



AUSTRALIAN DENTAL ASSOCIATION (QUEENSLAND BRANCH)
UNION OF EMPLOYERS

FINANCIAL STATEMENTS

2016

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ABN 56 009 663 754
A Company Limited by Guarantee

MISSION STATEMENT

To provide services and benefits to all ADAQ members in accordance with the approved Service Agreement.

OBJECTIVES

To provide relevant professional and quality services, activities and as well as up to date products to meet the needs of all ADAQ members.

To represent the interests of employer members at state and federal level in industrial relations areas affecting the business of dental practice.

Australian Dental Association (Queensland Branch) Union of Employers ABN 56 009 663 754

Directors' Report

The directors present their report on Australian Dental Association (Queensland Branch) Union of Employers (the company) for the financial year ended 30 June 2016.

Directors

The directors in office for the whole of the financial year were Drs RA Blake, PAH Blomberg and RW Kelsey.

The company secretary is Mr PS Andrews.

Operating Results

The company's surplus after income tax expense amounted to \$699,336 (2015: \$576,140).

Principal Activities

The principal activities of the company during the financial year were the operation as an industrial organisation of employers and the conduct of businesses, including continuing professional development, training, practice support services and professional indemnity insurance claims management to enable it to provide services to the Australian Dental Association Queensland Branch (ADAQ) and its members.

Objectives

The company's objectives are:

1. To provide relevant professional and quality services, activities and as well as up to date products to meet the needs of ADAQ members
2. To represent the interests of employer members at state and federal level in industrial relations areas affecting the business of dental practice

Strategies

To achieve its objectives, the company has adopted the following strategies and strives to:

- Identify and monitor the needs and wishes of existing and potential ADAQ members
- Develop and expand ADAQ endorsed core business activities of education and training, complaint handling/professional indemnity insurance claims management, as well as member and practice support services
- Support all ADAQ members with the appropriate resources required for them to practise and to meet regulatory requirements in dental practice
- Provide specific and tailored products and services to all identified segments of the ADAQ membership
- Develop partnerships as required to assist in the provision of services and benefits to all ADAQ members
- Maintain registration as a union of employers at state and transitionally at federal level
- To act on behalf of employer members in industrial relations matters

Key Performance Measures:

To monitor and measure performance against objectives, the company:

- Adopts a budget at the commencement of each year and monitors performance against this budget
- Establishes targets and reports progress towards this target to the Board of Directors at meetings throughout the year
- Sets priority projects for the business and monitors these and reports to the Board on progress

Australian Dental Association (Queensland Branch) Union of Employers
ABN 56 009 663 754

Directors' Report

Directors Meetings

During the financial year, two (2) meetings of directors were held.

Attendances were:

DIRECTOR	Date Appointed/ Reappointed	Date Resigned / Retired	Meetings	
			Number eligible to attend	Number attended
RA Blake BSc, FICD	29/11/13	-	2	2
PAH Blomberg BSc (Hons), MDS, FICD, FADI	29/11/13	-	2	2
RW Kelsey BSc, FICD	29/11/13	-	2	2

Members' Liability

The Australian Dental Association (Queensland Branch) Union of Employers is public company limited by guarantee. There is a maximum liability of \$1 per member in the event of the winding up of the ADAQUE. At 30 June 2016 there were 923 members (2015: 847).

Auditors' Independence Declaration

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 6.

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

Director: 

Signed on this 30th day of September 2016, at Brisbane.

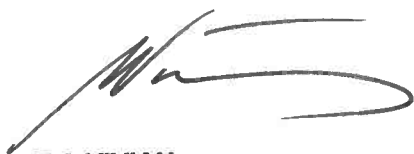
**AUDITORS' INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF AUSTRALIAN DENTAL ASSOCIATION
(QUEENSLAND BRANCH) UNION OF EMPLOYERS**

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

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



PRIESTLEYS
Chartered Accountants
Liability limited by a scheme approved under Professional Standards Legislation



K A VIVIAN
PARTNER

Signed on this 23rd day of September 2016, at Brisbane.

