

ENERGY CONSUMERS AUSTRALIA LIMITED  
ANNUAL FINANCIAL STATEMENTS  
FOR THE PERIOD  
1 JULY 2015 - 30 JUNE 2016

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## DIRECTORS' REPORT

The Directors present this report on the Company for the financial year ended 30 June 2016.

### 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.

<b>Names</b>	<b>Qualifications, experience and special responsibilities</b>
Marie Louise Sylvan BA, MPA, MAICD	Director and Chair, Energy Consumers Australia Limited. Appointed 29 January 2015 – Ongoing President and Chair, Bush Heritage Australia; Director, Social Enterprise Fund Australia; Deputy Chair, Impact Investing Australia Innovation and Outcomes Working Group; Member, Australian Advisory Board on Impact and Investing.
Karen Vali Chalmers- Scott	Director, Energy Consumers Australia Limited, appointed 18 June 2015 – Resigned 22 February 2016.
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, Australian Fisheries Management Authority; Chair, Fleurieu Regional Waste Management Authority; Chair, Council Solutions – Procurement; Director, Thoroughbred Racing SA; Director, Law Guard Pty Ltd- Finance and Insurance; Director, GPEX – Medical Education and Training; Director, Australian Egg Corporation Limited; Director, Beston Global Food Company; District Court Panel Experts, Member, Barley Industry; District Court Assessment Panel member pursuant to the Gas Act 1997; CRC CARE - Contamination and Remediation of the Environment; Member, (Business and Commerce) Aquaculture Tenure Allocation Board.
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, Credit and Investments Ombudsman (CIO) Consumer Liaison Committee; Board Member, City West Housing; Chair, Code of Conduct Committee, Australian Council for International Development.
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 Member Public Transport Victoria; Independent Chair, Audit and Risk Management Committee, Public Trustee South Australia; Chair, Fertility SA Pty Limited.

## *Directors' Report (continued)*

### NET DEFICIT AFTER INCOME TAX

The net deficit of the Company for the financial year after income tax was \$874,014 (2015: net surplus of \$1,234,390).

### 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	13	13
Karen Vali Chalmers-Scott	8	8
Catherine Sheree Cooper	13	13
Steven Graham	13	13
Virginia Sue Hickey	5	5
Clare Patricia Petre	13	13

### 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 \$18,170 (2015: \$14,837).

### 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.

*Directors' Report (continued)*

AUDITOR INDEPENDENCE

The Auditors' Independence Declaration for the year ended 30 June 2016 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

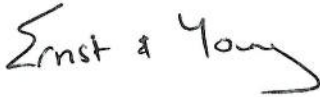
Sydney

Date: 21 October 2016

## Auditor's Independence Declaration to the Directors of Energy Consumers Australia Limited

As lead auditor for the audit of Energy Consumers Australia Limited for the financial year ended 30 June 2016, I declare 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; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.



Ernst & Young



Ryan Fisk  
Partner  
21 October 2016

**STATEMENT OF COMPREHENSIVE INCOME**  
for the period from 1 July 2015 to 30 June 2016

	Note	2016 \$	2015 \$
<b>Income</b>			
Industry levies	6	6,198,011	2,417,448
Interest revenues	6	54,016	11,378
<b>Total income</b>		6,252,027	2,428,826
<b>Expenses</b>			
Grant payments		3,057,853	319,426
Project expenses		1,400,431	10,000
Office expenses		519,467	68,396
Depreciation and amortisation charges		49,229	-
Premise expenses		198,169	22,143
Staff expenses		1,675,184	168,820
Board expenses		219,554	76,627
Interest expense		6,154	-
<b>Total expenses</b>		7,126,041	665,412
Net (deficit)/surplus before income tax		(874,014)	1,763,414
Income tax expense	13	-	529,024
<b>Net (deficit)/surplus after income tax</b>		(874,014)	1,234,390

