

**FAMILY BUSINESS AUSTRALIA LIMITED**  
**ABN 61 083 076 000**

**FINANCIAL REPORT**

**FOR THE YEAR ENDED 30TH JUNE, 2015**

**FAMILY BUSINESS AUSTRALIA LIMITED**  
**ABN 61 083 076 000**

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**FAMILY BUSINESS AUSTRALIA LIMITED**  
**ABN 61 083 076 000**

**DIRECTORS REPORT**

**FOR THE YEAR ENDED 30TH JUNE, 2015**

Your directors present their report on the entity for the financial year ended 30<sup>th</sup> June, 2015.

**Directors**

The names of each person who has been a Director during the year and to the date of this report are:

N BLOOR	Resigned 24/11/14
K AUGHEY	
A BEARD	
J MANFORD	
A MOSTYN	
J THOMAS	
J ANDERSON	Resigned 17/02/15
R SHARPE (Alternate for A Beard)	
M GIVONI	
M VOS	Resigned 16/09/14
S SAMSON	
M POWER	
G HENDERSON	
R. SHAW	Appointed 24/11/14

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

**Principal Activities**

The principal activities of the Company during the financial year were to provide business services to family owned businesses and their professional advisors through education, networking events and conferences.

**Commentary on Financial Year 2015 Performance**

The result for financial year June 2015 was a much needed improvement on the previous year. Staff changes in National Office, and in all states except Victoria, meant that business continuity was severely disrupted, and this led to lower than expected membership growth and retention. These have now been rectified and FBA is poised to have certainty in its administration function going into the 2016 financial year, so that we can enthusiastically pursue our key initiatives and undertakings. A patchy Australian economy has contributed to members re-assessing their membership categories. Results across our delivery platforms (events, conferences) were also down on budget, however significant cost control meant the loss was not as large as might have been expected.

There have been key wins in the areas of advocacy, with FBA having a seat at the table federally in the Small Business Ministerial Council, the ATO, ASIC and the ACCC. More broadly, relationships with like-minded organisations such as Australian Made have increased our media pick up, and there have been a number of other partnerships, for example with PWN, Vic Leaders and AIM.

Our new webinar series is off and running, and state conferences have been reinvigorated. Course attendance has been disappointing, and this, along with concerns about whether our membership pricing structure is correct, has led to a major piece of marketing research currently being undertaken.

**FAMILY BUSINESS AUSTRALIA LIMITED  
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**DIRECTORS REPORT (cont'd)**

**FOR THE YEAR ENDED 30TH JUNE, 2015**

**Short term objectives**

The entity's short term objectives are to:

- Be the peak body for families in business in Australia
- Increase Memberships to 2017 by June 2016 (retention rate 87.5%)
- Increase Forum memberships to 253 by June 2016
- Aim to increase turnover to \$3m and to have \$300,000 in reserve by 2017

**Long term objectives**

- Be recognised as the peak body for the family business sector by media and government
- Be sustainable and independent of sponsors
- Focus on the Australian capital cities, and the wider Asia Pacific
- Members: 6000, with retention at 87.5%
- Revenue: \$7.5 million

**Overall strategic thrust**

Develop a dynamic business with above average growth rates, profitability and relevance to the market. Reposition ourselves from problem solver to business strengthener.

**Strategies**

1. **BHAG** - 6,000 members (with an 87.5% retention rate) and \$7.5m in revenue by 2020. Family businesses achieving more by being associated with FBA. These targets are to be reviewed each year.
2. **Vivid description of the future** - We will have a market reputation for contributing to our clients' successes
3. **Clarity & purpose** - Focused - Outcomes based solutions. Listens and adapts - tailors. Accessible. Achieve more - deliver value. Unique - family business, non-competitive, not industry. Strong point/proposition. Stand for something.
4. **People & culture** - Efficient processes/structure. Contribute to team culture. Be involved. Progression and recognition. Passion, understanding. Challenge v complacency. Unity - alignment, national mindset. All reflected in culture.  
Partners - Shared value proposition. Professional and sustainable organisation which can deliver. Service they need. "Friends of friends" networks. Partnerships/enduring. Value to members - preferences. Fit and alignment.

