

Annual Report

2020
Financial Statements for the Year Ended 30 June 2020
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Australian Gift & Homewares Association Limited | ABN 49 061 196 290
A company limited by guarantee and not having share capital

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AUSTRALIAN
Gift & Homewares
ASSOCIATION

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PRESIDENT'S REPORT

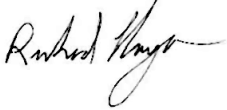
Dear members,

It is a tale of two halves this financial year. We started the year with a highly successful Melbourne Gift Fair and followed it with a very well regarded and robust Sydney Gift Fair as well. With the benefit of hindsight we can be thankful that we were able to successfully complete our Sydney fair under the cloud of COVID-19.

From March 2020 things have taken a considerable turn for the worse. Perhaps the most difficult decision we had to make was cancelling our Melbourne Gift Fair that was to be held in August 2020. This fair is where we make the bulk of our cashflow and a large proportion of our profit for the following year. So whilst we are showing a reasonably healthy financial position in financial year 19-20, things will be very different next year.

As an association we strive to be the best we can for our members and the industry generally. We are trying to generate income with innovative products such as the E-catalogue which has been a great success both for the Association and also anecdotally from members as well.

I hope you all weather this COVID storm and we can all come out the other side a stronger and more robust industry. Thank you all for your continued support, I hope to see as many of you as possible in February 2021 in Sydney.



Richard Hogan
President

TREASURER'S REPORT

We have recorded a modest loss of \$41,030 for the 2019/20 year. Tight cost control has enabled us to turn contain losses despite exceedingly difficult trading conditions. Our net members funds are in good shape at \$5,320,620. However, to say that is has been a tumultuous year for us all since Mid-March would be an understatement.

Your Board and Management acted decisively since the COVID-19 caused Government lockdowns and restrictions on public gatherings to protect our members interests and health by cancelling the Melbourne 2020 Fair early on. This allowed us to avoid huge cancellation costs with the venue and contractors and be able to offer to our members either full refunds for stand payments made or to carry the credit forward towards Sydney 2021 Fair. Regrettably as events continue to play out in Melbourne this has proved to be a wise decision.

The cancellation of the 2020 Melbourne Fair has cost our Association greatly. We are doing our utmost to try and make up for this loss of revenue. Our management acted decisively in obtaining access to every Government financial assistance package that is available which has made a considerable difference to our bottom line. Plus running costs have been pared back as much as is possible with Staff taking pay reductions and other costs cut or stopped altogether. I would personally like to thank our staff for the sacrifices they have made to help our financial situation whilst continuing to work hard for our members.

The Board has been meeting very regularly since March to discuss our way forward in this exceedingly difficult and uncertain time. Our sole aim is to ensure we are here throughout this crisis for our members so we can help in whatever way we can.

We have decided to sell one of our two investment units so we can ensure we have ample liquid funds to meet contingencies that may crop up. The funds from the sale will be invested in a term deposit and hopefully not be needed for running costs. But it is important for our members to know we have ample cash on hand just in case.

Sometimes the Board has been asked as to why the AGHA needs to make surpluses and have reserve funds. The current trading situation we are in is the answer why it is so necessary to have ample funds on hand to see us through to the other side.



Tim Gillespie
Treasurer

DIRECTORS' REPORT

DIRECTORS' REPORT

The directors present their report together with the financial report of Australian Gift & Homewares Association Limited (the Company), for the financial year ended 30 June 2020 and the auditor's report thereon.

DIRECTORS

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

Names	Position	Appointed/Resigned
Christophe Rymer	Director	Appointed 10 October 2019
Gregory Collier	Director	Appointed 10 October 2019
Julia Longmuir	Director	
Kevin Porter	Director	
Michael Warner	Vice President	
Michelle Lawson	Director	Appointed 02 October 2018
Patricia Guest	Director	
Richard Hogan	President	
Rowen Bavinton	Director	Resigned 10 October 2019
Timothy Gillespie	Treasurer	

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 activity of Australian Gift & Homewares Association Limited during the financial year was operating as a Trade Association. No significant changes in the nature of the Company's activity occurred during the financial year.

The Company's short term objective is to continue to provide relevant services, including the delivery of trade fairs, to its Members.

The Company's long term objective is to grow the membership and influence of the Association for the benefit of its Members and the gift and homewares industry.

