

# ARCS ANNUAL REPORT 2015



WE LISTEN, ENGAGE, RESPOND & BUILD

**2014/2015  
PERFORMANCE  
HIGHLIGHTS**

**2,041**  
Members

**92**  
Number of educational events held

**9**  
Number of updated/new events

**2**  
Major conferences

**1,449**  
Number of attendees at conferences

**1,501**  
Number of attendees at interest area  
committees

**439**  
Number of computer-based learning students

**92%**  
Average quality rating of workshop events

## VISION

To be a leading professional organisation enabling the development and quality use of medicines and medical technology.

## MISSION

ARCS enables the development and quality use of medicines and medical technology by facilitating the professional development and connectivity of people through:

- Educating and training
- Exchanging information and knowledge
- Networking
- Collaborating and engaging
- Representing members' perspectives.

## WHAT WE DO

ARCS is a leading independent not-for-profit association that focuses on delivering professional development and member representation within the therapeutics sector.

As a not-for-profit organisation, ARCS is funded by its members and currently represents more than 2,000 personnel within the sector. ARCS' role is pivotal both in educating newcomers to the industry as well as providing continuous support throughout their careers with ongoing professional development.

ARCS is an organisation built around its members and focused on a sector that provides therapeutics to our community. We believe it is important to hold ourselves, employees, volunteers and members to the highest professional and ethical standards through a statement of our core values.

We are committed to support and promote our members and our industry within these guiding values:

**Integrity** – Adhere to the highest ethical standards. Through mutual respect, accountability and trust we foster a culture that adds value to our members and profession.

**Excellence** – Strive for quality through dedication to our work, continuous learning and improvement. We use our knowledge, expertise and evidence to guide our actions.

**Leadership** – Work to inspire our sector by being outwardly focused, engaging and collaborating with stakeholders. We draw on our members' knowledge and ideas to advance our industry.

**Influence** – Aim to innovate and lead change. We encourage members to actively participate through actions and ideas to improve the health of our community and the future of our industry.

We provide high-quality training and professional development within the therapeutics sectors.

We encourage and foster the exchange of information via leading-edge conferences, seminars and networking events.

We act as an impartial information portal to provide awareness of relevant government, research and industry activities.

## EVENTS AND INITIATIVES

During the 2014-15 financial year we had a number of very successful events, including our September 2014 Canberra congress and May 2015 Sydney congress. The Sydney congress was our largest to date and took place over three days with over 1,000 delegates from industry, hospitals and other research sites and government in attendance. There was a real buzz around the event and feedback has been overwhelmingly positive.

We are continuing to build collaborations with like-minded organisations, which will help to boost our activities for site staff, medical affairs, quality, and medical devices. We will also be working towards organically growing groups such as complementary medicines and risk-based monitoring.

## EDUCATIONAL HIGHLIGHTS

- Manufacturing Site Tour – Cochlear
- Manufacturing Site Tour – AstraZeneca
- TGA and eCTD Workshop
- TGA and ARCS Risk Management Plan Workshop
- Requirements for Quality – Module 3 and Module 2.3 (TGA facilitated)
- Monash University Post-graduate Programme: Introduction to clinical trials
- Dedicated interest area meetings for research sites
- Educational partnerships with ISPE, DIA & ACRP
- New GCP refresher course
- Applying Bioavailability and Bioequivalence (BABE) Guidelines



## RESEARCH AND REPRESENTATIONS

The ARCS Business Office staff worked on a number of initiatives related to our therapeutics environment. These involved:

- providing feedback and suggestions on state and commonwealth clinical research initiatives
- support for industry managers collaborating on CLEVER, for consumer safety reporting
- two \$10,000 scholarships offered to two ARCS members for research purposes (the Research Scholarship and the Osmond-Russell Scholarship).

This year with member input we developed and launched our new-look website and database. It was our biggest project of the last 6 years, and we hope you find it more modern and that it has simplified and enhanced your online experience.

## THE OFFICE AND THE TEAM

This year we said goodbye to Annick Ah-Lan, Ann Gould and David Low, we thank them for the contribution to the office. We have been joined by Jason Amies, Liga Hegner and Sue Mason, all three have settled in well and if you haven't already, you'll meet them at an ARCS event soon.