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**DIRECTORS REPORT (cont'd)**

**Key strategies**

1. Brand
  - Reinforce the value FBA provides the family business sector and the individuals within the sector
  - Highlight the professional, dynamic and accessible nature of FBA as the peak body for family business
  - Reinforce comfort and satisfaction among stakeholders that FBA are contributing to the long term success of family business
  - Reinvigorate the perception of FBA among the new generation of family business leaders
2. Membership
  - Strengthen and build a greater understanding of the value of membership
  - Create a high level of engagement between members and FBA
  - Increase growth in a period of significant change in membership demographic
3. Product
  - Develop and deliver quality, relevant product for family businesses and advisors
  - Develop new product that leverages, compliments and extends current offerings
  - Develop effective delivery mechanisms to reach more family businesses and advisors
  - Expand product offering through mutually beneficial partnerships
  - Listen to what keeps family businesses awake at night
4. Internal capability
  - Develop a professional customer centred but outward looking culture
  - Develop effective governance structures
  - Expect a business focus in everything we do
  - Refine internal data and reporting
  - Augment staff skill sets to meet new strategies
5. External capability
  - Learn to extract value from a variety of partnerships
  - Use our source of distinctiveness to be the credible voice on family business to government
  - Embrace diversity in membership segments, products, business models, alliance partners, communications channels etc

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**DIRECTORS REPORT (cont'd)**

**Directors Qualifications, Experience and Board Meetings Attended.**

The number of meetings of Company directors, held during the year ended 30<sup>th</sup> June, 2015 was 4.

<b>Name</b>	<b>Experience/Directorships</b>	<b>Responsibilities</b>	<b>Meetings Attended</b>
J Thomas	Visiting Research Fellow University of Adelaide Business School	Non Executive Director	4/4
N Bloor	Director of Technigro Australia Pty Ltd and Technigro Pty Ltd	Non Executive Director	1/1
G Henderson	Director of Mitchell Laminates Pty Ltd, Mitchell Plastics Pty Ltd, Mitchlam Investments Pty Ltd, Lanich Nominees Pty Ltd, Henmac Nominees Pty Ltd	Non Executive Director	4/4
A Mostyn	Executive Director of Craig Mostyn Group	Non Executive Director	4/4
A Beard	Director of A H Beard Pty Ltd., A H Beard Holdings Ltd., A H Beard Ltd., Suparest Bedding Pty Ltd., A H Beard Advanced Sleep Products Pty Ltd., G&M Holdings Pty Ltd	Non Executive Director	2/4
S. Samson	Director Sadleirs Transport	Non Executive Director	3/4
J Manford	Director of Manford Records Management	Non Executive Director	3/4
R Sharpe (Alternate to A Beard)	Director of Sharpe Bros (Aust) Pty Ltd., United Way Australia, Rotary International	Non Executive Director	2/2
M Power	Director of Juzmat Pty Ltd., Wedz Pty Ltd	Non Executive Director	3/4
K Aughey	Director of Ashington Investment Pty Ltd. Plus various other directorships	Non Executive Director	4/4
J Anderson	Director of Normark Landscapes Pty Ltd	Non Executive Director	2/3
M Givoni	Director of BSA Ltd, First Five Minutes Pty Ltd, RSEA Pty Ltd	Non Executive Director	1/4
R Shaw	Director Hawkins Family Group	Non Executive Director	2/3
M Vos	Director Vos Constructions & Joinery Pty Ltd, Vos Nominees Pty Ltd	Non Executive Director	0/1

**FAMILY BUSINESS AUSTRALIA LIMITED**  
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**DIRECTORS REPORT (cont'd)**

**Company wind up**

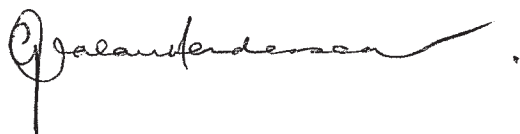
The entity is incorporated under the *Corporations Act 2001* and is an entity limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$2 each towards meeting any outstanding obligations of the entity. At 30 June 2015 the collective liability of the members was \$3,888 (2014 \$4,242)

**Auditor's Independence Declaration**

The lead auditor's independence declaration for the year ended 30 June 2015 has been received and can be found on page 8 of the directors report.

Signed in accordance with a resolution of the board of directors.

For and on behalf of the board.

A handwritten signature in black ink, appearing to read 'Graham Henderson', with a long horizontal flourish extending to the right.