OPERATING RESULTS AND REVIEW OF OPERATIONS FOR THE YEAR

The profit of the Company for the financial year after providing for income tax amounted to \$ 6,802 (2019: loss of \$311,570).

A review of the operations and results of the Company during the financial year found that during the year, the Company continued to engage in its principal activity, the results of which are disclosed in the attached financial statements. The Association retained its traditional focus on providing a range of valuable services and benefits to its Members.

Company performance is consistently measured against internally set KPIs with a view to ensuring that targets and objectives are met.

INFORMATION ON DIRECTORS

The names of each person who was a director at the date of this report are:

Name	Position	Experience as Board Member	Company
Christophe Rymer	Director	1 year	Francia
Gregory Collier	Director	1 year	Colcam Enterprises
Julia Longmuir	Director	3 years	Alfresco Gardenware
Kevin Porter	Director	3 years	Rayell
Michael Warner	Vice President	5 years	Keldan International
Michelle Lawson	Director	2 years	Darlin (Aust) Pty Ltd
Patricia Guest	Director	11 years	Madras Link Pty Ltd
Richard Hogan	President	6 years	Duomo Fine Florentine Stationery
Rowen Bavinton	Director	7 years	Boyle Industries Pty Ltd
Timothy Gillespie	Treasurer	4 years	Ashdene Manufacturing Pty Ltd

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

MEMBERS GUARANTEE

Australian Gift & Homewares Association Limited is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each members and any person or association who ceased to be

a member in the year prior to the winding up, is limited to \$100 per member, subject to the provisions of the company's constitution. The number of members as at 30 June 2020 was 765 (2019: 761).

EVENTS AFTER THE REPORTING DATE

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

MEETINGS OF DIRECTORS

During the financial year, 7 meetings of directors were held (3 Board Meetings and 4 Extraordinary Board Meetings). Attendances by each director during the year were as follows:

DIRECTORS	DIRECTORS' MEETINGS	
	Number eligible to attend	Number attended
Christophe Rymer	7	7
Gregory Collier	7	7
Julia Longmuir	7	7
Kevin Porter	7	7
Michael Warner	7	7
Michelle Lawson	7	7
Patricia Guest	7	7
Richard Hogan	7	7
Rowen Bavinton	-	-
Timothy Gillespie	7	7

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the year ended 30 June 2020 has been received and can be found on page 4 of the financial report.

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

Michael Warner
Director

Timothy Gillespie
Treasurer

Dated at Sydney this 16th day of September 2020

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

TO THE DIRECTORS OF AUSTRALIAN GIFT & HOMEWARES ASSOCIATION LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2020, there have been:

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

PKF
Chartered Accountants

Kym Reilly
Partner

16 September 2020
Sydney, NSW

FINANCIAL REPORT

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2020

	Notes	2020 \$	2019 \$
Revenue	5	7,200,508	6,932,526
Other income	5	71,741	216,261
Direct costs		(4,673,723)	(4,789,188)
Employee benefits expense		(1,845,897)	(1,982,487)
Depreciation and amortisation expense	6	(52,582)	(64,026)
Travelling expenses		(95,910)	(112,309)
Communication expenses		(45,045)	(44,455)
Other expenses from ordinary activities	6	(479,122)	(423,209)
Fair value loss on revaluation of Investment Property	15	(121,000)	-
Loss before income tax		(41,030)	(266,887)
Income tax benefit/(expense)	5	47,832	(44,683)
Profit/(Loss) for the year		6,802	(311,570)

Other comprehensive income

Revaluation of land and buildings at fair value		(126,667)	-
Total comprehensive loss for the year		(119,865)	(311,570)

The accompanying notes form part of these statements.

STATEMENT OF FINANCIAL POSITION

As at 30 June 2020	Notes	2020 \$	2019 \$
CURRENT ASSETS			
Cash and cash equivalents	8	355,144	1,898,054
Trade and other receivables	9	259,153	2,481,145
Other investments	10	914,751	1,033,219
Other assets	11	334,175	1,496,747
Assets held for sale	12	1,150,000	-
TOTAL CURRENT ASSETS		3,013,223	6,909,165
NON-CURRENT ASSETS			
Property, plant and equipment	13	2,301,475	2,468,056
Investment property	15	1,150,000	2,421,000
Intangible assets	14	-	16,668
Deferred tax assets	17	9,665	-
TOTAL NON-CURRENT ASSETS		3,461,140	4,905,724
TOTAL ASSETS		6,474,363	11,814,889
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	16	446,535	870,509
Employee benefits	18	199,291	182,470
Other liabilities	19	460,137	5,199,003
TOTAL CURRENT LIABILITIES		1,105,963	6,251,982
NON-CURRENT LIABILITIES			
Deferred tax liability	17	-	86,213
Employee benefits	18	47,780	36,209
TOTAL NON-CURRENT LIABILITIES		47,780	122,422
TOTAL LIABILITIES		1,153,743	6,374,404
NET ASSETS		5,320,620	5,440,485
MEMBERS FUNDS			
Retained earnings		4,785,234	4,778,432
Asset Revaluation Reserve		535,386	662,053
TOTAL MEMBERS FUNDS		5,320,620	5,440,485