## THE FUTURE

For the 2015-16 financial year we are returning to the two-conference format, with one in Sydney and one in Canberra. Both conferences will take place over two days and will cater for different interest areas.

We will be pushing ahead with building our interest area teleconferences, a hit with many of the interest area groups so far - this year's number of attendees remained highly subscribed and steady, and are a well-received member benefit.

Next year we will be exploring new e-learning initiatives to give members more options and control over their learning. We have commissioned research to obtain detailed feedback on both member needs and interests as well as the future opportunities in e-learning. Additional initiatives are being developed and piloted to further the evolution of the ARCS business.



## PRESIDENT'S REPORT

With the external environment continuing to change significantly and rapidly, the ARCS Board has focused this year on ensuring a foundation for future growth for our association. Our members are, quite rightly, at the heart of ARCS and our focus is on our membership. Since the inception of ARCS in 1984 the complexity of our member base has grown significantly. Whilst a large number of our members continue to be employed in the pharmaceutical industry, we also have substantial numbers of members who work in the contract research environment, as consultants to industry, and in academic or clinical research units.



One of our Board's challenges is how to understand the diverse needs of these member areas and where to best focus our energy and resources. This year, for the first time, ARCS participated in an externally benchmarked study that gave information about the opinions and preferences of members of professional associations. As a result of this survey we believe we better understand our members' professional challenges, what's keeping members up at night and what we might be able to do to help alleviate these challenges. Thank you to all our members who took the time to respond to the survey and to help shape the future of ARCS. To remain relevant ARCS must adapt to changing member expectations. The ARCS Board is keen to learn more about what matters to our members, and will seek more opportunities to engage with members in the future.

There are many groups active in our sector, some representing individuals and some representing organisations or companies, but each reflecting slightly different aspects or viewpoints. Bringing disparate groups together to discuss issues for the benefit of our sector as a whole is an important part of ARCS's role. We will continue to engage with a wide range of stakeholders across government, industry and the research community in order to generate favourable outcomes for our members.

It is pleasing to see the results of investment in new IT infrastructure come to fruition this year in the form of an updated website with enhanced customer management and event management platforms. This has been a significant effort by the ARCS Business Office team, and will serve ARCS well by allowing us to better understand our members' needs and requirements.

I would like to thank the staff of the ARCS Business Office for their hard work and commitment to ARCS and our members. In addition, I would like to thank all those who have volunteered their expertise, time and energy to contribute to ARCS's success over the past year. Finally, I would like to thank all our continuing and outgoing Board members for their enthusiasm, passion and dedication to ensuring that ARCS remains the leading professional development organisation for our area.

**Ailsa Surman**  
**ARCS President**

## CEO'S REPORT

It gives me great pleasure in presenting to members my annual report as CEO of ARCS to the association's membership. I am excited by the position that ARCS has attained as a leading professional development organisation taking future opportunities for our sector and supporting people who enable new and advancing therapeutics for patients.



### Overview

The financial year 2014/15 (our 30th/31st) was a terrific year for ARCS. We measure this in terms of education content and delivery, financial performance and setting up new technological infrastructure for ARCS now and for its future. Celebrations for our 30th year in 2014 lasted through a number of events and I reflect and marvel, that from small beginnings, at what this organisation has become.

I will seek to articulate some of our activities and outcomes. We held two large and highly subscribed congresses, in both Canberra and Sydney with a record number of presenters. You will also note our new internet presence. The task of designing, specifying and testing a new database and website was enormous. In addition we built more than 70 new business processes and cleaned our member data to enable better contact and engagement with you. The new technologies have performed well for a large congress, workshops, interest area meetings and renewals. We have also separately set up new communications infrastructures for e-mailing and texting members and maintained our closed LinkedIn group, which now exceeds 2000 members.

Qualitatively, we have had very good feedback from members and non-members on our education programme, rating 92%. We also participated in a benchmarking survey against other professional associations in this period, and certainly whilst we were ahead in the areas of communications and were not directly comparable in other areas such as advocacy, it helped identify some areas that we will work on in the coming period.

ARCS works as part of close-knit sector and importantly has built strong relationships with government, the research sector, other associations and is seen as a vehicle for presenting content which is independent and impartial, and providing multifaceted events of quality and value for money.