Graham Henderson  
Director

Date: 22<sup>ND</sup> JULY, 2015

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF FAMILY BUSINESS AUSTRALIA

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2015 there have been:

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



Robert J Hurrell, FCA  
rdl.accountants

22 July 2015  
Blackburn, Victoria



**FAMILY BUSINESS AUSTRALIA LIMITED**  
**ABN 61 083 076 000**

**STATEMENT OF PROFIT ANN LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2015**

	<u>NOTE</u>	<u>2015</u> \$	<u>2014</u> \$
Revenue from Continuing Operations	2	2,470,808	2,615,346
Cost of Functions and Events		(954,265)	(1,022,884)
Gross Surplus		1,516,563	1,592,462
Amortisation expense	3	(24,519)	(27,945)
Depreciation expense	3	(8,610)	(21,738)
Finance costs	3	(1,635)	(2,003)
Employee benefits expense		(1,104,904)	(1,251,169)
Accounting and Audit		(115,283)	(110,316)
Advertising		(6,076)	(6,198)
Printing, postage and stationery		(26,272)	(30,194)
Bad Debts		-	-
Telephone		(30,147)	(30,376)
Travel		(49,252)	(67,901)
Marketing		(34,930)	(21,322)
Rent	3	(96,241)	(92,970)
Education		(17,500)	(11,401)
Education Course Redevelopment costs		-	-
Other expenses		<u>(97,987)</u>	<u>(115,896)</u>
(Deficit)/Surplus before income tax	3	(96,793)	(196,967)
<i>Income tax</i>	5	<u>-</u>	<u>-</u>
( Deficit)/Surplus after related income tax attributable to members of the Company		<u>(96,793)</u>	<u>(196,967)</u>
Other Comprehensive (Deficit)/Surplus:		-	-
Total Comprehensive (Deficit)/Surplus for the year		<u>(96,793)</u>	<u>(196,967)</u>
Total Comprehensive (Deficit)/Surplus attributed to members of the Company		<u>(96,793)</u>	<u>(196,967)</u>

**FAMILY BUSINESS AUSTRALIA LIMITED**  
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**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30TH JUNE, 2015**

	<u>NOTE</u>	<u>2015</u> \$	<u>2014</u> \$
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	7	335,683	330,729
Trade and Other Receivables	8	393,608	498,072
Inventories	9	4,594	6,662
Financial Assets	10	466,274	621,735
<b>TOTAL CURRENT ASSETS</b>		<u>1,200,159</u>	<u>1,457,198</u>
<b>NON CURRENT ASSETS</b>			
Property, Plant and Equipment	11	7,787	14,152
Intangible Assets	12	36,566	50,683
<b>TOTAL NON CURRENT ASSETS</b>		<u>44,353</u>	<u>64,835</u>
<b>TOTAL ASSETS</b>		<u>1,244,512</u>	<u>1,522,033</u>
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	13	222,720	255,457
Other Current Liabilities	14	793,293	914,728
Provisions	15	60,019	60,354
<b>TOTAL CURRENT LIABILITIES</b>		<u>1,076,032</u>	<u>1,230,539</u>
<b>NON CURRENT LIABILITIES</b>			
Provisions	15	5,852	32,073
<b>TOTAL NON CURRENT LIABILITIES</b>		<u>5,852</u>	<u>32,073</u>
<b>TOTAL LIABILITIES</b>		<u>1,081,884</u>	<u>1,262,612</u>
<b>NET ASSETS</b>		<u>162,628</u>	<u>259,421</u>
<b>EQUITY</b>			
Accumulated surplus		<u>162,628</u>	<u>259,421</u>
<b>TOTAL EQUITY</b>		<u>162,628</u>	<u>259,421</u>

**FAMILY BUSINESS AUSTRALIA LIMITED**  
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**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2015**

	<u>NOTE</u>	<u>2015</u> \$	<u>2014</u> \$
<b>Total equity at the beginning of the financial year</b>		<b>259,421</b>	456,388
<b>Total recognised gains and losses for the financial year:</b>			
<b>Surplus for the year</b>		<b>(96,793)</b>	(196,96)
<b>Total equity at the end of the financial year</b>		<u><b>162,628</b></u>	<u>259,421</u>

**FAMILY BUSINESS AUSTRALIA LIMITED**  
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**STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2015**