The accompanying notes form part of these statements.

STATEMENT OF CHANGES IN EQUITY

As at 30 June 2020

	Retained Earnings \$	Revaluation Reserve \$	Total Funds \$
Balance at 1 July 2019	4,778,432	662,053	5,440,485
Profit for the year	6,802	-	6,802
Revaluation of land and buildings held at fair value	-	(126,667)	(126,667)
Balance at 30 June 2020	4,785,234	535,386	5,320,620
Balance at 1 July 2018	5,090,002	662,053	5,752,055
Loss for the year	(311,570)	-	(311,570)
Balance at 30 June 2019	4,778,432	662,053	5,440,485

The accompanying notes form part of these statements.

STATEMENT OF CASH FLOWS

For the year ended 30 June 2020

	Notes	2020 \$	2019 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		4,479,634	6,751,854
Payments to suppliers and employees		(6,376,024)	(6,927,174)
Government Grant received		204,000	-
Interest received		5,777	(44,455)
Rental income received		72,452	104,710
Net cash used in operating activities		(1,614,161)	(219,775)
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of intangible assets		120,060	-
Payment for property, plant and equipment		(48,809)	(5,769)
Net cash provided by/(used in) investing activities		71,251	(5,769)
Net decrease in cash and cash equivalents held		(1,542,910)	(225,544)
Cash and cash equivalents at beginning of year		1,898,054	2,123,598
Cash and cash equivalents at end of financial year	8	355,144	1,898,054

The accompanying notes form part of these statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

The financial statements of Australian Gift & Homewares Association Limited (the "Company") is a not-for-profit entity, limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of Australian Gift & Homewares Association Limited is Australian dollars.

NOTE 1: BASIS OF PREPARATION

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements adopted by Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

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 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 and financial assets.

FINANCIAL REPORT CONTINUED

NOTE 2: CHANGE IN ACCOUNTING POLICY

Lease - Adoption of AASB 16

On adoption of AASB 16, the entity recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of AASB117 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 July 2019.

The Company has elected to use the exception to lease accounting for short-term leases and leases of low value assets, and the lease expense relating to these leases are recognised in the statement of profit or loss and other comprehensive income on a straight line basis.

Revenue from Contracts with Customers - Adoption of AASB 15

The Company has adopted AASB 15 Revenue from Contracts with Customers for the first time in the current year with a date of initial application of 1 July 2019.

The key changes to the Company's accounting policies and the impact on these financial statements from applying AASB 15 are described at Note 3(b).

The Company has applied AASB 15 using the cumulative effect method which means the comparative information has not been restated and continues to be reported under AASB 111, AASB 118 and related interpretations.

Income of Not for Profit Entities - Adoption of AASB 1058

In the current year, the Company has applied AASB 1058 Income of Not for Profit Entities which is effective for an annual period that begins on or after 1 January 2019. AASB 1058 supersedes all the income recognition requirements relating to private sector NFP entities, and the majority of income recognition requirements relating to public sector NFP entities, previously AASB 1004 Contribution. The timing of income recognition depends on whether such transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service), or a contribution by owners, related to an asset (such as cash or another asset) received by an entity.

The Company's accounting policies for its revenue streams are disclosed in detail in Note 3(b). Apart from providing more extensive disclosure for the Company's revenue transactions, the application of AASB 15 and AASB 1058 has not had a significant impact on the financial position and/or financial performance of the Company.

NOTE 3: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Comparative Amounts

Comparatives are consistent with prior years, unless otherwise stated.

(b) Revenue and other income

Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Company are:

Gift fair income

Gift fair income is recognised at the point in time that the control of the services pass to the customer, being when gift fairs are held.