Statement of Profit & Loss & Other Comprehensive Income For The Year Ended 30 June 2016

	Note	2016 \$	2015 \$
Revenue	2	3,779,183	3,746,218
Depreciation & Amortisation Expense	3	(266,577)	(247,997)
Employee Benefits Expenses	3	(1,610,225)	(1,675,428)
Other Expenses	3	(1,203,045)	(1,246,653)
Surplus before income tax expense		699,336	576,140
Income tax (expense)/benefit	1a	-	-
Surplus after income tax expense		699,336	576,140
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Revaluation of Financial Assets		(168,513)	23,856
Total other comprehensive income		(168,513)	23,856
Total comprehensive income for the year		530,823	599,996
Surplus after income tax expense attributable to the members of the company		699,336	576,140
Total comprehensive income for the year attributable to the members of the company		530,823	599,996

The accompanying notes form part of these Financial Statements

Statement of Financial Position As At 30 June 2016

	Note	2016 \$	2015 \$
CURRENT ASSETS			
Cash and cash equivalents	6	5,514,253	4,786,379
Trade and other receivables	7	137,923	159,976
Other assets	8	85,718	89,825
TOTAL CURRENT ASSETS		<u>5,737,894</u>	<u>5,036,180</u>
NON-CURRENT ASSETS			
Financial assets	9	2,133,657	3,819,611
Property, plant and equipment	10	7,005,620	6,948,366
Investment property	11	1,474,016	-
TOTAL NON-CURRENT ASSETS		<u>10,613,293</u>	<u>10,767,977</u>
TOTAL ASSETS		<u>16,351,187</u>	<u>15,804,157</u>
CURRENT LIABILITIES			
Trade and other payables	12	5,351,441	5,327,301
Short term provisions	13	188,636	200,247
TOTAL CURRENT LIABILITIES		<u>5,540,077</u>	<u>5,527,548</u>
NON CURRENT LIABILITIES			
Long term provisions	13	50,037	46,359
TOTAL NON CURRENT LIABILITIES		<u>50,037</u>	<u>46,359</u>
TOTAL LIABILITIES		<u>5,590,114</u>	<u>5,573,907</u>
NET ASSETS		<u>10,761,073</u>	<u>10,230,250</u>
EQUITY			
Reserves	14	793,730	962,243
Retained earnings		9,967,343	9,268,007
TOTAL EQUITY		<u>10,761,073</u>	<u>10,230,250</u>

The accompanying notes form part of these Financial Statements

Statement of Changes in Equity For The Year Ended 30 June 2016

	Note	Retained Earnings	Asset Revaluation Reserve (Note 14)	Financial Assets Revaluation Reserve (Note 14)	Total
		\$	\$	\$	\$
Balance at 30 June 2014		8,691,867	632,065	306,322	9,630,254
Surplus attributable to members of the company		576,140	-	-	576,140
Total other comprehensive income		-	-	23,856	23,856
Transfers		-	-	-	-
Balance at 30 June 2015		9,268,007	632,065	330,178	10,230,250
Surplus attributable to members of the company		699,336	-	-	699,336
Total other comprehensive income		-	-	(168,513)	(168,513)
Transfers		-	-	-	-
Balance at 30 June 2016		9,967,343	632,065	161,665	10,761,073

The accompanying notes form part of these Financial Statements

Statement of Cash Flows For The Year Ended 30 June 2016

	Note	2016 \$	2015 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Members		1,833,064	1,893,746
Other Income		2,000,489	1,820,546
Payments to Suppliers and Employees		(3,096,215)	(3,162,987)
Interest Received		80,550	114,430
Dividends Received		84,752	79,723
Net Cash Provided by Operating Activities	17	902,640	745,458
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Property, Plant & Equipment		(309,483)	(243,394)
Purchase of Investment Property		(1,488,365)	-
Proceeds from Sale of Investments		2,119,764	296,876
Purchase of Investments		(496,682)	(843,319)
Net Cash Provided by/(used) in Investing Activities		(174,766)	(789,837)
Increase / (Decrease) in Cash for the Year		727,874	(44,379)
Cash at the Beginning of the Financial Year		4,786,379	4,830,758
Cash at the End of the Financial Year	6	5,514,253	4,786,379

The accompanying notes form part of these Financial Statements

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements cover Australian Dental Association (Queensland Branch) Union of Employers (ADAQUE) as an individual entity. The Australian Dental Association (Queensland Branch) Union of Employers is an unlisted public company, limited by guarantee, incorporated and domiciled in Australia.