	<u>NOTE</u>	<u>2015</u> \$	<u>2014</u> \$
<b>Cash Flows from Operating Activities</b>			
Receipts from customers		3,398,868	3,824,051
Interest received		20,652	29,990
Payments to suppliers and employees		(3,555,745)	(4,062,271)
Finance costs		(1,635)	(2,003)
<b>Net Cash (Outflows)/Inflows from Operating Activities</b>	18	<u>(137,860)</u>	<u>(210,233)</u>
<b>Cash Flows from Investing Activities</b>			
Proceeds from disposal of property, plant and equipment		-	479
Payments for property, plant and equipment		(2,245)	-
Payments for intangibles – website development		(10,402)	(35,951)
<b>Net Cash Outflows from Investing Activities</b>		<u>(12,647)</u>	<u>(35,472)</u>
<b>Cash Flows from Investing Activities</b>			
Proceeds from disposal of financial assets – term deposits		155,461	150,082
Payments for purchase of financial assets		-	-
-		-	-
<b>Net Cash Outflows from Investing Activities</b>		<u>155,461</u>	<u>150,082</u>
<b>Net (Decrease)/Increase in Cash and Cash Equivalents</b>			
Cash and cash equivalents at the beginning of the financial year		<u>330,729</u>	<u>426,352</u>
<b>Cash and Cash Equivalents at the End of the Financial Year</b>	18	<u>335,683</u>	<u>330,729</u>

**FAMILY BUSINESS AUSTRALIA LIMITED**  
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2015**

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**FAMILY BUSINESS AUSTRALIA LIMITED**  
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2015**

**NOTE 1: Statement of Significant Accounting Policies**

**(a) General information**

The financial report covers the entity of Family Business Australia Limited, a company limited by guarantee, incorporated and domiciled in Australia. The functional and presentation currency of the company is Australian dollars.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

**(b) Basis of preparation**

Family Business Australia Limited has elected to early adopt the pronouncements AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements to the annual reporting period beginning 1 July 2010.

This general purpose financial report has been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

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

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs.

**(c) Revenue Recognition**

Revenue is measured at the fair value of the consideration received or receivable.

Amounts disclosed as revenue are net of returns and duties and taxes paid including GST. Revenue is recognised for the major business activities as follows:

**(i) Sponsorship/Events/Other**

Revenue is recognised on an accruals basis when it is probable that future economic benefits will flow to the company.

For sponsorship revenue, this is recognised as the service is provided.

For events and functions, this is recognised when the event occurs.

Monies received in the current period which relate to the following period are recorded as deferred revenue and subsequently recognised as revenue in the period which they relate to.

**(ii) Membership**

Revenue earned for membership fees are recognised over the period of membership. Monies received in the current period which relate to the following period are recorded as deferred revenue and subsequently recognised as revenue in the period which they relate to.

**FAMILY BUSINESS AUSTRALIA LIMITED**  
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2015**

**NOTE 1: Statement of Significant Accounting Policies (cont'd)**

**(d) Leases**

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses over the periods in which they are incurred. Rental increases are based on CPI, therefore to apply the straight-line basis will have no effect on the expense.

**(e) Income Tax**

Family Business Australia Limited is a not for profit organisation under the Income Tax Assessment Act 1997 and is exempt from income tax (note 5).

**(f) Cash and Cash Equivalents**

For statement of cash flow presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

**(g) Trade and Other Receivables**

All receivables are categorised as 'Loans and Receivables' under the requirements of AASB 139 "Financial Instruments: Recognition and Measurement" and are recognised initially at fair value, and subsequently at amortised cost. All trade and other receivables are current. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

An allowance for doubtful debts is based on a review of outstanding balances at balance sheet date, and is accounted for in a separate account. Indicators of impairment include where there is objective evidence of significant financial difficulties, debtor bankruptcy, financial reorganisation or default in payment (more than 90 days overdue). Bad debts which have previously been provided for are eliminated against the allowance for doubtful debts. In all other cases bad debts have been written off as an expense directly in the income statement.

**(h) Impairment of Assets**

Assets that are subject to depreciation and amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2015**

**NOTE 1: Statement of Significant Accounting Policies (cont'd)**

**(i) Property, Plant and Equipment**

***Plant and Equipment***

Plant and equipment is measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors for indications of impairment. If any such indications exist, an impairment test is carried out, and any impairment losses on the assets recognised.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably.

The gain or loss on disposal of all fixed assets is determined as the difference between the carrying amount of the asset at the time of disposal and the proceeds of disposal, and is included in operating surplus or deficit before income tax of the company in the year of disposal.

***Depreciation***

The depreciable amount of each fixed asset is depreciated using the straight line method, over the useful life of each asset to the Company commencing from the time the asset is held ready for use. The expected useful lives of asset classes are as follows:

Class of Fixed Asset	Estimated useful lives
Office Equipment	5 years
Computer Equipment	3 years
Leasehold Improvements	4 years

**(j) Intangible Assets**

Computer software acquired is capitalised.

Expenditure on software development is recognised in the income statement as incurred, unless specific requirements mainly relating to technical and commercial feasibility are met, in which case the expenditure is capitalised.