When an amount of consideration is received from a customer prior to the entity transferring a good or service to the customer, the Company presents the contract as a contract liability.

Membership fees

Revenue from membership subscriptions is recognised on a straight-line basis over the period the performance obligations are satisfied.

Government grants

Government grants are recognised when there is reasonable certainty that the grant will be received and all grant conditions are met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating.

Government grants include amounts received or receivable under the Federal Government's JobKeeper Payment Scheme and Cash Flow Boost Scheme, which provide temporary subsidies to eligible businesses significantly affected by COVID-19.

Rental income

Rent revenue from investment properties is recognised on a straight-line basis over the lease term. Lease incentives granted are recognised as part of the rental revenue. Contingent rentals are recognised as income in the period when earned.

Investment income

Finance income comprises interest income on funds invested, dividend income and changes in the fair value of financial assets at fair value through profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Dividend income is recognised in profit or loss on the date that the Company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

Interest income

Interest is recognised using the effective interest method.

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

(c) Goods and Services Tax (GST)

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

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

(d) Income Tax

The tax expense recognised in the statement of profit or loss and other comprehensive income comprises of current income tax expense plus deferred tax expense.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred tax is not provided for the following:

- The initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).
- Taxable temporary differences arising on the initial recognition of goodwill.
- Temporary differences related to investment in subsidiaries, associates and jointly controlled entities to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively

(e) Cash and Cash Equivalents

Cash and cash equivalents comprises cash balances and call deposits with original maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments.

(f) 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.

Land and buildings

Land and buildings are measured using the revaluation model.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Company, commencing when the asset is ready for use.

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

Fixed asset class	Depreciation rate
Buildings	5% - 10%
Plant and Equipment	5% - 20%
Motor vehicles	15%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(g) Investment property

Investment property is held to generate long-term rental yields and/or capital growth. All tenant leases are on an arm's length basis. Investment property is carried at fair value, determined annually by independent valuers. Changes to fair value are recorded in the statement of profit or loss as other income/expenses.

FINANCIAL REPORT CONTINUED

(h) Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell.

Assets classified as held for sale are not amortised or depreciated.

Non-current assets classified as held for sale and any associated liabilities are presented separately in the statement of financial position.

(i) Intangible Assets

Recognition and measurement

Intangible assets, including customer relationships, patents and trademarks that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

The Company undertakes an assessment of impairment of intangible assets each year.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in profit or loss.

The estimated useful life for current and comparative periods is 5 years.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(j) Financial instruments

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

Classification

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Fair value through other comprehensive income

Equity instruments

The Company has a number of strategic investments in listed and unlisted entities over which they do not have significant influence nor control. The Company has made an irrevocable election to classify these equity investments as fair value through other comprehensive income as they are not held for trading purposes.

These investments are carried at fair value with changes in fair value recognised in other comprehensive income (financial asset reserve). On disposal any balance in the financial asset reserve is transferred to retained earnings and is not reclassified to profit or loss.

Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI.

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at FVTPL.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables and contract assets

Impairment of trade receivables and contract assets have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and contract asset and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised

(k) Impairment of non-financial assets

At the end of each reporting period the Company determines whether there is an evidence of an impairment indicator for non-financial assets.

Where this indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cashgenerating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cashgenerating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss. Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

FINANCIAL REPORT CONTINUED

(l) 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 wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period 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. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

NOTE 4: CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

In preparing these financial statements in conformity with Australian Accounting Standards – Reduced Disclosure Requirements, management to make judgments, 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 underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Key estimates - impairment of property, plant and equipment

The Company assesses impairment at the end of each reporting period by evaluating conditions specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Key estimates - fair value of investment properties

Investment properties are held for long-term commercial rental yields. They are carried at fair value. Changes in fair values are presented in the statement of profit or loss.

The investment properties are revalued annually based on independent assessments by external valuers having recent experience in the location and category of investment property being valued. Valuations are based on current prices in an active market for similar properties of the same location and condition, subject to similar leases and takes into consideration occupancy rates and returns on investment.

Investment properties consist of two identical industrial units situated at 11-21 Underwood Road, Homebush. As at 30 June 2020, the company has received an offer of \$1,150,000 for the sale of one of the investment properties held, this offer has been used to assess the fair value of the investment properties as it is indicative of current active market conditions. As a result a fair value loss of \$121,000 has been recorded in the statement of profit or loss for the 30 June 2020 financial year.