### Finances

Financially, and in brief, we have had our most significant operating profit for many years, being \$144,326, up from \$58,527. Sales increased from \$1.696m to \$2.212m and total equity is a healthy \$1.690m.

### The Team

The people are pivotal in achieving this, and I would very much like to thank the small and dedicated ARCS Business Office team who delivered so much during the year. To Joe, Liga, Deb, Brig, Candice, Jason, Sue and Bel – thank you on behalf of the membership. They have been instrumental in providing workshops, teleconferences, two excellent congresses as well as all the infrastructure developments. I would also like to thank the volunteers who provided so much excellent content both in organising and appearing at our events – they also have performed a remarkable role. I would particularly like to return to and make a special mention of Joe and Brig, who have completed 10 years of service and continually demonstrate much love and commitment to the organisation.

A farewell and kind thank you to Ailsa Surman our President of the last four years, (and Board member for six years) who has listened attentively and provided detailed input on our activities, and to Judy Bingham and Carlo Maccarrone who are departing after good Board service and leading some very active subcommittees.

Thank you on behalf of the ARCS membership. We also thank the new director nominees for applying, we look forward to working with the incoming Board from December.

ARCS was deeply saddened at the loss of a second life member, Katrina Champion during October. Katrina was our longest serving Board member and President for four years and leaves a legacy in the Australian clinical research community

## The Future

2015/16 and beyond is a time of challenge. Associations within Australia and around the world are looking to initiatives to cement patronage. In anticipation and response to the structural change happening within our sector, the ARCS Business Office will be busy adjusting membership, education and services to members in line with the new and emerging paradigm. Part of this strategy involves developing new business plans and initiatives, three of which are advancing well – I will speak to this more during the AGM. It means engaging with leading authorities and organisations locally and globally. ARCS has created and cemented business relationships with ACRP, ISPE and DIA and we are in discussions with APPA, ISPOR, MSLS, PRAXIS and others in bringing leading local and international content to our community. It also means breaking down business silos and lastly it means anticipating and responding to learning needs for the future.

From my personal perspective, I am pleased to state to members that with more than 21 years as an ARCS volunteer, Board member for 10 years and more than five years at the helm, I can see that we are strong but we do have emerging challenges. However, ARCS has never had a better team and capability (including strong reserves) to address these future needs. I look forward to effecting changes for the future and encourage you to engage with ARCS, think creatively, build the future and grow as an individual and as a community.



## DIRECTORS' REPORT

The Directors of ARCS Australia Limited (ARCS) present this report and the Financial Statements of the Company for the year ended 30 June 2015.

### I. DIRECTORS 2014/2015

The details of the Directors who held office during or since the end of the financial year are provided below. Six Board meetings in total were held from July 2014 to June 2015.

Tamara Miller resigned from the Board on 6 August 2014. Board elections were held at the AGM on 13 November 2014. Four positions were declared vacant and there were five nominations for the role of Director. A poll was conducted to determine which nominees would fill the four vacant positions. Following election at the AGM Robert Kent, Lucas Litewka and Kaylene O'Shea commenced their terms on 13 November 2014, while Sally Kinrade was returned to the Board.

#### Board Meetings | July 2014 - 30 June 2015

		Commencement	Cessation	A	B	Key Activities
Judy Bingham <sup>a,b</sup>	Independent Consultant	1 Jul 2014 <sup>1</sup>		6	6	Company Secretary Chair, Audit & Risk Management Committee
Robert Kent <sup>c</sup>	The Kinghorn Cancer Centre	13 Nov 2014		4	4	
Sally Kinrade <sup>a,c</sup>	Medicines Development Ltd	13 Nov 2014		6	6	Company Secretary
Lucas Litewka <sup>b</sup>	University of the Sunshine Coast	13 Nov 2014		4	4	
Carlo Maccarrone <sup>c</sup>	GlaxoSmith-Kline	1 Jul 2014 <sup>1</sup>		6	6	Chair, Membership & Education Committee
Tamara Miller <sup>c</sup>	ICON plc	1 Jul 2014 <sup>1</sup>	6 Aug 2014	0	0	
Mary Nteris <sup>a,c</sup>	Hospira	1 Jul 2014 <sup>1</sup>		5	6	Vice President
Kaylene O'Shea <sup>b</sup>	Celgene	13 Nov 2014		2	4	
Melanie Seeger <sup>c</sup>	Celgene	1 Jul 2014 <sup>1</sup>	12 Nov 2014	2	2	
Ailsa Surman <sup>a,b</sup>	Biogen	1 Jul 2014 <sup>1</sup>		6	6	President Chair, Corporate Governance Committee

