ENERGY CONSUMERS AUSTRALIA

ENERGY CONSUMERS AUSTRALIA LIMITED

ANNUAL FINANCIAL STATEMENTS

FOR THE PERIOD

1 JULY 2016 - 30 JUNE 2017

CONTENTS

DIRECTORS' REPORT

The Directors present this report on the Company for the financial year ended 30 June 2017.

DIRECTORS

The names and details of the Company's Directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Names	Qualifications, experience and special responsibilities
Marie Louise Sylvan BA, MPA, FAICD	Director and Chair, Energy Consumers Australia Limited. Appointed 29 January 2015 – Ongoing Director, Social Enterprise Fund Australia; Deputy Chair, Australian Advisory Board on Impact and Investing; Director, Australian Risk Policy Institute
Catherine Sheree Cooper LLB GDLP FAICD	Director, Energy Consumers Australia Limited, Chair, Audit and Risk Committee, Energy Consumers Australia Limited. Appointed 29 January 2015 – Ongoing. Commissioner and Deputy Chair Australian Fisheries Management Authority; Chair, Council Solutions – Shares Services/Procurement; Director, Australian Egg Corporation Limited; Director, GPEX – Medical Education and Training; Director, Beston Global Food Company; Member - District Court Panel Experts, Barley Industry; District Court Assessment Panel Member pursuant to the Gas Act 1997; Member, South Australia Health, Audit and Risk Committee; Member- Department for Planning, Transport and Infrastructure, South Australia, Risk and Audit Committee; Director, South Australian Environmental Protection Authority; CRC CARE – Contamination and Remediation of the Environment; CRC HPS – High Performing Soils
Steven Graham Dip Tech (Com), GAICD	Director, Energy Consumers Australia Limited, Member, Audit and Risk Committee, Energy Consumers Australia Limited. Appointed 29 January 2015 – Ongoing. Director, St Lucy's School and St Lucy School Foundation.
Clare Patricia Petre B. Social Studies Dip. Criminology M. Sc. Social Administration, MAICD	Director, Energy Consumers Australia Limited. Appointed 29 January 2015 – Ongoing. Chair, ASIC Consumer Advisory Panel; Chair, Asylum Seekers Centre; Chair, Consumer Advocacy Trust; Chair, Credit and Investments Ombudsman (CIO) Consumer Liaison Committee; Chair, Code of Conduct Committee, Australian Council for International Development; Board Member, City West Housing.
Virginia Sue Hickey BA, LLB, FAICD	Director, Energy Consumers Australia Limited. Appointed 22 February 2016 – Ongoing. Director, People's Choice Credit Union; Board Member, Safecom (Emergency Services): Board Members SportsMed SA; Independent Chair, Audit and Risk Management Committee, Public Trustee South Australia; Chair, Fertility SA Pty Limited.

Directors' Report (continued)

NET SURPLUS AFTER INCOME TAX

The net surplus of the Company for the financial year after income tax was $279,052 (2016: net deficit of $874,014).

REVIEW OF OPERATIONS

Following a review of the Company's operations during the financial year and the results of those operations, in the opinion of the directors, the company performed according to expectations.

PRINCIPAL ACTIVITIES

The principal activity of the Company during the course of the year was to promote the long term interests of Consumers of Energy with respect to the price, quality, safety, reliability and security of supply of Energy services by providing and enabling strong, coordinated, collegiate evidence based consumer advocacy on National Energy Market matters of strategic importance or material consequence for Energy Consumers, in particular for Residential Consumers and Small Business Customers.

There have been no significant changes in the nature of these activities during the year.

AFTER BALANCE DATE 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 subsequent financial years.

FUTURE DEVELOPMENTS

The Company expects to maintain the present status and level of operations and hence there are no likely known developments in future financial years.

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.

ACTIONS

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 these proceedings.

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

Directors' Report (continued)

DIRECTORS' MEETINGS

The number of meetings of directors held during the year and the number of meetings attended by each director were as follows:

	Number of meetings attended	Number of meetings eligible to attend
Marie Louise Sylvan	12	12
Catherine Sheree Cooper	12	12
Steven Graham	11	12
Virginia Sue Hickey	11	12
Clare Patricia Petre	11	12

INDEMNIFYING DIRECTORS OR OFFICERS

During or since the financial year, the Company has paid premiums in respect of a contract insuring all the Directors and officers of Energy Consumers Australia Limited against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of a Director or Officer other than conduct involving a wilful breach of duty.