Computer software has a finite useful life and is amortised at 33.33% on a straight line method to allocate the cost over the estimated useful life.



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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2015**

**NOTE 1: Statement of Significant Accounting Policies (cont'd)**

**(k) Trade and Other Payables**

Trade and other payables, including accruals, are recorded initially at fair value, and subsequently at amortised cost. Trade and other payables are non-interest bearing.

**(l) Employee Benefits**

**(i) Annual Leave**

Liabilities for annual leave, expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

**(ii) Long Service Leave**

A liability for long service leave is recognised, and is measured as the value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

**(m) Goods and Services Tax (GST)**

Revenue, expenses and assets are recognised net of the amount of GST, except where the amount of GST is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

**(n) Critical judgements and significant accounting estimates**

The preparation of financial statements requires the directors of the company to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

All significant judgements, estimates and assumptions made during the year have been considered for significance. No significant critical judgements or accounting estimates have been made during the period.

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2015**

**NOTE 1: Statement of Significant Accounting Policies (cont'd)**

**(o) Going Concern**

With a decrease in Net Assets in the year of \$96,793 (2014: deficit of \$196,967) being generated, the Directors feel that preparation of the Financial Statements on a Going Concern basis remains appropriate, based on management's expectations of income for the coming year on which the company is dependent, and the cash position of the company.

**(p) 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 equivalent to the date that the company commits itself to either purchase or sell 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.

**Classification and subsequent measurement**

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

*Amortised cost* is calculated as:

- (i) the amount at which the financial asset or financial liability is measured at initial recognition;
- (ii) less principal repayments;
- (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and
- (iv) less any reduction for impairment.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

**(i) Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period. (All other loans and receivables are classified as non-current assets.)

**FAMILY BUSINESS AUSTRALIA LIMITED**  
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2015**

**NOTE 1: Statement of Significant Accounting Policies (cont'd)**

*(ii)Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. (All other investments are classified as current assets.)

If during the period the company sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investments category would be tainted and reclassified as available-for-sale.

*(iii)Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

**Fair value**

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

**Impairment**

At the end of each reporting period, the entity assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

**Derecognition**

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying value of the financial liability, which is extinguished or transferred to another party, and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

**(q) Change in Accounting Policies**

**New and revised standards that are effective for these financial statements**

A number of new and revised standards are effective for annual periods beginning on or after 1 January 2013. Information on these new standards is presented below:

*AASB 119 Employee Benefits*

The 2011 amendments to AASB 119 made a number of changes to the accounting for employee benefits, the most significant relating to defined benefit plans. The amendments:

- Eliminate the 'corridor method' and requires the recognition of re-measurements (including actuarial gains and losses) arising in the reporting period in other comprehensive income;

- Change the measurement and presentation of certain components of the defined benefit cost. The net amount in profit or loss is affected by the removal of the expected return on plan assets and interest cost components and their replacement by a net interest expense or income based on the net defined benefit asset or liability; and
- Enhance disclosures, including more information about the characteristics of defined benefit plans and related risks.

Under the amendments, employee benefits ‘expected to be settled wholly’ (as opposed to ‘due to be settled’ in the superseded version of AASB 119) within twelve months after year end of the reporting period are short-term benefits, and are therefore not discounted when calculating leave liabilities. As the entity does not expect all annual leave for all employees to be used wholly within twelve months of the end of the reporting period, annual leave is including in ‘other long-term benefit’ and discounted when calculating the leave liability. This change has had no impact of the presentation of annual leave as a current liability in accordance with AASB 101 *Presentation of Financial Statements*.

These amendments have had no significant impact on the entity.

**FAMILY BUSINESS AUSTRALIA LIMITED**  
**ABN 61 083 076 000**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2015**

	<u>2015</u>	<u>2014</u>
	\$	\$
<b><u>NOTE 2: Revenue</u></b>		
Continuing Operations:		
Sponsorship	196,889	226,639
Functions/Events	1,647,058	1,744,046
Membership Fees	606,209	614,671
Interest Received	20,652	29,990
<b>Total Revenue</b>	<b><u>2,470,808</u></b>	<b><u>2,615,346</u></b>
 <b><u>NOTE 3: (Deficit)/Surplus for the year</u></b>		
(Deficit)/Surplus for the year has been determined after:		
(a) Expenses:		
Amortisation of intangibles	<u>24,519</u>	<u>27,945</u>
Depreciation		
Office Equipment	1,463	1,462
Computer Equipment	3,773	14,606
Leasehold Improvements	3,374	5,670
	<u>8,610</u>	<u>21,738</u>
Rental expense relating to operating leases		
Rental Expense	<u>96,241</u>	<u>92,940</u>
Finance Costs		
Bank Charges	<u>1,635</u>	<u>2,003</u>
Defined Contribution Superannuation Expense	<u>90,953</u>	<u>101,000</u>
 <b><u>NOTE 4: Remuneration of Auditor</u></b>		
Remuneration of the Auditor of the Company for:		
Audit of the financial report	9,000	8,370
Audit travel disbursements	171	30
Assistance with preparation of financial report	-	-
	<u>9,171</u>	<u>8,400</u>