Key estimates - land and building held at fair value

The Company carries its land and buildings at fair value with changes in the fair value recognised in revaluation reserve. Independent valuations are obtained at least triennially, and at the end of each reporting period the directors update their assessment of the fair value, taking into account the most recent valuations and movements in the market.

Land and buildings also consist of units at 11-21 Underwood Road, Homebush. Directors have applied the value per sqm of the revalued investment properties to the land and buildings to determine the fair value at 30 June 2020, with a loss on revaluation of \$126,667 (net of tax) recorded in the revaluation reserve and recognised as other comprehensive income.

Key estimates - provision for impairment of receivables

The value of the provision for impairment of receivables is estimated by considering the ageing of receivables, communication with the debtors and prior history.

NOTE 5: REVENUE AND FINANCE INCOME

	2020	2019
	\$	\$
Revenue from continuing operations		
– Gift fair income	6,604,280	6,831,851
– membership fees	237,536	310,044
– commission	90,598	66,568
– Government grants	-	47,786
– other revenue	112	16,096
Total Revenue	6,932,526	7,272,345
Other Income		
– Interest income	12,621	11,254
– Rental income	104,710	114,166
– Investment income	12,571	14,467
– Net change in fair value of financial assets	86,359	21,447
	216,261	161,334

NOTE 6: REVENUE AND FINANCE INCOME

Result for the year includes the following expenses:

Depreciation and amortisation expense

Depreciation	40,676	32,620
Amortisation	11,906	31,406
	52,582	64,026

Other expenses

Bad debts written off	47,990	-
Loss on disposal of assets	4,762	-
Cleaning expense	15,616	18,991
Consulting fees	98,499	63,940
Insurance expense	40,579	41,405
Computer expenses	165,525	164,577
Postage expense	4,679	4,784
Printing and photocopying expense	7,811	5,699
Subscriptions expense	43,797	63,510
Utilities	19,651	23,107
Other expenses	30,213	37,196
	479,122	423,209

NOTE 7: INCOME TAX EXPENSE

(a) The major components of tax expense / (income) comprise:

Deferred tax	(47,832)	44,683
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(b) The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:

Prima facie tax payable on profit from ordinary activities before income tax at 27.5% (2019: 27.5%)	(73,394)	(73,394)
Add/(Less):		
Tax effect of:		
– Income and expenses subject to mutuality	(44,645)	68,832
– Other assessable and non-deductible items	(7,820)	5,764
– Tax losses not recognised	24,120	24,863
– Benefit from previously unrecognised temporary differences	(8,204)	18,618
Income tax (benefit)/expense	(47,832)	44,683

NOTE 8: CASH AND CASH EQUIVALENTS

Cash on hand	1,200	1,200
Cash at bank	353,944	1,896,854
	353,944	1,898,054

FINANCIAL REPORT CONTINUED

NOTE 9: TRADE AND OTHER RECEIVABLES	2020	2019
	\$	\$
CURRENT		
Trade receivables	(a) 216,385	2,486,242
Less provision for doubtful debts	(62,871)	(62,383)
Grant receivable	63,500	-
Other debtors	42,139	57,286
	<u>259,153</u>	<u>2,481,145</u>

(a) Included in trade debtors are amounts owing by members relating to unearned income for future trade fairs (Note 19).

NOTE 10: OTHER INVESTMENTS

CURRENT		
Investments at fair value through profit and loss		
– Australian equities	391,312	420,816
– Fixed interest	397,167	334,221
– Property	65,643	43,686
– Convenience Retail REIT	179,097	155,562
	<u>1,033,219</u>	<u>954,285</u>

(a) Movement in financial assets held at fair value through profit or loss:

Opening balance	1,033,219	954,285
Fair value increase / (decrease)	(19,052)	86,359
Sale of investments	(120,060)	(19,996)
Net income	20,644	12,571
	<u>914,751</u>	<u>1,033,219</u>

NOTE 11: OTHER ASSETS

CURRENT		
Prepayments	334,175	1,496,747

Prepayments represent expenditure incurred on events held subsequent to year end and include venue hire, registration costs, salaries and contractor costs attributable to the event.

NOTE 12: ASSETS HELD FOR SALE

Assets held for sale		
Investment property	1,150,000	-

As at 30 June 2020, the company has listed one of its investment properties for sale and the sale is considered highly probable, thus the investment property has been reclassified to assets held for sale.

Assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

The company has received an offer for the unit held for sale of \$1,150,000, this offer has been used to assess the fair value of the investment properties as it is indicative of current active market conditions.

NOTE 13: PROPERTY, PLANT AND EQUIPMENT

LAND & BUILDINGS

At fair value	2,068,456	2,483,936
Less accumulated depreciation	-	(228,799)
	<u>2,068,456</u>	<u>2,255,137</u>

IMPROVEMENTS

At cost	310,478	310,478
Less accumulated depreciation	(131,208)	(129,195)
	<u>179,270</u>	<u>181,283</u>

PLANT AND EQUIPMENT

At cost	1,050,782	1,051,193
Less accumulated depreciation	(997,033)	(1,019,557)
	<u>53,749</u>	<u>31,636</u>

MOTOR VEHICLES

At cost	27,038	27,038
Less accumulated depreciation	(27,038)	(27,038)
	<u>-</u>	<u>-</u>

Total property, plant and equipment	<u>2,301,475</u>	<u>2,468,056</u>
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(a) 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:

	Buildings	Motor Vehicles	Plant & Equipment	Improvements	Total
	\$	\$	\$	\$	\$
Year ended 30 June 2020					
Balance at the beginning of the year	2,255,137	-	31,636	181,283	2,468,056
Additions	-	-	48,809	-	48,809
Depreciation expense	(11,968)	-	(26,696)	(2,013)	(40,677)
Depreciation expense	(174,713)	-	-	-	(174,713)
Carrying amount at end of the year	<u>2,068,456</u>	<u>-</u>	<u>53,749</u>	<u>179,270</u>	<u>2,301,475</u>

NOTE 14: INTANGIBLE ASSETS

Computer software

Cost		20,400	20,400
Accumulated amortisation		(20,400)	(20,400)

Website development

Cost		79,880	79,880
Accumulated amortisation		(79,880)	(63,212)
		-	16,668

Total Intangibles

		-	16,668
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(a) Movements in carrying amounts of intangible assets

	Computer software	Website development	Total
	\$	\$	\$
Year ended 30 June 2020			
Balance at the beginning of the year	-	16,668	16,668
Disposals	-	(4,763)	(4,763)
Amortisation	-	(11,905)	(11,905)
Closing value at 30 June 2019	<u>-</u>	<u>-</u>	<u>-</u>

NOTE 15: INVESTMENT PROPERTY

	2020	2019
	\$	\$
Opening fair value	2,421,000	2,109,678
Transfers		
Transfers to assets held for sale	(1,150,000)	-
Fair value adjustments	(121,000)	-
Balance at end of the year	<u>1,150,000</u>	<u>2,421,000</u>

The Company owns two identical units (41 and 42) at 11-21 Underwood Road Homebush, which are located adjacent to the Company's office premises at Unit 58 within the same industrial estate. The properties were purchased for the purpose of generating long-term rental yields and capital growth.

As at 30 June 2020, one of the units has been listed for sale and has thus been reclassified to Assets Held for Sale (Note 12). The company has received an offer for the unit held for sale of \$1,150,000, this offer has been used to assess the fair value of the investment properties as it is indicative of current active market conditions. As a result a fair value loss of \$121,000 has been recorded in the statement of profit or loss for the 30 June 2020 financial year.

NOTE 16: TRADE AND OTHER PAYABLES

CURRENT		
Trade creditors	386,308	520,904
Other creditors	1,972	224,899
Sundry creditors and accruals	58,255	124,706
	<u>446,535</u>	<u>870,509</u>

FINANCIAL REPORT CONTINUED

NOTE 17: TAX

	2020	2019
	\$	\$
Recognised deferred tax assets and liabilities		
Deferred tax assets/(liabilities) have been recognised in respect of the following items:		
Other Investments	(57,268)	(70,712)
Investment property	(100,465)	(124,738)
Land and buildings	(203,077)	(251,124)
Provisions and accruals	4,949	3,776
Prepayments	(5,537)	(18,351)
Unused capital losses	371,063	374,936
Deferred tax asset / (liability)	9,665	(86,213)
Unused tax losses for which no deferred tax asset has been recognised @ 27.5% (2018: 27.5%)	421,558	388,468
Deferred tax liabilities	-	310,031

NOTE 18: EMPLOYEE BENEFITS

CURRENT		
Long service leave liability	44,607	40,948
Annual leave liability	154,684	141,522
	199,291	182,470
NON-CURRENT		
Long service leave liability	47,780	36,209
(a) Aggregate employee entitlements liability	247,071	218,679
(b) Number of employees at year end	17	19

NOTE 19: OTHER LIABILITIES

CURRENT		
Contract liability	460,137	5,199,003

Contract liabilities consist of unearned income for amounts received from members for future trade fairs.