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



**STATEMENT OF FINANCIAL POSITION**  
as at 30 June 2016

	Note	2016 \$	2015 \$
<b>Current Assets</b>			
Cash and cash equivalents	7	3,832,687	3,615,317
Receivables	9	2,260,006	122,106
Deposits		212,070	-
Deferred tax assets		2,738	1,491
<b>Total Current Assets</b>		6,307,501	3,738,914
<b>Non-current Assets</b>			
Property, plant and equipment	10	125,446	-
<b>Total Non - current Assets</b>		125,446	-
<b>Total Assets</b>		6,432,947	3,738,914
<b>Current Liabilities</b>			
Payables	11	3,057,925	821,868
Employee entitlements	12	81,348	4,968
Income tax	12	531,762	530,515
<b>Total Current Liabilities</b>		3,671,035	1,357,351
<b>Non-current Liabilities</b>			
Payables		1,212,121	-
<b>Total Non - current Liabilities</b>		1,212,121	-
<b>Total Liabilities</b>		4,883,156	1,357,351
<b>Net Assets</b>		1,549,791	2,381,563
<b>Equity</b>			
Initial contribution reserve	14	1,189,415	1,147,173
Retained earnings	14	360,376	1,234,390
<b>Total Equity</b>		1,549,791	2,381,563

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

## STATEMENT OF CHANGES IN EQUITY

as at 30 June 2016

	(Note 14)	(Note 14)	
	Initial Contribution Reserve	Retained earnings	Total Equity
	\$	\$	\$
<b>Balance at 30 June 2015</b>	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
<b>Balance at 30 June 2016</b>	1,189,415	360,376	1,549,791

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

## STATEMENT OF CASH FLOWS

for the period from 1 July 2015 to 30 June 2016

	Note	2016 \$	2015 \$
<b>Cash flows from operating activities</b>			
<b>Cash outflows</b>			
Payments for supplies and employees		(3,544,868)	(325,090)
Payment of grants		(2,595,450)	(565,514)
GST paid to the ATO		(112,205)	(217,075)
Other payments		(10,840)	(5,573)
<b>Cash used in operations</b>		(6,263,363)	(1,113,252)
<b>Cash inflows</b>			
Receipts from AEMO		6,817,812	2,659,193
Interest received		49,666	11,378
<b>Cash generated from operations</b>		6,867,478	2,670,571
<b>Net cash provided by operating activities</b>	8(b)	604,115	1,557,319
<b>Cash flows from financing activities</b>			
<b>Cash inflows</b>			
Initial contribution from the Consumer Advocacy Panel		-	2,057,998
<b>Cash outflows</b>			
Purchase of security deposits		(212,070)	-
Purchase of property, plant and equipment		(174,675)	-
<b>Cash flows in financing activities</b>		(386,745)	2,057,998
<b>Net increase in cash and cash equivalents</b>		217,370	3,615,317
Cash and cash equivalents at the beginning of the period		3,615,317	-
<b>Cash and cash equivalents at the end of the period</b>	8(a)	3,832,687	3,615,317

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

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2016

### 1 CORPORATE INFORMATION

The financial report of Energy Consumers Australia Limited (the Company) for the year ended 30 June 2016 was authorised for issue in accordance with a resolution of the directors on .

Energy Consumers Australia is a company limited by guarantee incorporated in Australia on the 29 January 2015. The comparative period for financial year 2015 was only 5 months. 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:

The group has adopted the following new and amended Australian Accounting Standards and AASB Interpretations as of 1 July 2014; none of which had a material impact on the financial statements:

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- AASB 2012-3 – Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities effective 1 January 2014
- AASB 2013-3 – Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets effective 1 January 2014
- AASB 1031 – Materiality effective 1 January 2014
- AASB 2013-9 - Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments effective 1 January 2014
- AASB 2014-1 - Amendments to Australian Accounting Standards arising from Annual Improvements 2010-2012 Cycle and Annual Improvements 2011-2013 Cycle effective 1 July 2014
- AASB 1053 – Amendments to AASB 1053 Application of Tiers of Australian Accounting Standards effective 1 July 2014

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

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective and have not been adopted by the Company for the annual reporting period ending 30 June 2016 are outlined in the table below:

<b>Standard/Interpretation</b>	<b>Effective for the annual reporting period beginning on</b>	<b>Expected to be initially applied in the financial year ending</b>
AASB 9 Financial Instruments	January 1, 2018	June 30, 2019
AASB 2014- 4 Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to AASB 116 and AASB 138)	January 1, 2016	June 30, 2017
AASB 15 Revenue from Contracts with Customers	January 1, 2017	June 30, 2018
AASB 2014-9 Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements	January 1, 2016	June 30, 2017
Annual Improvements 2012-2014 Cycle	January 1, 2016	June 30, 2017
AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101	January 1, 2016	June 30, 2017
AASB 2015-3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality	July 1, 2015	June 30, 2016

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 from Australian Energy Market Operator (AEMO) 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) 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.