The financial statements were authorised for issue on 30 September 2016 by the directors of the company.

Basis of Preparation

Australian Dental Association (Queensland Branch) Union of Employers applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: *Application of Tiers of Australian Accounting Standards* and AASB 2010–2: *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements*.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB), the requirements of the Industrial Relations Act 1999 and the *Corporations Act 2001*. The company is a not for profit entity for financial reporting purposes under the Australian Accounting Standards.

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

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Accounting Policies

a. Income Tax

The company has been advised by the Australian Taxation Office that it is exempt from tax under Section 50-15 of the Income Tax Assessment Act 1997. The ongoing applicability of these rulings is at the discretion of the Australian Taxation Office.

b. Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Property

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less accumulated depreciation for buildings.

In the periods when the freehold land and buildings are not subject to an independent valuation, the directors conduct directors' valuations to ensure the land and building's carrying amount is not materially different to the fair value.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the revaluation reserve in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income. All other decreases are recognised in profit or loss.

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Property, Plant and Equipment (Continued)

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and equipment

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(j) for details of impairment).

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets includes the cost of materials, direct labour and borrowing costs.

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. Repairs and maintenance are charged to profit and loss during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including building, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the company commencing from the time the asset is held ready for use.

The useful lives used for each class of depreciable assets are:

Class of Fixed Asset	Useful Lives
Buildings	40 years
Computer Hardware	3 years
Computer Software	3 years
Office Equipment	3-6 years
Furniture & Fittings	4-13 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in profit and loss. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

c. Investment Property

The investment property is measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised in profit or loss. A formal assessment of the recoverable amount is made when impairment indicators are present (refer to Note 1(j) for details of impairment).

The carrying amount is reviewed annually by directors to ensure it is not in excess of the recoverable amount. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the property's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost includes the cost of materials, direct labour and borrowing costs.

Subsequent costs are included in the 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. Repairs and maintenance are charged to profit and loss during the financial period in which they are incurred.

Depreciation

The depreciable amount of the investment property is depreciated on a straight line basis over the useful life to the company commencing from the time the asset is held ready for use. The estimated useful life of the investment property is 40 years.

The residual value and useful life is reviewed, and adjusted if appropriate, at the end of each reporting period. The carrying amount is written down immediately to its recoverable amount if the carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in profit and loss.

d. Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the company are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

e. 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, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

f. 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.

Provisions are measured using the best estimate of the amounts required to settle the obligation at balance date.

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.

h. 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). 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 are stated inclusive of the amount of the GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included within receivables or payables in the statement of financial position.

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

i. Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the company 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 (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction 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

Finance instruments are subsequently measured at either 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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Financial Instruments (Continued)

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

Classification and Subsequent Measurement (Continued)

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition; less principal repayments; 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 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.

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.

i) *Financial assets at fair value through profit and loss*

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

ii) *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. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

Loans and receivables are included in current assets, where they are expected to mature within 12 months after the end of the reporting period.

iii) *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 company's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

Held-to-maturity investments are included in non-current assets where they are expected to mature within 12 months after the end of the reporting period. All other investments are classified as current assets.

iv) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments. Such assets are subsequently measured at fair value with changes in carrying value being recognised as other comprehensive income and included in the Financial Asset Revaluation Reserve.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. **Financial Instruments (Continued)**

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

Classification and Subsequent Measurement (Continued)

When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are included in non-current assets where they are not expected to be sold within 12 months after the end of the reporting period. All other financial assets are classified as current assets.

v) *Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

Impairment

At each reporting date, the company assesses whether there is objective evidence that a financial instrument has been impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to constitute a loss event. Impairment losses are recognised in the profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

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 company 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 either discharged, cancelled or expire. The difference between the carrying value of the financial liability 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.

j. **Impairment of Assets**

At each reporting date, the company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. The assessment will include the consideration of external and internal sources of information. If such an indication exists, an impairment test is carried out by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to profit and loss, unless the asset is carried at a revalued amount in accordance with another Standard. Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with the other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k. **Revenue**

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

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 from the sale of goods is recognised upon the delivery of goods to customers as this corresponds to the transfer of significant risk and rewards of ownership of the goods and the cessation of all involvement in those goods.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. Dividend revenue is recognised when the right to receive a dividend has been established.