The total amount of insurance contract premiums paid was $14,866 (2016: $18,170).

INDEMNIFICATION OF AUDITORS

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

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 $10 each towards meeting any outstanding obligations of the Company. At 30 June 2017 the number of members was 1.

Directors' Report (continued)

AUDITOR INDEPENDENCE

The Auditors' Independence Declaration for the year ended 30 June 2017 has been received and can be found on page 7 of the annual financial report.

This statement is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:

Marie Louise Sylvan

Director

Sydney

Date: September 21, 2017

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Auditor's independence declaration to the Directors of Energy Consumers Australia Limited

In relation to our audit of the financial report of Energy Consumers Australia Limited for the financial year ended 30 June 2017, to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit:

b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Energy Consumers Australia Limited and the entities it controlled during the financial period.

Ernst & Young

Ryan Fisk
Partner
Sydney
21 September 2017

STATEMENT OF COMPREHENSIVE INCOME
for the period from 1 July 2016 to 30 June 2017

	Note	2017 $	2016 $
Income			
Industry levies	6	6,321,972	6,198,011
Commonwealth grant income	6	411,469	-
Interest income	6	61,241	54,016
Total income		6,794,682	6,252,027
Expenses			
Grant payments	7	1,700,716	3,057,853
Commonwealth grant expenses	7a	411,469	-
Project expenses		1,239,234	1,400,431
Office expenses		426,216	519,467
Depreciation and amortisation charges		66,914	49,229
Premise expenses		204,625	198,169
Staff expenses		2,247,030	1,675,184
Board expenses		225,580	219,554
Interest expense		(6,154)	6,154
Total expenses		6,515,630	7,126,041
Net surplus/(deficit) before income tax		279,052	(874,014)
Income tax expense	16	-	-
Net surplus/(deficit) after income tax		279,052	(874,014)

The above statement should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION
as at 30 June 2017

	Note	2017 $	2016 $
Current Assets			
Cash and cash equivalents	8	2,273,047	3,832,687
Receivables	10	308,275	2,260,006
Deposits	11	1,717,174	212,070
Deferred tax assets		2,738	2,738
Total Current Assets		4,301,234	6,307,501
Non-current Assets			
Property, plant and equipment	12	92,354	125,446
Intangible assets	13	47,705	-
Total Non - current Assets		140,059	125,446
Total Assets		4,441,293	6,432,947
Current Liabilities			
Payables and unearned income	14	2,119,051	3,057,925
Employee entitlements	15	112,655	81,348
Income tax	16	-	531,762
Total Current Liabilities		2,231,706	3,671,035
Non-current Liabilities			
Payables and unearned income	14	380,744	1,212,121
Total Non - current Liabilities		380,744	1,212,121
Total Liabilities		2,612,450	4,883,156
Net Assets		1,828,843	1,549,791
Equity			
Initial contribution reserve	17	1,189,415	1,189,415
Retained earnings	17	639,428	360,376
Total Equity		1,828,843	1,549,791

The above statement should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

as at 30 June 2017

	(Note 17) Initial Contribution Reserve	(Note 17) Retained earnings	Total Equity
	$	$	$
Balance at 30 June 2015	1,147,173	1,234,390	2,381,563
Net deficit for 2015-16	-	(874,014)	(874,014)
Net movement in reserve for 2015-16	42,242	-	42,242
Balance at 30 June 2016	1,189,415	360,376	1,549,791
Balance at 30 June 2016	1,189,415	360,376	1,549,791
Net surplus for 2016-17	-	279,052	279,052
Net movement in reserve for 2016-17	-	-	-
Balance at 30 June 2017	1,189,415	639,428	1,828,843

The above statement should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS
for the period from 1 July 2016 to 30 June 2017

	Note	2017 $	2016 $
Cash flows from operating activities			
Cash outflows			
Payments for supplies and employees		(5,244,600)	(3,544,868)
Payment of grants		(2,973,268)	(2,595,450)
GST paid to the ATO		(289,511)	(112,205)
Income tax payments		(515,349)	(10,840)
Cash used in operations		(9,022,728)	(6,263,363)
Cash inflows			
Receipts from AEMO and grants		9,009,169	6,817,812
Interest received		49,247	49,666
Cash generated from operations		9,058,416	6,867,478
Net cash provided by operating activities	9(b)	35,688	604,115
Cash flows from investing activities			
Cash outflows			
Purchase of deposits		(1,505,104)	(212,070)
Purchase of property, plant and equipment		(90,224)	(174,675)
Cash flows in financing activities		(1,595,328)	(386,745)
Net increase/(decrease) in cash and cash equivalents		(1,559,640)	217,370
Cash and cash equivalents at the beginning of the period		3,832,687	3,615,317
Cash and cash equivalents at the end of the period	9(a)	2,273,047	3,832,687

The above statement should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 June 2017

1 CORPORATE INFORMATION

The financial report of Energy Consumers Australia Limited (the Company) for the year ended 30 June 2017 was authorised for issue in accordance with a resolution of the directors on 21st September 2017.