### **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.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 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 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.

### h) 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.

### i) 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.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### j) 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.

#### *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.

### k) 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.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

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.



## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

### *(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 are classified as operating cash flows.

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

### **l) Critical accounting estimates and judgements**

The estimates and judgements incorporated into the financial statements are based on historical results and the best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data from internal and external sources. The bases for all critical judgements and estimates have been disclosed in the foregoing statement of significant accounting policies.

### 3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

The Company is in the process of developing a financial risk management policy. The objective of the policy is to support the delivery of the Company's financial targets whilst protecting future financial security. 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:

	2016	2015
	\$	\$
<b>Financial Assets</b>		
Cash and cash equivalents	3,832,687	3,615,317
<b>Financial Liabilities</b>		
	-	-
<b>Net exposure</b>	3,832,687	3,615,317

### 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 2016, 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)	
	2016 \$	2015 \$	2016 \$	2015 \$
+1% (100 basis points)	26,619	23,801	-	-
(0.5)% (50 basis points)	(13,309)	(11,901)	-	-

#### Credit Risk

Credit risk arises from the financial assets of the Company, which comprise cash and cash equivalents, 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. A maturity analysis of the Company's financial assets and liabilities as at 30 June 2016 is presented in the table below.

### 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 2016	<6 months \$	6-12 months \$	1-5 years \$	5 years \$	Total \$
Cash and cash equivalent	3,832,687	-	-	-	3,832,687
Trade and other receivables	2,474,814	-	-	-	2,474,814
	6,307,501	-	-	-	6,307,501
<b>Financial Liabilities</b>					
Trade and other payables	3,368,004	303,031	1,212,121	-	4,883,156
	3,368,004	303,031	1,212,121	-	4,883,156
<b>Net Maturity</b>	2,939,497	(303,031)	(1,212,121)	-	1,424,345

#### 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

	2016 \$	2015 \$
Electricity levies from AEMO	4,648,508	1,813,086
Gas levies from AEMO	1,549,503	604,362
	6,198,011	2,417,448
<i>Other income</i>		
Interest revenue	54,016	11,378
	6,252,027	2,428,826

## 7. CASH AND CASH EQUIVALENTS

	2016 \$	2015 \$
Cash at bank and in hand	3,832,687	3,615,317
	3,832,687	3,615,317

### 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.

## 8. STATEMENT OF CASH FLOW RECONCILIATION

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

	2016	2015
	\$	\$
Cash and cash equivalents disclosed in the Statement of Financial Position	3,832,687	3,615,317
<b>Balance as per the Statement of Cash Flows</b>	<u>3,832,687</u>	<u>3,615,317</u>

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

	2016	2015
	\$	\$
<b>Net (deficit)/surplus after income tax</b>	(874,014)	1,234,390
Add back depreciation and amortisation charges	49,229	-
	<u>(824,785)</u>	<u>1,234,390</u>
(Increase)/decrease in trade and other receivables	(2,139,146)	(123,597)
Increase/(decrease) in trade and other payables	3,490,419	(88,957)
Increase/(decrease) in provisions	77,627	535,483
<b>Net cash (outflow)/inflow from operating activities</b>	<u>604,115</u>	<u>1,557,319</u>

## 9. TRADE AND OTHER RECEIVABLES

	2016	2015
	\$	\$
Accounts receivables	2,000,000	-
Prepayments	66,527	66,072
Accrued income	4,351	-
GST receivables	172,479	46,475
Other debtors	16,649	9,559
	<u>2,260,006</u>	<u>122,106</u>