A – Number of meetings attended

B – Number of meetings held during the time the director held office during the year

<sup>1</sup>Directors were elected prior to start of financial year

<sup>a</sup> Corporate Governance Committee

<sup>b</sup> Audit & Risk Management Committee

<sup>c</sup> Membership & Education Committee

## **2. COMPANY SECRETARY**

The appointed Company Secretary is Sally Kinrade, effective January 2015, having assumed the role from Judy Bingham.

## **3. SHORT- AND LONG-TERM OBJECTIVES AND STRATEGY**

The objective of the Company is the promotion of education about the development and quality use of therapeutic goods. This includes providing support in the form of networking opportunities, representation of member interests, education and information services for the benefit of its members, and for interested non-members. Members include those contributing scientific services and expertise to the therapeutics development process and/or utilisation of pharmaceuticals and medical devices/diagnostics. Members of ARCS may work in areas including, but not limited to, regulatory affairs, clinical research, health outcomes, pharmacovigilance, medical affairs, and the provision of medical information.

The objective of ARCS is to advance our members' professional interests and provide a forum for education and exchange of information. This includes the following goals:

- To extend membership to all those interested in the development and quality use of therapeutic goods, with a focus on Australia
- To provide and promote education in the areas of regulatory affairs, clinical research, health economics, medical information and other disciplines which support the development and quality use of therapeutic goods - training opportunities are open to both members and non-members
- To foster exchange of information and experience in order to enhance professional competency
- To provide an information portal to maintain awareness of current government, research and industry activities relevant to the membership
- To establish effective communication with other organisations and stakeholders influencing the therapeutics development industry.

## **4. PRINCIPAL ACTIVITIES**

The company's principal activities during the year were:

- Holding the second of the two 2014 Annual Scientific Congresses in Canberra in September 2014, with an event that focussed on regulatory affairs, quality and health outcomes
- Holding the 2015 Annual Scientific Congress in Sydney in May 2015. This flagship event covered all of ARCS's interest areas
- Provision of education and networking events in the form of training workshops, seminars and webinars
- Developing updated and/or new education events and workshops, including new technical courses
- Facilitating discussions between member groups in the form of Interest Area meetings, with significant numbers in attendance
- Facilitating growth of communication and engagement between site and sponsor clinical research personnel
- Facilitating regional networking events
- Development and implementation of an updated member database and website
- Finalisation of a three-year strategic plan and update of the association's vision and mission
- Participating in an external survey of professional associations

These activities have assisted the company in achieving its objectives by:

- Providing high quality, relevant and current education programmes that are targeted to specific member groups
- Providing opportunities for members to exchange information
- Providing information relevant to members
- Representing member interests in significant areas
- Returning an operating profit of \$144,326

## **5. PERFORMANCE MEASURES**

The company measures performance as follows:

- Number of members
- Delivery of education events to each participant group
- Attendance at education and networking events
- Quality rating of education events
- Opening rates and click-through for ARCS communications
- Effectiveness of financial control measures and performance to budget
- Ongoing financial viability of the company

## 6. MEMBERS' GUARANTEE

In accordance with the company's constitution, each member is liable to contribute an amount not exceeding \$10.00 in the event that the company is wound up. On the basis of membership numbers at 30 June 2015, the total amount members would contribute is \$20,410.

## 7. AUDITORS' INDEPENDENCE DECLARATION

The lead auditors' independence declaration for the year ended 30 June 2015 has been received and is attached. This Directors' Report is made and signed in accordance with a resolution of the Board of Directors made pursuant to section 298(2) of the Corporations Act.