Energy Consumers Australia is a company limited by guarantee incorporated in Australia on the 29 January 2015. The Company's objectives are to promote the long term interests of Consumers of Energy with respect to the price, quality, safety, reliability and security of supply of Energy services by providing and enabling strong, coordinated, collegiate evidence based consumer advocacy on National Energy Market matters of strategic importance or material consequence for Energy Consumers, in particular for Residential Consumers and Small Business Customers.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

The financial report is a general purpose financial report and it has been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standards. The financial report has been prepared on a historical cost basis.

The financial report is presented in Australian dollars.

b) Statement of compliance

The general purpose financial statements of the Company have been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

c) New accounting standards and interpretation

i) Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

New, revised or amending Accounting Standards and Interpretations adopted, Energy Consumers Australia Limited has adopted the following new and amended accounting standards from 1 July 2017:

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- AASB 2015-2 Disclosure Initiative Amendment to AASB 101 - This Standard amends AASB 101 Presentation of Financial Statements to clarify existing presentation and disclosure requirements and to ensure entities are able to use judgement when applying the Standard in determining what information to disclose, where and in what order information is presented in their financial statements
- AASB 2014-4 Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation. The amendments clarify the principle in AASB 116 Property, Plant and Equipment and AASB 138 Intangible Assets that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset.

Adoption of these standards did not have any material effect on the Statement of Comprehensive Income, Statement of Financial Position and Statement of Cash Flows of the Company.

(ii) Accounting Standards and Interpretations issued but not yet effective

Australian Accounting Standards and Interpretations that have been issued or amended but are not yet effective have not been adopted by the Entity for the year ended 30 June 2017. At this time the following standards and interpretations may have an impact, but the extent of this is not expected to be material:

AASB 2016-1 Recognition of Deferred Tax Assets for Unrealised Losses - The amendments to AASB 12 Income Taxes clarify the accounting for deferred tax assets for unrealised losses on debt instruments measured at fair value. Effective for annual periods beginning on or after 1 January 2017. (Company 1 July 2017).

AASB 2016-2 Disclosure Initiative - The amendments to AASB 107 Statement of Cash Flows require entities to provide disclosures about changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses).

AASB 9 Financial Instruments - A new Principal standard which replaces AASB 139. This new Principal version includes a model for classification and measurement, a single, forward-looking ‘expected loss’ impairment model and a substantially-reformed approach to hedge accounting. Effective for annual periods beginning on or after 1 January 2018. (Company 1 July 2018).

AASB 15 Revenue from Contracts with Customers. The core principle of AASB 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

for those goods or services. Effective for annual periods beginning on or after 1 January 2018. (Company 1 July 2018). There is no significant impact on current reporting.

AASB 16 Leases. AASB 16 requires lessees to account for all leases under a single on-balance sheet model in a similar way to finance leases. Effective for annual periods beginning on or after 1 January 2019. (Company 1 July 2019). There is no significant impact on current reporting.

The Directors have not yet assessed whether the above amendments and interpretations will have a material impact on the financial report of the Company in the year or period of initial application.

d) Revenue recognition

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

Revenue is recognised when all the following conditions have been satisfied:

a) the Company obtains control of the contribution or the right to receive the contribution
b) it is probable that the economic benefits comprising the contribution will flow to the Company
c) the amount of the contribution can be measured reliably.

(i) Commonwealth grant income

Commonwealth grant income is recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. Grants received for which related costs have not been incurred are recognised as unearned revenue on the balance sheet.

(ii) Other income - interest income

Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e) Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

f) Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment. Collectability of trade receivables is reviewed on an ongoing basis at an operating unit level. Individual debts that are known to be uncollectible are written off when identified.

g) Property, plant and equipment

Property, plant and equipment is initially measured at fair value at the date on which control is obtained

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

- Office furniture and equipment 3 to 5 years
- Leasehold Improvements 5 years

An item of property, plant and equipment and any significant part initially recognised are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Comprehensive Income when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year and adjusted prospectively, if appropriate.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

h) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The useful live of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful life as follows:

- Software and website development 3 years

Intangible assets assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Comprehensive Income in the expense category that is consistent with the function of the intangible assets.