NOTE 20: RESERVES

Asset revaluation reserve

The asset revaluation reserve records fair value movements on property, plant and equipment held under the revaluation model.

NOTE 21: FINANCIAL RISK MANAGEMENT

The main risks Australian Gift & Homewares Association Limited is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk.

The Company's financial instruments consist mainly of deposits with banks, local money market instruments, shortterm investments, accounts receivable and payable.

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:

Financial Assets	2020	2019
	\$	\$
<i>Held at amortised cost</i>		
Cash on cash equivalents	355,144	1,898,054
Trade and other receivables	259,153	2,481,145
<i>Financial assets at fair value through profit or loss</i>		
Investment portfolio	914,751	1,033,219
Total financial assets	1,529,048	5,412,418
Financial Liabilities		
Financial liabilities at amortised cost		
Trade and other payables	446,535	870,509
Total financial liabilities	446,535	870,509

NOTE 22: KEY MANAGEMENT PERSONNEL DISCLOSURES

The total remuneration paid to key management personnel of the Company is \$ 197,323 (2019: \$ 222,206).

No director has received or became entitled to receive, during or since the end of the financial year, any form of income from the Company.

NOTE 23: FAIR VALUE MEASUREMENT

The Company measures the following assets at fair value on a recurring basis:

- Property, plant and equipment - land and buildings;
- Investment property; and
- Financial assets.

Fair value hierarchy

AASB 13 *Fair Value Measurement* requires all assets and liabilities measured at fair value to be assigned to a level in the fair value hierarchy as follows:

- Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 Unobservable inputs for the asset or liability.

The table below shows the assigned level for each asset and liability held at fair value by the company:

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
30 June 2020				
Recurring fair value measurements				
Property, plant and equipment - land and buildings	-	2,068,456	-	2,068,456
Investment Property	-	1,150,000	-	1,150,000
Assets held for sale	-	1,150,000	-	1,150,000
Financial assets	914,751	-	-	914,751
30 June 2019				
Recurring fair value measurements				
Property, plant and equipment - land and buildings	-	2,255,137	-	2,255,137
Investment Property	-	2,421,000	-	2,421,000
Plant and Equipment	1,033,219	-	-	1,033,219

Level 2 measurements

The basis of the valuation of investment properties is fair value. The investment properties are revalued annually based on independent assessments by external valuers having recent experience in the location and category of investment property being valued. Valuations are based on current prices in an active market for similar properties of the same location and condition, subject to similar leases and takes into consideration occupancy rates and returns on investment.

Investment properties consist of two identical industrial units situated at 11-21 Underwood Road, Homebush. As at 30 June 2020, the company has received an offer for the sale of one of the investment properties held of \$1,150,000, this offer has been used to assess the fair value of the investment properties as it is indicative of current active market conditions.

The basis of the valuation of land and buildings is fair value. Valuations are based on current prices for similar properties in the same location and condition. Land and buildings also consist of units at 11-21 Underwood Road, Homebush. Directors have applied the value per sqm of the revalued investment properties to the land and buildings to determine their fair value at 30 June 2020.

NOTE 24: RELATED PARTIES

Key Management personnel and director transactions:

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

For details of remuneration disclosures relating to key management personnel, refer to Note 22: Key Management Personnel Disclosures and the and the remuneration report in the Directors' Report.

The only transactions with these entities during the year were fees paid for trade exhibitions by businesses owned or operated by the Directors. The terms and conditions of the transactions with key management personnel and their related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to no-key management personnel related entities on an arm's length basis.

FINANCIAL REPORT CONTINUED

NOTE 25: CONTINGENCIES

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2019 (30 June 2019: None).

NOTE 26: LEASING COMMITMENTS	2020	2019
	\$	\$
Operating leases		
Minimum lease payments under non-cancellable operating leases:		
- not later than one year	-	2,796
- between one year and five years	-	2,796
	-	<u>5,592</u>

NOTE 27: MEMBERS' GUARANTEE

The Company is incorporated under the Corporations Act 2001 and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$100 each towards meeting any outstanding's and obligations of the Company. At 30 June 2020 the number of members was 765 (2019: 761).