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Ailsa Surman

Director



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Mary Nteris

Director

Dated: This day 30 of October 2015

**ARCS Australia Limited**  
**Financial report**  
**For the year ended 30 June 2015**

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**General information**

The financial report covers ARCS Australia Limited as an individual entity. The financial report is presented in Australian dollars, which is ARCS Australia Limited's functional and presentation currency.

The financial report consists of the financial statements, notes to the financial statements and the directors' declaration.

ARCS Australia Limited is a not-for-profit unlisted public company limited by guarantee.

The financial report was authorised for issue, in accordance with a resolution of directors. The directors have the power to amend and reissue the financial report.

**ARCS Australia Limited**  
**Statement of profit or loss and other comprehensive income**  
**For the year ended 30 June 2015**

	<b>Note</b>	<b>2015</b> \$	<b>2014</b> \$
<b>Revenue from continuing operations</b>	3	2,211,511	1,696,316
Cost of sales		(854,451)	(520,733)
Gross profit		<u>1,357,060</u>	<u>1,175,583</u>
Other income	3	35,249	54,033
Gain on financial assets at fair value through profit and loss		14,388	62,704
Marketing expenses		(11,548)	(11,351)
Occupancy expenses		(92,393)	(85,839)
Administration expenses		(1,158,430)	(1,136,603)
		<hr/>	<hr/>
<b>Net current year surplus</b>		144,326	58,527
		<hr/>	<hr/>
<b>Net current year surplus attributable to the members of ARCS Australia Limited</b>	15	144,326	58,527
Other comprehensive income for the year		-	-
		<hr/>	<hr/>
<b>Total comprehensive income for the year attributable to the members of ARCS Australia Limited</b>		<u><u>144,326</u></u>	<u><u>58,527</u></u>

**ARCS Australia Limited**  
**Statement of financial position**  
**As at 30 June 2015**

	<b>Note</b>	<b>2015</b>	<b>2014</b>
		<b>\$</b>	<b>\$</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	1,032,959	987,687
Trade and other receivables	6	76,222	68,677
Other financial assets	7	81,835	81,835
Financial investments at fair value through profit and loss	8	517,049	502,661
<b>Total current assets</b>		<u>1,708,065</u>	<u>1,640,860</u>
<b>Non-current assets</b>			
Property, plant and equipment	9	52,617	57,659
Intangible assets	10	203,954	90,755
<b>Total non-current assets</b>		<u>256,572</u>	<u>148,414</u>
<b>Total assets</b>		<u>1,964,637</u>	<u>1,789,274</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	11	89,927	82,468
Employee benefits	12	95,752	67,198
Income in advance	13	68,395	67,371
Lease incentive liability	14	6,000	6,000
<b>Total current liabilities</b>		<u>260,074</u>	<u>223,037</u>
<b>Non-current liabilities</b>			
Lease incentive liability	14	15,000	21,000
<b>Total non-current liabilities</b>		<u>15,000</u>	<u>21,000</u>
<b>Total liabilities</b>		<u>275,074</u>	<u>244,037</u>
<b>Net assets</b>		<u>1,689,563</u>	<u>1,545,237</u>
<b>Equity</b>			
Retained surpluses	15	1,689,563	1,545,237
<b>Total equity</b>		<u>1,689,563</u>	<u>1,545,237</u>

**ARCS Australia Limited**  
**Statement of changes in funds**  
**For the year ended 30 June 2015**

	<b>Retained surpluses \$</b>	<b>Total equity \$</b>
Balance at 1 July 2013	1,486,710	1,486,710
Surplus for the year	58,527	58,527
Other comprehensive income for the year	-	-
Total comprehensive income attributable to the members of the entity	<u>58,527</u>	<u>58,527</u>
Balance at 30 June 2014	<u>1,545,237</u>	<u>1,545,237</u>
	<b>Retained surpluses \$</b>	<b>Total equity \$</b>
Balance at 1 July 2014	1,545,237	1,545,237
Surplus for the year	144,326	144,326
Other comprehensive income for the year	-	-
Total comprehensive income attributable to the members of the entity	<u>144,326</u>	<u>144,326</u>
Balance at 30 June 2015	<u>1,689,563</u>	<u>1,689,563</u>