(i) Financial assets

Investments and financial assets in the scope of AASB 139 Financial Instruments: Recognition and Measurement are categorised as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired or originated. Designation is re-evaluated at each reporting date, but there are restrictions on reclassifying to other categories.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of assets not at fair value through profit or loss, directly attributable transaction costs.

Financial assets are derecognised when the right to receive cash flows from the financial assets has expired or when the entity transfers substantially all of the risks and rewards of the financial assets. If the entity neither retains nor transfers substantially all of the risks and rewards, it derecognises the asset if it has transferred control of the assets.

After initial recognition, deposits shall be measured at amortised cost using the effective interest method.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Company assesses, at each reporting date, whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

j) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset. Leases where the lessor retains substantially all the risks and benefits of ownership of the assets are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as the lease income.

Operating lease payments are recognised as an expense in the Statement of Comprehensive Income statement on a straight-line basis over the lease term.

k) Trade and other payables

Trade and other payables are carried at amortised cost due to their short term nature they are not discounted. They represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

l) Provisions and employee benefits

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Employee leave benefits

(i)Wages, salaries, annual leave and personal leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating personal leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

m) Income tax and other taxes

(i) Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the Statement of Comprehensive Income statement.

In the absence of reasonable certainty at this stage, that sufficient future taxable income will be available, against which deferred tax asset can be realised, the same has not been recognised in the financial statements.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(ii) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial instruments comprise receivables, payables, cash and short-term deposits.

The Company currently manages its exposure to key financial risks, including interest rate and currency risk, through ongoing monitoring of the Company's financial instruments by management. If significant exposures were identified, a recommendation for a strategy to mitigate the financial risk would be proposed to the Board of Directors for review and approval. Once approved, the Company would implement the agreed strategy to minimize the financial exposure.

Risk exposures and responses

Interest Rate Risk

The Company's exposure to the risk of changes in market interest rates relates primarily to the company's cash at bank and short term deposits.

At balance date, the Company had the following mix of financial assets and liabilities exposed to Australian variable interest rate risk that are not designated in cash flow hedges:

	2017 $	2016 $
Financial Assets		
Cash and cash equivalents	2,273,047	3,832,687
Term deposit 120 days 2.4%	1,000,000	-
Term deposit 365 days 2.45%	500,000	-
	3,773,047	3,832,687
Financial Liabilities	-	-
Net exposure	3,773,047	3,832,687

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

The following sensitivity analysis is based on the interest rate risk exposures in existence at the Statement of Financial Position date:

At 30 June 2017, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post-tax profit and equity would have been affected as follows:

Judgements of reasonably possible movements:	Post tax surplus higher/(lower)		Other comprehensive income higher/(lower)	
	2017 $	2016 $	2017 $	2016 $
+1% (100 basis points)	8,299	26,619	-	-
(0.5%) (50 basis points)	(4,150)	(13,309)	-	-

Credit Risk

Credit risk arises from the financial assets of the Company, which comprise cash and cash equivalents, deposits and trade and other receivables. The Company's exposure to credit risk arises from potential default of the counter-party, with a maximum exposure equal to the carrying amount of these instruments.

The Company only trades with recognised, creditworthy third parties and as such collateral are not requested nor it is the Company's policy to securitise its trade and other receivables.

Receivable balances are monitored on an on-going basis with the result that the Company's exposure to bad debts is not significant.

Liquidity Risk

Liquidity risk arises from the financial liabilities of the Company and the Company's subsequent ability to meet its obligations to repay its financial liabilities as and when they fall due. The Company closely monitors its cash position and regularly updates its cash flow projections to ensure it has sufficient liquid resources to meet its obligations under all reasonably expected circumstances.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Maturity analysis of financial assets and liabilities based on management's expectations

The risk implied from the values shown in the table below, reflects a balanced view of cash inflows and outflows.