Membership revenue is recognised upon receipt from the member. Membership revenue received relating to a future year is carried forward as subscriptions received in advance.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

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

l. 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.

m. Trade and Other Receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

n. Comparative Figures

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

o. Critical Accounting Estimates and Judgments

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

Key estimates

(i) Valuation of freehold land and buildings

The land and buildings were revalued at 30 June 2013 by an independent valuer- Mr John Porter (Certified Practising Valuer Registration No. 1293). Valuations were made on the basis of open market value taking into account net market returns and an appropriate capitalisation rate.

At 30 June 2016, the directors have performed a directors' valuation on the freehold land and buildings. The directors have reviewed the key assumptions adopted by the valuer in 2013 and do not believe there has been a significant change in the assumptions at 30 June 2016. The directors therefore believe the carrying amount of the land correctly reflects the fair value less cost of disposal at 30 June 2016.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

o. Critical Accounting Estimates and Judgments

Key judgments

(i) Provision for impairment of receivables

Included in trade receivables at the end of the reporting period are amounts receivable from students. Management have determined that \$56,318 (2015:\$ 52,507) of the amounts outstanding from the students are uncollectable. A provision for this entire amount has been recognised in the financial statement (Refer to Note 7a).

(ii) Available-for-sale investments

The company maintains a portfolio of securities with a carrying value of \$2,082,939 (2015: \$2,028,414) at reporting date. Certain individual investments have declined in value. The directors do not believe this decline constitutes a significant or prolonged decline below cost at this stage and hence no impairment has been recognised. Should share values decline to a level which is in excess of 50% below cost or should prices remain at levels below cost for a period in excess of 24 months, the directors have determined that such investments will be considered for possible impairment in the future.

NOTE 2: REVENUE

	2016	2015
	\$	\$
Operating Activities		
Advertising	83,077	95,949
Commissions	11,551	10,291
Dividends – other corporations	82,871	84,663
Interest – other corporations	81,783	110,743
Management Fees	556,073	551,498
Service Fee (note 19 (d))	1,643,989	1,638,070
Profit on Disposal of Financial Assets	105,641	41,009
Registration Fees	588,322	601,603
Rent	59,043	-
Sponsorship	98,227	97,882
Training	455,275	467,132
Other Income	13,331	47,378
Total Revenue	3,779,183	3,746,218

	2016	2015
	\$	\$

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

NOTE 3: EXPENSES

(a) Depreciation on Non-Current Assets		
Buildings	185,384	174,299
Investment Property	14,349	-
Plant and Equipment	66,844	73,698
	266,577	247,997
(b) Employee Benefits Expenses		
Salaries and Wages	1,421,190	1,487,588
Superannuation	162,578	159,224
Payroll Tax	26,457	28,616
	1,610,225	1,675,428
(c) Other Expenses		
Bad and Doubtful Debts - Trade debtors	4,261	16,789
Bank Charges	50,091	53,258
Catering	52,115	27,880
Cleaning and Gardening	33,291	31,866
Computer Expenses	43,581	35,746
Consulting Costs	119,898	107,155
Council Rates	33,414	24,897
Course Materials	182,982	114,729
Electricity	25,713	29,898
Function Costs	187,067	258,366
Insurance	69,714	77,444
Loss on Disposals of Plant and Equipment	-	3,546
Management Fees on Investments	17,090	16,546
Minor Equipment and Resources	57,883	82,197
Printing, Postage and Stationery	124,822	122,868
Repairs and Maintenance	13,039	28,418
Telephone and fax	29,668	20,598
Travel, Accommodation and Meals	74,793	83,595
Freight	1,131	319
Other	82,492	110,538
	1,203,045	1,246,653
(d) Rental Expense on Operating Leases	21,610	36,377