**FAMILY BUSINESS AUSTRALIA LIMITED**  
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2015**

**NOTE 5: Taxation**

On 9th October, 1998, Family Business Australia Limited received a private ruling from the Australia Taxation Office exempting it from both income tax and tax on any capital gains derived. The ruling applies to years of income from 30th June, 1999 onwards. Accordingly no income tax expense/benefit is applicable for the current year.

**NOTE 6: Segment Information**

The Company operates in Australia in one industry segment, being the provision of services and information to help families who run businesses.

	<u>2015</u>	<u>2014</u>
	\$	\$
<b><u>NOTE 7: Cash and Cash Equivalents</u></b>		
Cash at bank and on hand	335,683	330,729
Deposit at call		
	335,683	330,729

Cash and cash equivalents are subject to interest rate risk as they earn interest at floating rates. In 2014 the average floating interest rates for the company was 3.88 % (2013: 4.18%).

**NOTE 8: Trade and Other Receivables**

	<u>2015</u>	<u>2014</u>
	\$	\$
Trade receivables	232,888	267,954
Provision for impairment	(4,275)	(4,275)
Other receivables and prepayments	164,995	234,393
GST Receivable	-	-
	393,608	498,072

The trade and other receivables are non-interest bearing.

**FAMILY BUSINESS AUSTRALIA LIMITED**  
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2015**

**NOTE 8: Trade and Other Receivables (cont'd)**

The movement in the allowance for impairment of trade receivables during the year is as follows:

	<u>2015</u>	<u>2014</u>
	\$	\$
Opening balance	4,275	4,275
Impairment provision recognised during the year	-	-
Bad debts written off	-	-
Closing balance	<u>4,275</u>	<u>4,275</u>

Based on past experience, the company believes that no impairment of receivables which are not past due, and not impaired, is necessary.

The company operates in Australia only and therefore no ageing of trade receivables by geographic location, or analysis of impairment of trade receivables by geographic location, is provided.

**Other Receivables**

These amounts generally arise from transactions outside the usual operating activities of the company. None of the other current receivables are impaired or past due.

**NOTE 9: Inventories**

	<u>2015</u>	<u>2014</u>
	\$	\$
At Cost:		
Inventory	<u>4,594</u>	<u>6,662</u>
	<u>4,594</u>	<u>6,662</u>

**NOTE 10: Financial Assets**

	<u>Note</u>	<u>2015</u>	<u>2014</u>
		\$	\$
Held-to maturity financial assets	10a	<u>466,274</u>	<u>621,735</u>
		<u>466,274</u>	<u>621,735</u>
a. <b>Held-to-maturity Investments</b>			
Fixed Bank Term Deposits		<u>466,274</u>	<u>621,735</u>

**FAMILY BUSINESS AUSTRALIA LIMITED**  
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2015**

	<u>2015</u>	<u>2014</u>
	\$	\$
<b><u>NOTE 11: Property, Plant and Equipment</u></b>		
(a) Plant & Equipment comprises:		
Office equipment – at cost	31,494	31,494
Less: accumulated depreciation	<u>(30,160)</u>	<u>(28,697)</u>
	1,334	2,797
Computer equipment – at cost	87,242	86,467
Less: accumulated depreciation	<u>(82,412)</u>	<u>(80,109)</u>
	4,830	6,358
Leasehold Improvements – at cost	22,677	22,677
Less: accumulated depreciation	<u>(21,054)</u>	<u>(17,680)</u>
	1,623	4,997
Total property, plant and equipment	<u><u>7,787</u></u>	<u><u>14,152</u></u>

(b) Movements in carrying amounts:

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

**2015**

	Office Equipment \$	Computer Equipment \$	Leasehold Improvements \$	Total \$
Carrying amount at start of year	2,797	6,358	4,997	14,152
Additions	-	2,245	-	2,245
Disposals	-	-	-	-
Depreciation expense	<u>(1,463)</u>	<u>(3,773)</u>	<u>(3,374)</u>	<u>(8,610)</u>
Carrying amount at end of year	<u><u>1,334</u></u>	<u><u>4,830</u></u>	<u><u>1,623</u></u>	<u><u>7,787</u></u>