**ARCS Australia Limited**  
**Statement of cash flows**  
**For the year ended 30 June 2015**

	Note	2015 \$	2014 \$
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		2,419,484	1,980,514
Payments to suppliers and employees (inclusive of GST)		(2,272,329)	(2,008,409)
		<hr/>	<hr/>
		147,155	(27,895)
Interest received		33,350	48,183
		<hr/>	<hr/>
Net cash from operating activities		180,505	20,288
		<hr/>	<hr/>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment	9	(135,233)	(142,931)
Proceeds from disposal of available-for-sale investments held		-	-
Increase in term deposits held as bonds		-	(37,635)
		<hr/>	<hr/>
Net cash used in investing activities		(135,233)	(180,566)
		<hr/>	<hr/>
Net increase/(decrease) in cash and cash equivalents		45,272	(160,278)
Cash and cash equivalents at the beginning of the financial year		987,687	1,147,964
		<hr/>	<hr/>
Cash and cash equivalents at the end of the financial year	5	<u>1,032,959</u>	<u>987,687</u>

**ARCS Australia Limited**  
**Notes to the financial statements**  
**30 June 2015**

**Note 1. Corporate Information**

The financial statements of the not-for-profit company, ARCS Australia Limited, (the company) for the year ended 30 June 2015 were authorised for issue in accordance with a resolution of the directors.

ARCS Australia Limited is a company limited by guarantee, incorporated and domiciled in Australia. The nature of the operations and principal activities of the company are described in the directors' report.

**Note 2. Summary of Accounting Policies**

**(A) Basis of Preparation**

These general purpose financial statements have been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards – Reduced Disclosure Requirements, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board, as appropriate for not-for-profit entities. These financial statements do not comply with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB).

AASB 1053 and AASB 2010-2

These Accounting Standards were not required to be applied until annual reporting periods beginning on, or after, 1 July 2013.

AASB 1053 establishes a differential financial reporting framework consisting of two tiers of reporting requirements for general purpose financial statements:

Tier 1 – Australian Accounting Standards

Tier 2 – Australian Accounting Standards – reduced disclosure requirements

AASB 2010-2 makes amendments to each standard and interpretation, indicating the disclosures not required to be made by Tier 2 entities or inserting RDR paragraphs requiring simplified disclosures for Tier 2 entities.

The company complies with Australian Accounting Standards – reduced disclosure requirements as issued by the Australian Accounting Standards Board.

The adoption of these standards in 2013 resulted in significantly reduced disclosures throughout the notes to the financial statements. There was no impact on the reporting financial position and performance of the company.

**Note 2. Summary of Accounting Policies (continued)**

**(A) Basis of Preparation (continued)**

**Historical cost convention**

The financial statements have been prepared on the basis of historical cost except for the following:

Available for sale financial assets are measured at fair value.

Cost is based on the fair values of the consideration given in exchange for assets.

**Currency and rounding of amounts**

The financial statements are presented in Australian dollars, which is the company's functional and presentation currency.

**(B) Significant Accounting Judgements, Estimates and Assumptions**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

**Significant accounting judgements**

**Leases**

Operating lease rental expense is recognised as an expense on a straight line basis over the lease term, or on a systematic basis more representative of the time pattern of the Company's benefit.

Lease incentives are recognised in the books of the lessee and amortised over the lease period on a systematic basis

**Note 2. Summary of Accounting Policies (continued)**

**(B) Significant Accounting Judgements, Estimates and Assumptions (continued)**

**Significant accounting judgements (continued)**

**Significant accounting estimates and assumptions**

The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

**Provisions for employee benefits**

Provisions for employee benefits payable after 12 months from the reporting date are based on future wage and salary levels, experience of employee departures and periods of service. The amount of these provisions would change should any of these factors change in the next 12 months.

**( C ) Revenue Recognition**

Revenue is measured at the fair value of consideration received or receivable. Revenue is recognised net of the amounts of goods and services tax (GST) payable to the Australian Taxation Office.

*Sales Revenue*

Revenue from member subscriptions, seminars, training sessions, workshops and advertising is recognised when the amount of revenue can be measured reliably and it is probable that it will be received by the Company. Revenue in advance is accounted for when invoices are raised in respect of events occurring in the subsequent financial year.

*Interest*

Interest 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.

