

JEWELLERS ASSOCIATION OF AUSTRALIA LIMITED

A.B.N.48 000 024 162

Financial Statements

For the Year Ended 30 June 2017

JEWELLERS ASSOCIATION OF AUSTRALIA LIMITED

A.B.N.48 000 024 162

For the Year Ended 30 June 2017

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JEWELLERS ASSOCIATION OF AUSTRALIA LIMITED

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Directors' Report

30 June 2017

Your directors present their report on the company for the financial year ended 30 June 2017.

1. General information

(a) Directors

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

| | |
|---------------|-------------------------|
| B Bolton | Resigned April 2017 |
| S Brandt | |
| K Lindley | Appointed November 2016 |
| C Marks | Appointed May 2017 |
| C Pocklington | Resigned September 2016 |
| G Proszkowiec | |
| F Salera | |
| L Sawade | Resigned November 2016 |
| J Tory | Appointed January 2017 |

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

(b) Principal Activities

The principal activities of JEWELLERS ASSOCIATION OF AUSTRALIA LIMITED during the financial year was the operation of a trade association of jewellers providing information, products and services to its members and promoting the industry generally. The company pursues these activities for charitable purposes only.

No significant change in the nature of these activities occurred during the year.

2. Business review

The loss from ordinary activities for 2017 after providing for income tax amounted to **\$140,014** (2016: loss of \$13,878).

JEWELLERS ASSOCIATION OF AUSTRALIA LIMITED

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Directors' Report

30 June 2017

3. Other items

(a) Significant Changes in State of Affairs

No significant changes in the company's state of affairs occurred during the financial year.

(b) After balance day events

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

(c) Environmental Issues

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

4. Director Information

Information on directors

Brett Bolton

Experience

Special Responsibilities

Board member for 1 year 6 months

Many years' experience in jewellery industry

Director

Selwyn R Brandt

Qualifications

Experience

Special Responsibilities

Board member for 14 years

Gemmologist, Fellow Institute of Marketing Management - South Africa,
Fellow Chartered Institute of Secretaries - South Africa

Many years' experience in jewellery industry

Chair / President

Karen Lindley

Qualifications

Experience

Special Responsibilities

Board member for 7 months

Qualified Gemmologist, NCJV Registered Valuer

40 years' experience in the jewellery industry

Supplier Director

JEWELLERS ASSOCIATION OF AUSTRALIA LIMITED

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Directors' Report

30 June 2017

4. Director Information continued

Information on directors continued

| | |
|--------------------------|--|
| Cameron Marks | Board member for 3 months |
| Experience | Over 20 years' experience in the jewellery industry |
| Special Responsibilities | Director |
| C Pocklington | Board member for 9 years |
| Qualifications | Member of Certified Practising Accountants, Associate of the Institute of Corporate Managers, Secretaries and Administrators, Justice of the Peace |
| Experience | Many years' experience in jewellery industry |
| Special Responsibilities | Buying Group Director |
| G Proszkowiec | Board member for 5 years |
| Qualifications | NCJV Registered Valuer, Qualified Gemmologist |
| Experience | Involved in Jewellery industry in Australia and overseas |
| Special Responsibilities | Buying Group Director / Vice Chair |
| F Salera | Board member for 1 year 6 months |
| Qualifications | Degrees in economics and law Associate of the Institute of Corporate Managers, Secretaries and Administrators, Justice of the Peace |
| Experience | Many years' experience in jewellery industry |
| Special Responsibilities | Director |
| L Sawade | Board member for 4 years |
| Qualifications | Bachelor of Management |
| Experience | Many years' experience in jewellery industry |
| Special Responsibilities | Supplier Director / Vice Chair |
| J Tory | Board member for 5 months |
| Experience | Over 30 years' experience in the retail jewellery industry |
| Special Responsibilities | Co-Opted Director |

JEWELLERS ASSOCIATION OF AUSTRALIA LIMITED

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Directors' Report

30 June 2017

4. Director Information continued

Information on directors continued

(a) Meetings of Directors

During the financial year, 10 meetings of directors (including committees of directors) were held:

| | Directors' Meetings | |
|---------------|---------------------|-----------------|
| | Eligible to attend | Number attended |
| B Bolton | 8 | 8 |
| S Brandt | 10 | 10 |
| K Lindley | 5 | 5 |
| C Marks | 1 | 0 |
| C Pocklington | 2 | 2 |
| G Proszkowiec | 10 | 9 |
| F Salera | 10 | 10 |
| L Sawade | 5 | 5 |
| J Tory | 3 | 3 |