**FAMILY BUSINESS AUSTRALIA LIMITED**  
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2015**

	<u>2015</u>	<u>2014</u>
	\$	\$
<b><u>NOTE 12: Intangible Assets</u></b>		
Computer software – at cost	162,756	152,354
Less: accumulated amortisation	<u>(126,190)</u>	<u>(101,671)</u>
	<u>36,566</u>	<u>50,683</u>

Movements in carrying amounts:

Movement in the carrying amounts between the beginning and the end of the current financial year.

	<u>2015</u>
	\$
Carrying amount at start of year	50,683
Additions	10,402
Amortisation expense	<u>(24,519)</u>
Carrying amount at end of year	<u>36,566</u>

	<u>2015</u>	<u>2014</u>
	\$	\$
<b><u>NOTE 13: Trade and Other Payables</u></b>		
Unsecured liabilities:		
Trade creditors	88,200	97,841
GST Payable	44,234	40,259
Other payables and accruals	<u>90,286</u>	<u>117,357</u>
Total Trade and Other Payables	<u>222,720</u>	<u>255,457</u>

**NOTE 14: Other Current Liabilities**

Deferred revenue	<u>793,293</u>	<u>914,728</u>
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**FAMILY BUSINESS AUSTRALIA LIMITED**  
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2015**

	<u>2015</u>	
	<u>\$</u>	
<b><u>NOTE 15: Provisions</u></b>		
Opening balance at 1 July 2014	92,427	
Additional provisions raised during year	12,091	
Amounts used	(38,647)	
Balance at 30 June 2015	<u>65,871</u>	
	<u>2015</u>	<u>2014</u>
	<u>\$</u>	<u>\$</u>
<b>Current</b>		
(a) Aggregate employee benefits liability:		
Provision for annual leave	37,939	39,842
Provision for long service leave	<u>22,080</u>	<u>20,512</u>
	<u>60,019</u>	<u>60,354</u>
<b>Non Current</b>		
(b) Aggregate employee benefits liability:		
Provision for annual leave	-	27,835
Provision for long service leave	<u>5,852</u>	<u>4,238</u>
	<u>5,852</u>	<u>32,073</u>

**FAMILY BUSINESS AUSTRALIA LIMITED**  
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2015**

**NOTE 16: Related Party Information**

**Key Management Personnel Disclosure**

(a) Key Management Personnel

The following persons were Key Management Personnel of the company during the financial year:

(i) Non-Executive Directors

S SAMSON (Chairman)	
N BLOOR	Resigned 24/11/14
K AUGHEY	
A BEARD	
J MANFORD	
A MOSTYN	
J THOMAS	
J ANDERSON	Resigned 17/02/15
R SHARPE (Alternate to A Beard)	
M GIVONI	
M VOS	Resigned 16/09/14
M POWER	
G HENDERSON	
R SHAW	Appointed 24/11/14

(ii) Other key management personnel

Robin Buckham – Company Secretary and Chief Executive Officer

	<u>2015</u>	<u>2014</u>
	\$	\$
(b) Key Management Personnel Compensation		
Wages and Salaries	214,575	201,411
Annual Leave	925	7,452
Long-term Benefits	199	-
Superannuation	20,385	14,042
Total Key Management Personnel Compensation	<u>236,084</u>	<u>222,905</u>

Other than to the company secretary and Chief Executive Officer, no remuneration has been paid or is payable to any Key Management Personnel.

Key Management Personnel received reimbursement of expenses as incurred during the year.

There were no other related party transactions.

**FAMILY BUSINESS AUSTRALIA LIMITED**  
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2015**

<b><u>NOTE 17: Financial Risk Management</u></b>	<b><u>Note</u></b>	<b>2015</b>	<b>2014</b>
		<b>\$</b>	<b>\$</b>
<b>Financial assets</b>			
Cash and cash equivalents	7	<b>335,683</b>	330,729
Loans and receivables	8	<b>232,888</b>	267,954
Held-to-maturity investments	10a	<b>466,274</b>	621,735
		<b><u>1,034,845</u></b>	<u>1,220,418</u>
<b>Financial Liabilities</b>			
Financial liabilities at amortised cost:			
- trade and other payables	13	<b><u>222,720</u></b>	<u>255,457</u>
		<b><u>222,720</u></b>	<u>255,457</u>

The company's financial instruments consist mainly of deposits and term deposits with banks, accounts receivable and payable.

