense (income). The company does not recognise deferred tax assets or liabilities.

Current income tax expense charged to profit or loss is the tax payable on taxable income and is measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

(b) Cash and Cash Equivalents

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

(c) 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. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

Grant and donation income is recognised when the entity obtains control over the funds which is generally at the time of receipt.

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

AUSTRALASIAN REPORTING AWARDS LIMITED

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Notes to the Financial Statements For the Year Ended 30 September 2018

Note 1 – Summary of Significant Accounting Policies (continued)

(d) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(e) New Accounting Standards for Application in Future Periods

The company has not early adopted and applied any new, revised or amending Accounting Standard and Interpretations that are not yet mandatory for the year ended 30 June 2017.

New, revised or amending Accounting Standards and Interpretations will be adopted by the Company in the operating year commencing 1 October after the effective date of these standards and interpretations as set out in the table below:

Title	Description	Effective Date	Operating Year	Note
AASB 9	Financial Instruments	01/09/18	30/09/19	(i)
AASB 15	Revenue from contracts with Customers and the relevant amending standards	01/09/18	30/09/19	(i)
AASB 16	Leases	01/09/19	30/09/20	(i)

Table notes

(i) These changes are not expected to have a significant, if any, financial impact.

AUSTRALASIAN REPORTING AWARDS LIMITED

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Notes to the Financial Statements For the Year Ended 30 September 2018

	2018	2017
	\$	\$
Note 2: Profit before income tax		
a. Expenses		
Audit/review fees	3,550	3,400
Audit – other services	-	500
Administration service fees	137,496	137,496
Awards dinner, seminar and feedback expenses	86,645	81,652
b. Significant revenue		
The following significant revenue items are relevant in explaining the financial performance:		
Awards presentation dinner	56,120	41,064
Entry fees	108,200	101,859
Feedback fees	36,454	34,545
Seminar fees	35,836	32,073
Sponsorship	55,000	74,000

Note 3: Events After the End of the Reporting Period

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

Note 4: Entity details

The registered office and the principal place of business is:

Australasian Reporting Awards Limited
Suite 1, 44 Bridge Street
Sydney NSW 2000

AUSTRALASIAN REPORTING AWARDS LIMITED

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Directors' Declaration


The Directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The Directors of the company declare that:

1. The financial statements and notes as set out on pages 9 to 16 are in accordance with the Corporations Act 2001 and:
 - (a) comply with the Accounting Standards applicable to the company; and
 - (b) give a true and fair view of the financial position as at 30 September 2018 and of the performance of the company for the year ended on that date in accordance with the Accounting Policies described in Note 1 of the financial statements.
2. In the Directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors made pursuant to section 295(5) of the Corporations Act 2001.

On behalf of the Directors:


.....
Phil Hughes (Director)

Dated at Sydney this 12th day of November 2018

AUSTRALASIAN REPORTING AWARDS LIMITED

ABN 11 145 956 172

Independent Auditor's Review Report to the Members of Australasian Reporting Awards Limited

Report on the Financial Report

We have reviewed the accompanying financial report of Australasian Reporting Awards Limited (the company), which comprises the statement of financial position as at 30 September 2018, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, 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 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 is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2415: Review of a Financial Report- Company Limited by Guarantee, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the company's financial position as at 30 September 2018 and its performance for the year ended on that date; and complying with Australian Accounting Standards and the Corporations Regulations 2001. ASRE 2415 requires that we comply with the ethical requirements relevant to the review of the financial report.

A review of the financial report consists of making enquires, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

AUSTRALASIAN REPORTING AWARDS LIMITED

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Independent Auditor's Review Report to the Members of Australasian Reporting Awards Limited (Continued)

Independence

In conducting our review, we have complied with the independence requirements of the Corporation Act 2001. 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 the auditor's review report.

Conclusion

Based on the review, which is not an audit, we have not become aware of any matter that makes us believe that the financial report of the company is not in accordance with the Corporations Act 2001 including:

- a. giving a true and fair view of the company's financial position as at 30 September 2018 and of its performance for the period ended on that date; and
- b. complying with Australian Accounting Standards and the Corporations Regulation 2001.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the Corporations Act 2001. As a result, the financial report may not be suitable for another purpose.

Trood Pratt Audit & Assurance Services Pty Ltd
TROOD PRATT AUDIT AND ASSURANCE SERVICES PTY LTD

A. Spratt

A J SPRATT

Director

Dated at Sydney this *12th* day of November 2018

AUSTRALASIAN REPORTING AWARDS LIMITED

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COMPILATION REPORT

On the basis of information provided by the directors of Australasian Reporting Awards Limited, we have compiled, in accordance with APES 315: Compilation of Financial Information, the Detailed Income Statement of Australasian Reporting Awards Limited for the year ended 30 September 2018.

The specific purpose for which the Detailed Income Statement has been prepared is to provide information to the directors.

To the extent permitted by law, we do not accept liability for any loss or damage, which any person, other than the company, may suffer arising from any negligence on our part.

The Detailed Income Statement was prepared for the benefit of the company and its members, and the purpose identified above. We do not accept responsibility to any other person for the contents of the Detailed Income Statement.

Trood Pratt Audit & Assurance Services Pty Ltd
TROOD PRATT AUDIT AND ASSURANCE SERVICES PTY LTD

A. Spratt
A J SPRATT
Director

Dated at Sydney this *12th* day of November 2018

AUSTRALASIAN REPORTING AWARDS LIMITED

ABN 11 145 956 172

Detailed Profit and Loss Statement For the Year Ended 30 September 2018

	2018	2017
	\$	\$
Income		
Interest received	1,568	731
Awards presentation dinner	56,120	41,064
Duplicate certificate fees	73	654
Entry fees	108,200	101,859
Feedback fees	36,454	34,545
Seminar fees	35,836	32,073
Sponsorship	55,000	74,000
Total Income	<u>293,251</u>	<u>284,926</u>
Expenses		
Audit/review fees	3,550	3,400
Audit – other services	-	500
Accounting - in house	390	360
Feedbacks: Payments to Adjudicators	22,281	19,362
Administration services fees	137,496	137,496
Advertising	-	-
Awards dinner, seminar and feedback expenses	86,645	81,652
Bank charges	2,775	2,454
Board meeting expenses	629	616
Certificates and trophies	6,169	6,073
Co-ordinators expenses	2,343	5,686
Directors expenses	7,209	13,304
Marketing and Promotion	5,833	8,695
Online payments system	484	475
Insurance	3,826	3,826
Postage and couriers	7,817	11,166
Printing and stationery	1,030	1,593
Travel - local	-	451
Website and IT expenditure	140	-
Filing fee	126	47
Total Expenses	<u>288,743</u>	<u>297,156</u>
Surplus/(Deficit) for the year	<u>4,508</u>	<u>(12,230)</u>