C Marks = 1 apology

G Proszkowiec = 1 apology

JEWELLERS ASSOCIATION OF AUSTRALIA LIMITED

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Directors' Report

30 June 2017

5. Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

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

Director: 
G Proszkowiec

Director: 
S R Brandt

Dated this 18 day of October 2017

JEWELLERS ASSOCIATION OF AUSTRALIA LIMITED

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Statement of Comprehensive income

For the Year Ended 30 June 2017

| | | 2017 | 2016 |
|--|------|------------------|-----------|
| | Note | \$ | \$ |
| Income from ordinary activities | 2 | 475,591 | 543,038 |
| Administration | | (108,385) | (76,920) |
| Conferences and functions | | (20,286) | (15,977) |
| Cost of sales | | (13,119) | (18,887) |
| Depreciation | | (8,365) | (7,192) |
| Employee benefits | | (327,301) | (299,729) |
| Occupancy costs | | (71,426) | (62,968) |
| Other expenses from ordinary activities | | (58,528) | (75,243) |
| Loss before income taxes | | (132,819) | (13,878) |
| Taxation | 4 | - | - |
| Total comprehensive income for the year | | (131,819) | (13,878) |

The accompanying notes form part of these financial statements.

JEWELLERS ASSOCIATION OF AUSTRALIA LIMITED

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Statement of Financial Position

As At 30 June 2017

| | Note | 2017 \$ | 2016 \$ |
|----------------------------------|------|-----------------|----------------|
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | 5 | 38,652 | 200,914 |
| Trade and other receivables | 6 | 84,788 | 39,225 |
| Inventories | 7 | 29,000 | 16,996 |
| Other assets | 8 | 4,614 | 8,501 |
| Total current assets | | 157,054 | 265,636 |
| Non-current assets | | | |
| Property, plant and equipment | 9 | 62,544 | 70,909 |
| Intangible assets | 10 | - | - |
| Total non-current assets | | 62,544 | 70,909 |
| TOTAL ASSETS | | 219,598 | 336,545 |
| LIABILITIES | | | |
| Current liabilities | | | |
| Trade and other payables | 11 | 59,190 | 30,761 |
| Short-term provisions | 12 | 40,517 | 32,830 |
| Other Liabilities | 13 | 137,707 | 158,951 |
| Total current liabilities | | 237,414 | 222,542 |
| Non-current liabilities | | - | - |
| TOTAL LIABILITIES | | 237,414 | 222,542 |
| NET ASSETS | | (17,816) | 114,003 |
| EQUITY | | | |
| Reserves | 15 | 27,579 | 27,579 |
| Retained earnings | | (45,395) | 86,424 |
| TOTAL EQUITY | | (17,816) | 114,003 |

The accompanying notes form part of these financial statements.

JEWELLERS ASSOCIATION OF AUSTRALIA LIMITED

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Statement of Changes in Equity

For the Year Ended 30 June 2017

2017

| | Retained Earnings | Asset Revaluation Surplus | Total |
|--------------------------------|----------------------|---------------------------------|-----------------|
| | \$ | \$ | \$ |
| Balance at 1 July 2016 | 86,424 | 27,579 | 114,003 |
| Loss attributable to members | (131,819) | - | (135,819) |
| Balance at 30 June 2017 | (45,395) | 27,579 | (17,816) |

2016

| | Retained Earnings | Asset Revaluation Surplus | Total |
|--------------------------------|----------------------|---------------------------------|----------------|
| | \$ | \$ | \$ |
| Balance at 1 July 2015 | 100,302 | 27,579 | 127,881 |
| Loss attributable to members | (13,878) | - | (13,878) |
| Balance at 30 June 2016 | 86,424 | 27,579 | 114,003 |

2015

| | Retained Earnings | Asset Revaluation Surplus | Total |
|--------------------------------|----------------------|---------------------------------|----------------|
| | \$ | \$ | \$ |
| Balance at 1 July 2014 | 149,870 | 26,579 | 176,449 |
| Loss attributable to members | (49,568) | 1,000 | (48,568) |
| Balance at 30 June 2015 | 100,302 | 27,579 | 127,881 |

The accompanying notes form part of these financial statements.