NOTE 28: IMPACT OF COVID-19

The COVID-19 outbreak was declared a pandemic by the World Health Organization in March 2020.

We have seen a significant impact on our business. The outbreak and the response of Governments in dealing with the pandemic is interfering with general activity levels within the community, the economy and the operations of our business. The scale and duration of these developments remain uncertain as at the date of this report however they will have an impact on our earnings, cash flow and financial condition.

It is not possible to estimate the impact of the outbreak's near-term and longer-term effects or Governments' varying efforts to combat the outbreak and support businesses. This being the case, we do not consider it practicable to provide a quantitative or qualitative estimate of the potential impact of this outbreak on the Company at this time.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

NOTE 29: EVENTS AFTER THE END OF THE REPORTING PERIOD

On the 18 August 2020 a contract was signed for the sale of Unit 42 11-21 Underwood road, Homebush NSW for the value of \$1,150,000.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of Australian Gift & Homewares Association Limited, the results of those operations or the state of affairs of Australian Gift & Homewares Association Limited in future financial years.

NOTE 30: COMPANY DETAILS

The registered office of the Company is:
Australian Gift & Homewares Association Limited
Unit 58, 11-21 Underwood Road, Homebush NSW 2140

INDEPENDENT AUDIT REPORT

DIRECTORS' DECLARATION

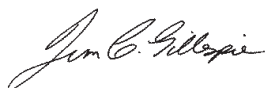
The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 5-11, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*; and
 - b. give a true and fair view of the financial position as at 30 June 2020 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.

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



Michael Warner
Director



Timothy Gillespie
Treasurer

Dated this 16th day of September 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AUSTRALIAN GIFT & HOMEWARES ASSOCIATION LIMITED REPORT ON THE FINANCIAL REPORT

Opinion

We have audited the financial report of Australian Gift & Homewares Association Limited (the Company), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2020 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure requirements and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report.

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

Independence

We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is

necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



PKF
Chartered Accountants

16 September 2020
Sydney, NSW



Kym Reilly
Partner

DISCLAIMER - TRADING PROFIT AND LOSS ACCOUNT

The additional financial data presented on page 11 is in accordance with the books and records of the Company which have been subjected to the auditing procedures applied in our statutory audit of the Company for the year ended 30 June 2019. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and we give no warranty of accuracy or reliability in respect of the data provided. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than Australian Gift & Homewares Association Limited) in respect of such data, including any errors or omissions therein however caused.



Kym Reilly
Partner

16 September 2020
Sydney, NSW

ADDITIONAL FINANCIAL INFORMATION

TRADING AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2020

	2020 \$	2019 \$
INCOME		
Gift fair income	6,668,484	6,604,280
LESS DIRECT COSTS		
Venue costs	2,068,660	2,240,841
Other direct costs	2,508,015	2,467,370
Total direct costs	4,576,675	4,708,211
GROSS PROFIT	2,091,809	1,896,069
LESS EXPENSES		
Auditor's remuneration	30,000	30,000
Bank charges and fees	57,595	57,074
Contractors	68,498	33,939
Depreciation and amortisation	52,582	64,026
Insurance	40,578	41,406
IT & Systems	165,525	164,577
Postage	4,680	4,786
Printing and stationery	10,044	5,799
Rates and taxes	14,269	11,759
Salaries and wages	1,836,793	1,967,687
Subscriptions	36,811	60,238
Sundry expenses	198,507	161,333
Telephone	44,835	44,155
Travel and accommodation	50,124	60,684
TOTAL EXPENSES	2,610,841	2,707,463
	(519,032)	(811,394)
OTHER OPERATING INCOME		
Members' subscriptions	214,632	237,536
Finance income	71,741	216,261
Commission	95,528	90,598
Government Grant	215,500	-
Other income	1,601	112
TOTAL OTHER OPERATING INCOME	599,002	544,507
Loss on revaluation of Investment Property	121,000	-
OPERATING (LOSS) / PROFIT BEFORE INCOME TAX	(41,030)	(266,887)
Income tax benefit/(expense)	47,832	(44,683)
OPERATING (LOSS) / PROFIT AFTER INCOME TAX	6,802	(311,570)

AUSTRALIAN
Gift & Homewares
ASSOCIATION

Australian Gift & Homewares Association Limited
ABN 49 061 196 290

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