2016
\$

2015
\$

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

NOTE 4: KEY MANAGEMENT PERSONNEL REMUNERATION

Key management personnel

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

The total of remuneration paid to the directors and other key management personnel of the company is as follows:

Short term employment benefits	450,986	487,431
Post employment benefits	65,000	60,000
	515,986	547,431

NOTE 5: AUDITORS' REMUNERATION

Remuneration of the auditor of the company for:

- auditing or reviewing the financial statements	13,500	13,000
- other services	7,240	8,550
	20,740	21,550

Remuneration paid the auditor on behalf of the related entity for:

- auditing or reviewing the financial statements	2,273	2,800
- other services	2,190	2,300
	4,563	5,100

NOTE 6: CASH AND CASH EQUIVALENTS

Cash on Hand	339	189
Cash at Bank	1,013,914	1,286,190
Short Term Bank Deposits	4,500,000	3,500,000
	5,514,253	4,786,379

Reconciliation of Cash

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to items in the Statement of Financial Position as follows:

Cash and cash equivalents	5,514,253	4,786,379
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2016
\$

2015
\$

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

NOTE 7: TRADE AND OTHER RECEIVABLES

Current

Trade Receivables	167,831	181,083
Less Provision for Impairment	(56,318)	(52,057)
GST Receivable	26,410	30,950
	137,923	159,976

a. Provision for impairment of receivables

Current trade and term receivables are non-interest bearing loans and generally on 30-day terms. Non-current trade and term receivables are assessed for recoverability based on the underlying terms of the sale. A provision for impairment is recognised when there is objective evidence that an individual trade or term receivable is impaired. These amounts have been included in the other expenses item. Movement in the provision for impairment of receivables is as follows:

Provision for impairment as at 1 July	(52,057)	(35,268)
Charge for the year	(4,261)	(16,789)
Write off	-	-
Provision for impairment as at 30 June	(56,318)	(52,057)

b. Financial assets classified as loans and receivables

Trade and other receivables:

- Total current	137,923	159,976
- Total non-current	-	-
Financial assets as loans and receivables	137,923	159,976

c. Collateral pledged

No collateral is held other trade and other receivables.

NOTE 8: OTHER ASSETS – CURRENT

Prepaid Expenses and Deposits	85,718	89,825
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NOTE 9: FINANCIAL ASSETS

Available for sale financial assets

Shares in Listed Corporations – At Fair Value	2,082,939	2,028,414
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Held to maturity assets

Term Deposits- At Cost	50,718	1,500,000
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Other Investments

Shares in Controlled Entities – At Fair Value	-	291,197
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	2,133,657	3,819,611
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Available-for-sale financial assets comprise investments in the ordinary issued capital of various entities. There are no fixed returns or fixed maturity dates attached to these investments.

Held to maturity assets comprise term deposits held with a term of maturity of greater than 3 months.

2016	2015
\$	\$

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

NOTE 10: PROPERTY, PLANT AND EQUIPMENT

Land and Buildings

Freehold Land:

Land at Valuation	2,640,000	2,640,000
Total Land	2,640,000	2,640,000

Buildings:

Buildings at Valuation	5,717,058	5,496,008
Less Accumulated Depreciation	(1,759,675)	(1,574,291)
Total Buildings	3,957,383	3,921,717

Plant and Equipment at Cost	834,783	746,351
Less Accumulated Depreciation	(426,546)	(359,702)
Total Plant and Equipment	408,237	386,649

Total Property, Plant and Equipment	7,005,620	6,948,366
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- a) The land and buildings were revalued at 30 June 2013 by an independent valuer- Mr John Porter (Certified Practising Valuer Registration No. 1293). Valuations were made on the basis of open market value taking into account net market returns and an appropriate capitalisation rate.
- b) Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year