JEWELLERS ASSOCIATION OF AUSTRALIA LIMITED

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Statement of Cash Flows

For the Year Ended 30 June 2017

| | 2017 | 2016 |
|---|------------------------|-----------------------|
| Note | \$ | \$ |
| Cash from operating activities: | | |
| Receipts from customers | 429,802 | 612,352 |
| Payments to suppliers and employees | (592,789) | (615,393) |
| Interest paid | - | (28) |
| Interest received | 725 | 2,975 |
| Net cash provided by (used in) operating activities | 18 <u>(162,292)</u> | <u>(94)</u> |
| Cash flows from investing activities: | | |
| Purchase of property, plant and equipment | - | (18,950) |
| Net cash used by investing activities | - | <u>(18,950)</u> |
| Net cash increase (decreases) in cash and cash equivalents | (162,262) | (19,044) |
| Cash and cash equivalents at beginning of year | <u>200,914</u> | <u>219,958</u> |
| Cash and cash equivalents at end of year | 5 <u><u>38,652</u></u> | <u><u>200,914</u></u> |

The accompanying notes form part of these financial statements.

JEWELLERS ASSOCIATION OF AUSTRALIA LIMITED

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Notes to the Financial Statements

For the Year Ended 30 June 2017

1 Summary of Significant Accounting Policies

(a) General Information

The financial report is for JEWELLERS ASSOCIATION OF AUSTRALIA LIMITED as an individual entity, incorporated and domiciled in Australia. JEWELLERS ASSOCIATION OF AUSTRALIA LIMITED is a company limited by guarantee.

(b) Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(c) Income Taxes

No provision for income tax has been raised as the company is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

(d) Revenue and Other Income

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument.

Revenue from memberships is recognised over the period to which the membership relates.

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

JEWELLERS ASSOCIATION OF AUSTRALIA LIMITED

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Notes to the Financial Statements

For the Year Ended 30 June 2017

1 Summary of Significant Accounting Policies continued

(e) 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. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(f) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(g) Trade and other receivables

The company provides an allowance for uncollectible accounts based upon prior experience and management's assessment of the collectability of existing specific accounts.

(h) Inventories

Inventories are measured at the lower of cost and net realisable value.

JEWELLERS ASSOCIATION OF AUSTRALIA LIMITED

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Notes to the Financial Statements

For the Year Ended 30 June 2017

1 Summary of Significant Accounting Policies continued

(i) Property, Plant and Equipment

Plant and equipment

Furniture, fixtures and fittings and computer equipment are measured on the cost basis less depreciation and impairment losses. The President's chain of office is stated at valuation.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life to the company commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset

| | |
|----------------------------------|-----------|
| Furniture, Fixtures and Fittings | 10 - 40 % |
| Computer Equipment | 25 % |
| Website and software | 40 % |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. 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 and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(j) Intangible assets

The Association logo is recognised at cost of acquisition less accumulated amortization.

(k) Trade payables

Trade and other payables are stated at cost, which approximates fair value due to the short term nature of these liabilities.

(l) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. 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.

JEWELLERS ASSOCIATION OF AUSTRALIA LIMITED

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Notes to the Financial Statements

For the Year Ended 30 June 2017

1 Summary of Significant Accounting Policies continued

(m) 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.

(n) Financial Instruments

Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the company becomes a party to the contractual provisions of the instruments.

Classification and Subsequent Measurement

(i) Financial assets at fair value through profit or loss

Financial assets are classified at fair value through profit or loss. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

(ii) Held-to-maturity investments

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

(iii) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Impairment

At each reporting date, the company assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the statement of comprehensive income.

(o) 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. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

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Notes to the Financial Statements

For the Year Ended 30 June 2017

1 Summary of Significant Accounting Policies continued

(p) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that 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 their estimated useful lives where it is likely that the company will obtain ownership of the asset or over the term of the lease.