## 10. PROPERTY, PLANT AND EQUIPMENT

	2016	2015
	\$	\$
<b>Office furniture and equipment:</b>		
Balance as at 1 July 2015	-	-
Additions at cost	146,739	-
Depreciation charge for the year	(44,685)	-
Balance as at 30 June 2016	102,054	-
 <b>Leasehold Improvements:</b>		
Balance as at 1 July 2015	-	-
Additions at cost	27,936	-
Depreciation charge for the year	(4,544)	-
Balance as at 30 June 2016	23,392	-
 <b>Total property, plant and equipment:</b>		
Balance as at 1 July 2015	-	-
Additions at cost	174,675	-
Depreciation charge for the year	(49,229)	-
Balance as at 30 June 2016	125,446	-

## 11. TRADE AND OTHER PAYABLES

	2016	2015
	\$	\$
Accounts payables	584,283	14,025
Grants payables	606,061	-
GST payables	337,718	-
Payroll payables	137,633	31,204
Accrued expenses	1,392,230	776,639
	3,057,925	821,868

12. PROVISIONS

	2016	2015
	\$	\$
Employee entitlements	81,348	4,968
Income tax	531,762	530,515
	613,110	535,483

13. INCOME TAX EXPENSE

	2016	2015
	\$	\$
Current tax benefit		
Current year	-	530,515
Adjustment for prior periods	-	-
	-	530,515
Deferred tax expense		
Origination and reversal of temporary differences	-	(1,491)
	-	(1,491)

**Numerical reconciliation between tax expense and pre-tax accounting profit**

(Deficit)/surplus for the year	(874,014)	1,234,390
Total income tax expense	-	529,024
(Deficit)/surplus excluding income tax	(874,014)	1,763,414
Income tax using the company's statutory income tax rate of 30%	-	529,024
Adjustment for prior periods	-	-
	-	529,024



#### 14. RETAINED EARNINGS AND RESERVES

	2016	2015
	\$	\$
Movements in retained earnings were as follows:		
<b>Retained earnings</b>		
Balance as at 30 June 2015	1,234,390	-
Net (deficit)/surplus for the year	(874,014)	1,234,390
<b>Balance as at 30 June 2016</b>	360,376	1,234,390
<b>Initial contribution reserve</b>		
Balance as at 30 June 2015	1,147,173	-
Net movement for the year	42,242	1,147,173
<b>Balance as at 30 June 2016</b>	1,189,415	1,147,173

#### 15. RELATED PARTY TRANSACTIONS

	2016	2015
	\$	\$
<b>Key Management Personnel Remuneration</b>		
Short term benefits	413,928	77,448
Post-employment benefit	34,107	6,681
<b>Total</b>	448,035	84,129

## 16. 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 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 2016 are as follows:

	2016 \$	2015 \$
Within one year	191,001	183,613
More than one year but no later than five years	642,640	818,340
Total minimum lease payments	833,641	1,001,953

## 17. UNRECOGNISED CONTRACTUAL COMMITMENTS

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

	2016 \$	2015 \$
Payable within one year	1,415,443	1,400,148
More than one year but no later than two years	-	67,539
Total unrecognised contractual commitments	1,415,443	1,467,687

The above represents commitments for approved grant applications where the conditions for payment of the grant has not been met as at 30 June 2016. At the date of this report \$671,384 has been processed as grant payments.

## 18. 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 2016 the number of members was 1.

## 19. EVENTS AFTER REPORTING PERIOD

There were no events occurring after 30 June 2016 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 2016 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 2016 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: 21 October 2016



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## Independent auditor's report to the member of Energy Consumers Australia Limited

### Report on the financial report

We have audited the accompanying financial report of Energy Consumers Australia Limited, which comprises the statement of financial position as at 30 June 2016, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the company.

### Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

### Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

### Independence

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is attached to the Directors' report.



## Auditor's Opinion

In our opinion:

- a. the financial report of Energy Consumers Australia Limited 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 2016 and of its performance for the year ended on that date; and
  - ii complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- b. the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2.

A handwritten signature in black ink that reads 'Ernst &amp; Young' in a cursive style.

Ernst & Young

A handwritten signature in black ink that reads 'R. Fisk' in a cursive style.

Ryan Fisk  
Partner  
21 October 2016