	Land	Buildings	Plant & Equipment	Total
	\$	\$	\$	\$
Balance at 1 July 2015	2,640,000	3,921,717	386,649	6,948,366
Additions	-	221,050	88,432	309,482
Disposals	-	-	-	-
Revaluation increment/(decrement)	-	-	-	-
Depreciation Expense	-	(185,384)	(66,844)	(252,228)
Balance at 30 June 2016	2,640,000	3,957,383	408,237	7,005,620

2016	2015
\$	\$

NOTE 11: INVESTMENT PROPERTY

Investment Property at Cost	1,488,365	-
Less Accumulated Depreciation	(14,349)	-
Total Investment Property	1,474,016	-

2016	2015
\$	\$

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

NOTE 11: INVESTMENT PROPERTY (Continued)

Movements in the carrying amounts of the investment property between the beginning and the end of the current financial year

Balance at 1 July	-	-
Additions	1,488,365	-
Disposals	-	-
Revaluation increment/(decrement)	-	-
Depreciation Expense	(14,349)	-
Balance at 30 June	1,474,016	-

NOTE 12: TRADE AND OTHER PAYABLES

CURRENT

Unsecured liabilities

Trade Payables	248,647	220,571
Income Received in Advance	176,836	203,205
Premiums Received for Insurance Provider	1,891,304	1,893,970
Subscriptions Received on Behalf of Australian Dental Association (Queensland Branch)	1,600,507	1,606,439
Subscriptions Received on Behalf of Australian Dental Association Inc	1,434,147	1,403,116
	5,351,441	5,327,301

a. Financial liabilities at amortised cost classified as trade and other payables

Trade and other payables:

- Total current	5,351,441	5,327,301
- Total non-current	-	-
	5,351,441	5,327,301
Less unearned revenue	(176,836)	(203,205)
Financial liabilities as trade and other payables	5,174,605	5,124,096

NOTE 13: PROVISIONS

CURRENT

Provision for employee benefits – annual leave	107,390	124,242
Provision for employee benefits – long service leave	81,246	76,005
	188,636	200,247

NON-CURRENT

Provision for employee benefits – long service leave	50,037	46,359
	238,673	246,606

NOTE 13: PROVISIONS (CONTINUED)

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

	Annual Leave	Long Service Leave	Total
Analysis of Total Provision	\$	\$	\$
Opening Balance at 1 July 2015	124,242	122,364	246,606
Additional Provision raised during the year	114,660	13,588	128,248
Amounts used	(131,512)	(4,669)	(136,181)
Balance at 30 June 2016	107,390	131,283	238,673

Provision for Employee Benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

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

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits have been discussed in Note 1(e).

NOTE 14: RESERVES

a. Asset Revaluation Reserve

The asset revaluation reserve records the revaluations of Property, Plant & Equipment assets held.

b. Financial Assets Revaluation Reserve

The financial assets revaluation reserve records the revaluations of financial assets.

NOTE 15: CAPITAL MANAGEMENT

Management controls the capital of the company in order to maintain a good debt to equity ratio, ensure that the company can fund its operations and continue as a going concern.

There are no externally imposed capital requirements.

Management effectively manages the company's capital by assessing the company's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels.

2016

2015

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

	\$	\$
NOTE 16: COMMITMENTS		
Operating Lease Commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements.		
Payable – minimum lease payments		
- Not later than 1 year	11,483	36,377
- Later than 1 year but not later than 5 years	-	23,408
- Later than 5 years	-	-
	11,483	59,785

The leases are non-cancellable lease of 2 photocopiers and in the prior year also included a novated lease for an employee's motor vehicle which was paid out in 2016.

NOTE 17: CASH FLOW INFORMATION

Reconciliation of Cash Flow from Operations with Surplus after income tax

Surplus after Income Tax	699,336	576,140
Non-cash Flows in Surplus		
- Depreciation	266,577	247,997
- (Profit) / Loss on Property, Plant & Equipment	-	3,546
- (Profit) / Loss on Sale of Investments	(105,641)	(41,009)
Changes in Assets and Liabilities		
- (Increase) / Decrease in Trade and Other Receivable	22,054	23,186
- (Increase) / Decrease in Other Assets	4,107	13,125
- Increase / (Decrease) in Trade and Other Payables	24,140	(78,772)
- Increase / (Decrease) in Provisions	(7,933)	1,245
Net Cash Provided by Operating Activities	902,640	745,458

Non Cash Financing and Investing Activities

There were no non cash financing or investing activities entered into by the company.