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

(q) Comparatives

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

(r) Critical accounting estimates and judgments

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

JEWELLERS ASSOCIATION OF AUSTRALIA LIMITED

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Notes to the Financial Statements

For the Year Ended 30 June 2017

2 Revenue from ordinary activities

| | 2017 | 2016 |
|------------------------|----------------|----------------|
| | \$ | \$ |
| - Membership fees | 285,804 | 321,102 |
| - Other income | 41,408 | 37,767 |
| - Commissions | 138,721 | 175,573 |
| - Functions and events | 1,705 | 541 |
| - Sponsorship income | 4,282 | 4,223 |
| - Interest received | 725 | 2,975 |
| - Other revenue | 2,946 | 857 |
| | <u>475,591</u> | <u>543,038</u> |

3 Profit for the Year

Expenses

| | | |
|---|--------------|--------------|
| Depreciation | 8,365 | 7,192 |
| Interest paid | - | 28 |
| Remuneration of auditor | | |
| Auditing / reviewing the financial report | 4,180 | 6,000 |
| Other services | - | - |
| | <u>4,180</u> | <u>6,000</u> |
| Rent expense | 57,661 | 51,305 |

JEWELLERS ASSOCIATION OF AUSTRALIA LIMITED

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Notes to the Financial Statements

For the Year Ended 30 June 2017

4 Taxation (recovery) / expense

| | 2017 | 2016 |
|---------------------------|----------|----------|
| | \$ | \$ |
| Income tax of prior years | - | - |
| | <u>-</u> | <u>-</u> |

5 Cash and Cash Equivalents

| | | |
|--------------------------|---------------|----------------|
| Cash on hand | 1,436 | 919 |
| Cash at bank | 36,511 | 108,307 |
| Short-term bank deposits | 706 | 91,688 |
| | <u>38,652</u> | <u>200,914</u> |

JEWELLERS ASSOCIATION OF AUSTRALIA LIMITED

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Notes to the Financial Statements

For the Year Ended 30 June 2017

6 Trade and Other Receivables

| | 2017 | 2016 |
|---|---------------|---------------|
| | \$ | \$ |
| Trade and other receivables | 68,617 | 24,054 |
| Provision for impairment of receivables | - | (1,000) |
| Deposits | 16,171 | 16,171 |
| | <u>84,788</u> | <u>39,225</u> |

7 Inventories

| | | |
|-----------------------------|---------------|---------------|
| Repair bags and other items | <u>29,000</u> | <u>16,996</u> |
| | <u>29,000</u> | <u>16,996</u> |

8 Other Assets

| | | |
|------------------|--------------|--------------|
| Prepaid expenses | <u>4,614</u> | <u>8,501</u> |
| | <u>4,614</u> | <u>8,501</u> |

JEWELLERS ASSOCIATION OF AUSTRALIA LIMITED

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Notes to the Financial Statements

For the Year Ended 30 June 2017

9 Property, Plant and Equipment

| | 2017 | 2016 |
|---|----------------------|----------------------|
| | \$ | \$ |
| PLANT AND EQUIPMENT | | |
| Furniture, fixtures and fittings | | |
| At cost | 59,611 | 58,756 |
| Accumulated depreciation | (35,736) | (32,628) |
| | <u>23,875</u> | <u>26,128</u> |
| Website | | |
| At cost | 8,350 | 8,350 |
| Accumulated depreciation | (6,137) | (2,797) |
| | <u>2,213</u> | <u>5,553</u> |
| President's chain of office | | |
| At independent valuation | <u>28,950</u> | 28,950 |
| Computer equipment | | |
| At cost | 28,386 | 27,892 |
| Accumulated depreciation | (20,880) | (17,614) |
| | <u>7,506</u> | <u>10,278</u> |
| | <u><u>62,544</u></u> | <u><u>70,909</u></u> |

Movements in Carrying Amounts

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

| | Furniture, Fixtures and Fittings | Presidential Jewels | Computer Equipment | Web-site | Total |
|------------------------------------|--|------------------------|-----------------------|--------------|---------------|
| | \$ | \$ | \$ | \$ | \$ |
| Balance at the beginning of year | 26,128 | 28,950 | 10,278 | 5,553 | 70,909 |
| Acquisitions | - | - | - | - | - |
| Depreciation | (2,253) | - | (2,772) | (3,340) | (8,365) |
| Carrying amount at the end of year | <u>23,875</u> | <u>28,950</u> | <u>7,506</u> | <u>2,213</u> | <u>62,544</u> |