Year Ended 30 June 2017	<6 months $	6-12 months $	1-5 years $	5 years $	Total $
Cash and cash equivalent	2,273,047	-	-	-	2,273,047
Trade and other receivables	311,013	-	-	-	311,013
Deposits	1,717,174	-	-	-	1,717,174
	4,301,234	-	-	-	4,301,234
Financial Liabilities					
Trade and other payables	1,718,722	512,985	380,744	-	2,612,450
	1,718,722	512,985	380,744	-	2,612,450
Net Maturity	2,582,513	(512,985)	(380,744)	-	1,688,784

Fair Value

The methods of estimating fair value are outlined in the relevant notes to the financial statements.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires Management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

Management has identified critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

5. SEGMENT INFORMATION

The Company operates predominately in one industry. The principal activity of the Company is to promote the long term interests of Consumers of Energy with respect to the price, quality, safety, reliability and security of supply of Energy services by providing and enabling strong, coordinated, collegiate evidence based consumer advocacy on National Energy Market matters of strategic importance or material consequence for Energy Consumers, in particular for Residential Consumers and Small Business Customers. The Company operates in Australia.

6. REVENUE FROM CONTINUING OPERATIONS

	2017 $	2016 $
Electricity levies from AEMO	4,741,479	4,648,508
Gas levies from AEMO	1,580,493	1,549,503
Commonwealth grant income (7a)	411,469	-
	6,733,441	6,198,011
Other income		
Interest revenue	61,241	54,016
	6,794,682	6,252,027

7 GRANT PAYMENTS

Grant payments of $1,700,716 (FY16: $3,057, 853) represent costs incurred in relation to approved grant applications and are recognized to the extent that the work has been undertaken by the applicant. Of the expense recognized during the year, $268,112 (FY16: $1,082,802) relates to amounts accrued at year end (refer to note 14).

The unrecognized contractual commitments relating to grant applications approved before or on 30 June 2017 are disclosed in note 20.

7(a) COMMONWEALTH GRANT INCOME AND EXPENDITURE

The Company received a Commonwealth Government grant of $1,818,182 (ex GST) over three years to undertake Power Shift; an independent review of the Low Income Energy Efficiency Program evidence base, as well as undertake complementary research, and support the ongoing work of the Group of Energy Efficiency Researchers Australia.

During the year, $411,469 in grants and other costs associated with the program were incurred and a corresponding amount has been recognised as income. The remaining $1,406,713 is unearned revenue and recorded at year end (Current liability: $1,025,969; non-current liability: $380,744).

8. CASH AND CASH EQUIVALENTS

	2017 $	2016 $
Cash at bank and in hand	2,273,047	3,832,687

Interest rate risk

Cash at bank earns a floating interest rate, based on daily bank deposit rates. The carrying amount of cash and cash equivalents represents fair value.

9. STATEMENT OF CASH FLOW RECONCILIATION

a. Reconciliation of cash and cash equivalents at the end of the reporting period:

	2017 $	2016 $
Cash and cash equivalents disclosed in the Statement of Financial Position	2,273,047	3,832,687
Balance as per the Statement of Cash Flows	2,273,047	3,832,687

b. Reconciliation of net surplus/(deficit) after tax to net cash flows from operations:

	2017 $	2016 $
Net surplus/(deficit) after income tax	279,052	(874,014)
Add back depreciation and amortisation charges	66,914	49,229
	345,966	(824,785)
(Increase)/decrease in trade and other receivables	1,960,428	(2,139,146)
Increase/(decrease) in trade and other payables	(1,770,251)	3,490,419
Increase/(decrease) in provisions	(500,455)	77,627
Net cash (outflow)/inflow from operating activities	35,688	604,115

10 TRADE AND OTHER RECEIVABLES

	2017 $	2016 $
Accounts receivables	1,636	2,000,000
Prepayments	87,946	66,527
Accrued income	16,054	4,351
GST receivables	166,183	172,479
Other debtors	36,456	16,649
	308,275	2,260,006

11. DEPOSITS

	2017 $	2016 $
Term deposits	1,500,000	-
Security deposits	217,174	212,070
	1,717,174	212,070

12. PROPERTY, PLANT AND EQUIPMENT

	2017 $	2016 $
Office furniture and equipment:		
Balance as at 1 July 2016	102,054	-
Additions at cost	18,865	146,739
Depreciation charge for the year	(53,212)	(44,685)
Balance as at 30 June 2017	67,707	102,054
Leasehold Improvements:		
Balance as at 1 July 2016	23,392	-
Additions at cost	8,777	27,936
Depreciation charge for the year	(7,522)	(4,544)
Balance as at 30 June 2017	24,647	23,392
Total property, plant and equipment:		
Balance as at 1 July 2016	125,446	-
Additions at cost	27,642	174,675
Depreciation charge for the year	(60,734)	(49,229)
Balance as at 30 June 2017	92,354	125,446