Credit Stand by Arrangement and Loan Facilities

The company has a credit facility on its corporate credit cards to the value of \$45,000. At 30 June 2016 \$9,894 (2015: \$15,541) was utilised. The company does not have any other credit facilities or loan facilities.

NOTE 18: MEMBERS' LIABILITY

The Australian Dental Association (Queensland Branch) Union of Employers is public company limited by guarantee. There is a maximum liability of \$1 per member in the event of the winding up of the ADAQUE. At 30 June 2016 there were 923 members (2015: 847).

2016

2015

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

	\$	\$
NOTE 19: RELATED PARTIES TRANSACTIONS		
Key management personnel		
Any person(s) having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly, including a director (whether executive or otherwise) of the company, is considered key management personnel.		
For details of disclosures relating to key management personnel, refer to Note 4: Key Management Personnel Compensation.		
Transactions with related parties		
Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless stated.		
a. The company collects subscriptions on behalf of the Australian Dental Association Inc. During the period the following amounts were collected and remitted.	<u>1,590,834</u>	<u>1,559,242</u>
b. At the end of the financial year The company holds the following amounts of subscriptions on behalf of the Australian Dental Association Inc. These amounts are to be remitted in the following financial year.	<u>1,434,147</u>	<u>1,403,116</u>
c. The company collects subscriptions on behalf of Australian Dental Association (Queensland Branch). At the end of the financial year the following amounts were held by the company on behalf of Australian Dental Association (Queensland Branch).	<u>1,600,507</u>	<u>1,606,439</u>
d. The company charged service fees to Australian Dental Association (Queensland Branch) for the provision of services to the members of Australian Dental Association (Queensland Branch).	<u>1,643,989</u>	<u>1,638,070</u>
e. The company purchases dental supplies from its subsidiary Nexus Dental Pty Ltd on normal commercial terms and conditions. Amounts purchased during the year were.	<u>-</u>	<u>10,000</u>
f. The company was reimbursed by the Australian Dental Association Inc for a portion of the merchant fees paid in relation to the collection of membership fees. Amounts received during the year were.	<u>17,598</u>	<u>25,559</u>
	2016	2015

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

		\$	\$
NOTE 20: FINANCIAL RISK MANAGEMENT			
<p>The company's financial instruments consist mainly of deposits with banks, investments in shares in companies, accounts receivable and payable, and loans to subsidiaries.</p> <p>The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:</p>			
Financial assets			
Cash and cash equivalents	6	5,514,253	4,786,379
Loans and receivables	7b	137,923	159,976
Available for sale financial assets			
- shares in companies	9	2,082,939	2,319,611
Held to Maturity financial assets			
- term deposits	9	50,718	1,500,000
		<u>7,785,833</u>	<u>8,765,966</u>
Financial Liabilities			
Trade and other payables (excluding unearned income)	12a	5,174,605	5,124,096
		<u>5,174,605</u>	<u>5,124,096</u>

Financial Risk Management Policies

The directors' overall risk management strategy seeks to assist the company in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the Board of Directors on a regular basis. These include the credit risk policies and future cash flow requirements.

The main purpose of non-derivative financial instruments is to raise finance for the company's operations. The company did not have any derivative instruments at 30 June 2016 and 30 June 2015.

The directors meet on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts. The directors' overall risk management strategy seeks to assist the company in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

The directors operate under an investment strategy approved by the Board of Directors. The strategy is approved and reviewed by the Board on a regular basis. These include credit risk policies and future cash flow requirements.