The total for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies of these financial statements is above.

**Net Fair Values**

- (i) Fair values of held-to-maturity investments are based on quoted prices at the ending of the reporting period.

**FAMILY BUSINESS AUSTRALIA LIMITED**  
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2015**

	<u>2015</u>	<u>2014</u>
	<u>\$</u>	<u>\$</u>
<b><u>NOTE 18: Cash Flow Information</u></b>		
(a) Reconciliation of Cash and Cash Equivalents		
Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:		
Cash on hand and at Bank (See Note 7)	<u>335,683</u>	<u>330,729</u>
(b) Reconciliation of cash flows from operations with surplus/(deficit) after income tax:		
(Deficit)/Surplus after income tax	(96,793)	(196,967)
Non-cash flows:		
Amortisation	24,519	27,945
Depreciation	8,610	21,738
Changes in assets and liabilities:		
(Increase)/decrease in trade receivables and other receivables	106,532	(251,050)
Increase/ (decrease) in trade and other payables	(32,737)	68,422
(Decrease)/ increase in other current liabilities	(121,435)	189,791
Increase in provisions	<u>(26,556)</u>	<u>(70,112)</u>
Net Cash (Outflows)/Inflows from Operating Activities	<u>(137,860)</u>	<u>(210,233)</u>

(c) Credit Stand-by Arrangements and Loan Facilities

At reporting date the company had \$Nil confirmed line of credit (2014: \$Nil)

**NOTE 19: Capital and Leasing Commitments**

Operating lease commitments - Premises

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

Payable		
- not longer than one year	50,330	84,380
- longer than one year but no longer than two years	-	126,570
	<u>50,330</u>	<u>210,950</u>

The company leases an office under a non-cancellable operating lease which expired on **31 December 2015**.

**NOTE 20: Events Subsequent to Balance Sheet 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.

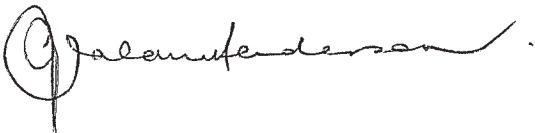
**FAMILY BUSINESS AUSTRALIA LIMITED**  
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**DIRECTORS' DECLARATION**

The directors of Family Business Australia Limited declare that:

- (a) the financial statements, comprising the income statement, balance sheet, cash flow statement, statement of changes in equity, and accompanying notes as set out on pages 9-29, are in accordance with the *Corporations Act 2001*; and
  - i. comply with Accounting Standards and the *Corporations Regulations 2001*; and
  - ii. give a true and fair view of the company's financial position as at 30<sup>th</sup> June 2015 and of its performance for the year ended on that date.
- (b) 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 and is signed for and on behalf of the board of directors by:



Graham Henderson  
Director

Dated: 22<sup>ND</sup>. JULY, 2015

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FAMILY BUSINESS AUSTRALIA

**Report on the Financial Report**

We have audited the accompanying financial report of Family Business Australia (the company), which comprises the statement of financial position as at 30 June 2015, the statement of 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 of the financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) 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 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 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 judgment, 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 entity'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 entity'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.

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

*Independence*

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

### *Qualifications*

Revenues from membership, donations, subscriptions, sponsorship and other fund raising activities are significant sources of revenues for Family Business Australia Limited. As is common for organisations of this type, Family Business Australia Limited has determined that it is impracticable to establish controls over the collection of its revenues from membership, donations, subscriptions, sponsorship and other fund raising activities prior to entry into its financial records. Accordingly, as the evidence available to us regarding revenues from these sources was limited, our audit procedures with respect to revenues from membership, donations, subscriptions, sponsorship and other fund raising activities had to be restricted to the amounts recorded in the financial records. We therefore are unable to express an opinion whether revenues from membership, donations, subscriptions, sponsorship and other fund raising activities is complete.

### *Qualified Auditor's Opinion*

In our opinion, except for the effects on the financial report of such adjustments, if any, as might have been required had the limitation on our audit procedures referred to in the qualification paragraph not existed, the financial report of Family Business Australia Limited is in accordance with the *Corporations Act 2001*, including:

- a. giving a true and fair view of the company's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
- b. complying with Australian Accounting Standards - Reduced Disclosure Requirements (including Australian Accounting Interpretations) and the *Corporations Regulations 2001*.



Robert J Hurrell, FCA  
rdl.accountants

22 July 2015  
Blackburn, Victoria