13. INTANGIBLE ASSETS

	2017 $	2016 $
Website development:		
Balance as at 1 July 2016	-	-
Additions at cost	53,885	-
Amortisation charge for the year	(6,180)	-
Balance as at 30 June 2017	47,705	-

14. TRADE AND OTHER PAYABLES

	2017 $	2016 $
Current liabilities:		
Accounts payables	337,846	584,283
Grant accruals	268,112	1,082,802
Commonwealth grant unearned income	1,025,969	606,061
GST payables	158,584	337,718
Payroll payables	151,095	137,633
Other accrued expenses	177,445	309,428
	2,119,051	3,057,925
Non-current liabilities:		
Commonwealth grant unearned income	380,744	1,212,121

15. PROVISIONS

	2017 $	2016 $
Employee entitlements	112,655	81,348
Income tax	-	531,762
	112,655	613,110

16. INCOME TAX EXPENSE

	2017 $	2016 $
Current tax expense/(benefit)	-	-
Deferred tax expense/(benefit)	-	-
Adjustment for prior periods	-	-
Tax expense	-	-

Numerical reconciliation between tax expense and pre-tax accounting profit

	2017	2016
Surplus/(deficit) for the year before tax	279,052	(874,014)
Income tax expense / (benefit) using the company's statutory income tax	83,716	(262,204)
Tax effect of non-temporary difference	9,392	20,622
Tax effect of tax losses and temporary differences not recognised	-	(241,582)
Previously unrecognised tax losses now brought to account	(93,108)	-
Income tax expense	-	-

17. RETAINED EARNINGS AND RESERVES

	2017 $	2016 $
Movements in retained earnings were as follows:		
Initial contribution reserve		
Balance as at 30 June 2016	1,189,415	1,147,173
Net movement for the year	-	42,242
Balance as at 30 June 2017	1,189,415	1,189,415
Retained earnings:		
Balance as at 30 June 2016	360,376	1,234,390
Net movement for the year	279,052	(874,014)
Balance as at 30 June 2017	639,428	360,376

18. RELATED PARTY TRANSACTIONS

	2017 $	2016 $
Key Management Personnel Remuneration		
Short term benefits	390,670	413,928
Post-employment benefit	33,242	34,107
Total	423,912	448,035

19 COMMITMENTS

Lease Commitments

Operating lease commitments – Company as lessee

The company has entered into an operating lease on rental property. The lease has a fixed term of 5 years from 1st August 2015 to 31st July 2020 and there are no restrictions placed on the lessee by entering into this lease.

Future minimum rentals payable under non-cancellable operating leases as at 30 June 2017 are as follows:

	2017 $	2016 $
Within one year	199,357	191,001
More than one year but no later than five years	443,283	642,640
Total minimum lease payments	642,640	833,641

20. UNRECOGNISED CONTRACTUAL COMMITMENTS

Commitments relate to approved applications for which a grant has not yet been paid:

	2017 $	2016 $
Payable within one year	1,063,266	1,415,443
More than one year but no later than two years	401,626	-
Total unrecognised contractual commitments	1,464,892	1,415,443

The above represents commitments for approved grant applications where the conditions for payment of the grant has not been met as at 30 June 2017

21. EVENTS AFTER REPORTING PERIOD

There were no events occurring after 30 June 2017 that have a material financial implication on the financial statements.

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Energy Consumers Australia Limited, I state that:

1. In the opinion of the directors:

   (a) The financial statements and notes of the company for the financial year ended 30 June 2017 are 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 2017 and its performance for the year ended on that date; and

      (ii) Complying with Accounting Standards and *Corporations Regulations 2001*

   (b) The financial statements and notes also comply with International Financial Reporting Standards to the extent disclosed in Note 2 (b); and

   (c) There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

Marie Louise Sylvan

Director

Sydney

Date: September 21, 2017

Building a better
working world

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Independent Auditor's Report to the Members of Energy Consumers Australia Limited

Opinion

We have audited the financial report of Energy Consumers Australia Limited (the Company), which comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, 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:

a) giving a true and fair view of the Company's financial position as at 30 June 2017 and of its financial performance for the year ended on that date; and

b) complying with Australian Accounting Standards 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 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* (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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information is the directors' report accompanying the financial report.

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 the 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 relating 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 the 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 this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment 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.

Ernst & Young

Ryan Fisk
Partner
Sydney
21 September 2017