JEWELLERS ASSOCIATION OF AUSTRALIA LIMITED

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Notes to the Financial Statements

For the Year Ended 30 June 2017

10 Intangible assets

| | 2017 | 2017 |
|--------------------------|----------|----------|
| | \$ | \$ |
| Association logo | 10,443 | 10,443 |
| Accumulated amortisation | (10,443) | (10,443) |
| | - | - |

11 Trade and Other Payables

| | | |
|--------------------------------------|---------------|---------------|
| Trade payables | 3,928 | 8,428 |
| Sundry payables and accrued expenses | 55,262 | 22,333 |
| | <u>59,190</u> | <u>30,761</u> |

12 Provisions

| | Employee entitlements | Total |
|--------------------------------|-----------------------|---------------|
| | \$ | \$ |
| Opening balance at 1 July 2016 | 32,830 | 24,012 |
| Movement in provisions | 7,687 | 8,818 |
| Balance at 30 June 2017 | <u>40,517</u> | <u>32,830</u> |

The number of employees at year end was 4 (2016: 4).

13 Other Liabilities

| | | |
|---------------------------------------|----------------|----------------|
| Membership income received in advance | 137,707 | 158,951 |
| | <u>137,707</u> | <u>158,951</u> |

14 Members' Guarantee

The company is limited by guarantee. If the company is wound up, the Constitution states that each member is required to contribute a maximum of \$2 each towards any outstanding obligations of the company. At 30 June 2017 the number of members was 605 (2016: 744).

JEWELLERS ASSOCIATION OF AUSTRALIA LIMITED

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Notes to the Financial Statements

For the Year Ended 30 June 2017

15 Reserves

Asset Revaluation Reserve

The asset revaluation reserve records revaluations of non-current assets.

16 Segment Reporting

The company operates as a trade association for jewellers. The company's operations and members are located throughout Australia.

17 Related Party Transactions

(a) Directors' transactions with the Company

From time to time, directors of the company may participate in association activities. These participations are on the same terms and conditions as those entered into by any other member of the association. In addition, directors' are reimbursed for expenses incurred in performing their duties.

No director has entered into a material contract with the company since the end of the previous financial year and there were no material contracts involving directors' interests existing at year-end.

(b) Directors' remuneration

Directors are not remunerated for their services to the association.

JEWELLERS ASSOCIATION OF AUSTRALIA LIMITED

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Notes to the Financial Statements

For the Year Ended 30 June 2017

18 Cash Flow Information

Reconciliation of Cash Flow from Operations with Profit after Income Tax

| | 2016 | 2015 |
|--|------------------|-------------|
| | \$ | \$ |
| Net (loss) for the period | (131,820) | (13,878) |
| Cash flows excluded from profit attributable to operating activities | | |
| Non-cash flows in profit | | |
| Depreciation | 8,365 | 7,192 |
| Changes in assets and liabilities | | |
| (Increase)/decrease in trade and term receivables | (45,062) | (5,006) |
| (Increase)/decrease in other assets | 3,887 | (388) |
| (Increase) in inventories | (12,004) | (2,106) |
| Increase/(decrease) in trade payables and accruals | 13,084 | 3,960 |
| Increase/(decrease) in other liabilities | (6,398) | 1,314 |
| Increase/(decrease) in provisions | 7,687 | 8,818 |
| | <u>(162,262)</u> | <u>(94)</u> |

19 Contingent Liabilities

The company has provided a bank guarantee of \$16,171 (2016 - \$16,171)

20 Capital and Leasing Commitments

Operating Lease Commitments

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

Payable - minimum lease payments

- not later than 12 months

0

- greater than 12 months

0

0

JEWELLERS ASSOCIATION OF AUSTRALIA LIMITED

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Notes to the Financial Statements

For the Year Ended 30 June 2017

21 Financial Risk Management

(a) Financial Risk Management

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

Jewellers' Association of Australia Limited does not have any derivative financial instruments at 30 June 2017.

(i) Treasury Risk Management

A finance committee consisting of senior directors meet on a regular basis to analyse currency and interest rate exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

(ii) Financial Risks

The main risk the company is exposed to through its financial instruments is liquidity risk.