NOTE 21: COMPANY DETAILS

The registered office and principal place of business is:

Australian Dental Association (Queensland Branch) Union of Employers
 26-28 Hamilton Place
 BOWEN HILLS QLD 4006

Statement By Principal Accounting Officer

I, the undersigned, being the Officer responsible for keeping the accounting records of the above named company hereby certify that the company had 923 financial members as at 30 June 2016 and that in my opinion: -

- (i) The financial statements show a true and fair view of the financial affairs of the company as at the end of the financial year;
- (ii) A record has been kept of all moneys paid by, or collected from, members of the company and all moneys so paid or collected have been credited to the bank account or accounts to which those moneys are to be credited, in accordance with the constitution of the company,
- (iii) Before any expenditure was incurred by the company, approval of the incurring of the expenditure was obtained in accordance with the constitution of the company;
- (iv) No payment was made out of a special purpose account for a purpose other than the purpose for which the account was operated;
- (v) All loans or other financial benefits granted to persons holding office in the company were allowed under the constitution of the company; and
- (vi) The register of members of the company was kept under the Act.



P S ANDREWS
Principal Accounting Officer

Signed on this 30th day of September 2016, at Brisbane.

Directors' Declaration

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 7 to 27 are in accordance with the Corporations Act 2001:
 - a. comply with Accounting Standards and the Corporations Regulations 2001; and
 - b. give a true and fair view of the financial position as at 30 June 2016 and of the performance for the year ended on that date 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.
3. The financial statements were prepared under the Industrial Relations Act 1999 and Regulations.
4. In our opinion, the company was solvent during the whole of the year.
5. All meetings of the Directors were held under the constitution of the company.
6. To the best of our knowledge, there have been no instances where records or constitution of the company, or copies of them, have not been given to the company's members under the Industrial Relations Act 1999 and Regulations, or the constitution of the company.
7. The audit report and financial statements of the company for the year ended 30 June 2016 were approved at a full meeting of the Directors held on 30 September 2016.
8. This certificate is signed on behalf of the Board of Directors by the two directors authorised to do so at the meeting of the directors on 30 September 2016.

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



Director



Director

Signed on this 30th day of September 2016, at Brisbane.

Independent Audit Report

To the members of Australian Dental Association (Queensland Branch) Union of Employers.

Report on the Financial Report

We have audited the accompanying financial statements of Australian Dental Association (Queensland Branch) Union of Employers (the company), which comprises the statement of financial position as at 30 June 2016, and the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Statements

The directors of the company are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including Australian Accounting Interpretations), the Industrial Relations Act 1999 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 statements based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing 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 statements are 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 and fair presentation of the financial report 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. We confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of Australian Dental Association (Queensland Branch) Union of Employers, would be in the same terms if provided to the directors as at the date of this auditor's report.

Independent Audit Report

Auditor's Opinion

In our opinion the financial statements of Australian Dental Association (Queensland Branch) Union of Employers are 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 2016 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Regulations 2001.

Report on other Legal and Regulatory Requirements

In our opinion, in all material respects;

- (a) (i) there were kept by the company in relation to the year satisfactory accounting records, including:
 - (A) records of the sources and nature of the income of the company (including income from members); and
 - (B) records of the nature and reasons for the expenditure of the company; and
- (ii) the accounts for the year were properly drawn up so as to give a true and fair view of:
 - (A) the financial affairs of the company as at the end of the year; and
 - (B) the income and expenditure, and any surplus or deficit, of the company for the year; and
- (b) the accounts were drawn up in accordance with the requirements of the Industrial Relations Act 1999.
- (c) the Annual Financial Disclosure Statement and the Mid Year Financial Disclosure Statement for the period 1 July 2015 to 30 June 2016 prepared by the Australian Dental Association (Queensland Branch) Union of Employers, comply in all material respects, with the requirements of Section 557O and 557W of the Industrial Relations Act 1999.
- (d) The company has maintained the policies it is required to have under Section 553 A (i) of the Industrial Relations Act 1999.
- (e) there were no deficiencies failures or shortcomings in relation to matters reported in paragraph (a) to (d) above.
- (f) all the information and explanations that the officers or employees of the company were required to provide were provided.



PRIESTLEYS
Chartered Accountants
Liability limited by a scheme approved under Professional Standards Legislation



K A VIVIAN
Partner

Signed on this ^{6th} day of October 2016, at Brisbane.

Australian Dental Association (Queensland Branch)
Union of Employers

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Albion DC Qld 4010

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ABN 56 009 663 754

A Company Limited by Guarantee