Interest rate risk

The company is exposed to fluctuations in interest rates on its short term deposits.

Foreign Currency Risk

The company is not exposed to fluctuations in foreign currencies.

Liquidity Risk

The company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

Credit risk

The company does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the company.

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Notes to the Financial Statements

For the Year Ended 30 June 2017

(b) Interest Rate Risk

(i) Financial instrument composition and maturity analysis

The company's exposure to interest rate risk, which is the risk that a financial instruments value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

| | Weighted Average Effective Interest Rate | | Current | |
|------------------------------------|--|---------------|----------------|----------------|
| | 2017 | 2016 | 2017 | 2016 |
| | % | % | \$ | \$ |
| Financial Assets: | | | | |
| Cash and cash equivalents | 3.40% | 1.55% | - | 91,688 |
| Receivables | 3.40% | 1.55% | - | - |
| Total Financial Assets | | | - | 91,688 |
| Financial Liabilities: | | | | |
| Payables | - | - | - | - |
| Total Financial Liabilities | | | - | - |
| | Non-interest Bearing | | Total | |
| | 2017 | 2016 | 2017 | 2016 |
| | \$ | \$ | \$ | \$ |
| Financial Assets: | | | | |
| Cash and cash equivalents | - | - | 54,824 | 200,914 |
| Receivables | 73,230 | 33,025 | 68,617 | 24,054 |
| Total Financial Assets | 73,230 | 33,025 | 123,441 | 224,968 |
| Financial Liabilities: | | | | |
| Payables | 21,312 | 22,762 | 21,312 | 22,762 |
| Total Financial Liabilities | 21,312 | 22,762 | 21,312 | 22,762 |

(ii) Net fair values

The net fair value of assets and liabilities approximates their carrying values. No financial assets or financial liabilities are readily traded on organised markets in standardised form other than listed investments. Financial assets where the carrying amount exceeds net fair values have not been written down as the company intends to hold these assets to maturity.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to the financial statements.

JEWELLERS ASSOCIATION OF AUSTRALIA LIMITED

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Notes to the Financial Statements

For the Year Ended 30 June 2017

21 Financial Risk Management

(iii) Sensitivity Analysis

Interest Rate Risk

The company has performed a sensitivity analysis relating to its exposure to interest rate risk, foreign currency risk, liquidity risk, credit risk and price risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

At 30 June 2017, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

| | 2017 | 2016 |
|-----------------------------------|------|-------|
| | \$ | \$ |
| Change in profit | | |
| - Increase in interest rate by 2% | 422 | 4,355 |
| - Decrease in interest rate by 2% | 422 | 4,355 |
| Change in equity | | |
| - Increase in interest rate by 2% | 422 | 4,748 |
| - Decrease in interest rate by 2% | 422 | 4,748 |

22 Key Management Personnel Compensation

| | Short-term benefits | Post employment benefit | Total |
|--------------------|------------------------|-------------------------------|---------|
| | \$ | \$ | \$ |
| 2017 | | | |
| Total compensation | 141,565 | 13,449 | 150,014 |
| 2016 | | | |
| Total compensation | 113,463 | 10,779 | 124,242 |
| 2015 | | | |
| Total compensation | 135,000 | 12,825 | 147,825 |

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Notes to the Financial Statements

For the Year Ended 30 June 2017

23 Company Details

Registered office

The registered office of the company is:

JEWELLERS ASSOCIATION OF AUSTRALIA LIMITED
Level 35, One International Tower,
100 Barangaroo Avenue
Sydney NSW 2000

Principal place of business

The principal place of business is:

JEWELLERS ASSOCIATION OF AUSTRALIA LIMITED
Level 35, One International Tower,
100 Barangaroo Avenue
Sydney NSW 2000

JEWELLERS ASSOCIATION OF AUSTRALIA LIMITED

A.B.N.48 000 024 162

Directors' Declaration

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 7 to 26, are in accordance with the Corporations Act 2001 and:
 - (a) comply with Australian Accounting Standards; and
 - (b) give a true and fair view of the financial position as at 30 June 2017 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.

Director: 
G Proszkowiec

Director: 
S R Brandt

Dated this 18 day of October 2017