*Other revenue*

Other revenue is recognised when it is received or when the right to receive payment is established.

**(D) Expenditure**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Management and administration costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

**Note 2. Summary of Accounting Policies (continued)**

**(E) Cash and Cash Equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities 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.

**(F) Trade and Other Receivables**

Other receivables are recognised at amortised cost, less any provision for impairment. An allowance for doubtful debts, if any, is made when there is objective evidence that the company will not be able to collect the debts. Bad debts are written off when identified.

**(G) Property, Plant and Equipment**

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Office equipment & furniture	5 years
Software	5 years
Office fitouts	5 years

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

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

**(H) Available For Sale Financial Assets**

Available-for-sale assets are those financial assets that are designated as available-for-sale. When available-for-sale financial investments are recognised initially, they are measured at fair value.

After initial recognition available-for sale financial investments are measured at fair value with gains or losses being recognised in comprehensive income until the investment is derecognised or until the investment is determined to be impaired, being either a significant or prolonged decline in value below cost, at which time the cumulative gain or loss previously recognised in other comprehensive income is reclassified to the statement of profit or loss and comprehensive income.

**Note 2. Summary of Accounting Policies (continued)**

**(H) Available For Sale Financial Assets (continued)**

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the reporting date. For investments with no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument that is substantially the same; discounted cash flow analysis; and option pricing models.

**(I) Trade Creditors and Other Payables**

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

**(J) Employee Benefits**

Employee benefits comprise wages and salaries, annual, non-accumulating sick and long service leave, and contributions to superannuation plans.

Liabilities for wages and salaries expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date. Liabilities for annual leave in respect of employees' services up to the reporting date that are expected to be settled within 12 months after the end of the period in which the employees render the related services are recognised in the provision for annual leave. Both liabilities are measured at the amounts expected to be paid when the liabilities are settled and amounts expected to be settled after 12 months from the end of the reporting period are discounted.

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to anticipated future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

**(K) Taxation**

**Income tax**

As the company is a public educational institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

**ARCS Australia Limited**  
**Notes to the financial statements**  
**30 June 2015**

**Note 2. Summary of Accounting Policies (continued)**

**(K) Taxation (continued)**

**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 which case it is recognised as part of the cost of acquisition of an asset or as part of an item of expense.

Receivables and payables are recognised inclusive of GST.

The net amount of GST recoverable from or payable to the Australian Taxation Office is included as part of receivables or payables.

Cash flow is included in the statement of cash flow on a gross basis. The GST component of cash flow arising from investing and financing activities that is recoverable from or payable to the Australian Taxation Office is classified as operating cash flow.

**(L) New Standards and Interpretations not yet adopted**

The following standards, amendments to standards and interpretations have been identified as those which may affect the company in the period of initial application.

<b>Standard</b>	<b>Effective date</b>	<b>Impact on the company</b>
AASB 9 Financial Instruments Related standards : <ul style="list-style-type: none"> <li>• AASB 2010-7</li> <li>• AASB 2012-6</li> </ul>	Annual reporting periods beginning on or after 1 January 2015 (i.e. 30 June 2016 reporting dates for the company).	The impact of this standard has yet to be determined.

**Note 3. Revenue**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<i>Sales revenue</i>		
Membership subscriptions	454,052	472,861
Education activities	1,399,048	971,832
Advertising & sponsorship	358,411	251,623
	<u>2,211,511</u>	<u>1,696,316</u>
<i>Other revenue</i>		
Interest income	35,249	54,033
Increase in the value of Investments	14,388	62,704
	<u>49,637</u>	<u>116,737</u>
Revenue	<u>2,261,148</u>	<u>1,813,053</u>

**Note 4. Expenses**

**ARCS Australia Limited**  
**Notes to the financial statements**  
**30 June 2015**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Surplus/(loss) includes the following specific expenses:		
Rent and rates	92,393	85,839
Depreciation of property, plant and equipment	10,874	12,615
Amortisation of intangible assets	6,927	-
Superannuation expense	69,219	71,036
Salaries & wages	739,306	774,405
Other employment benefits	47,011	58,842
Auditor remuneration	18,307	17,000
	<hr/>	<hr/>

**Note 5. Current assets - cash and cash equivalents**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Cash on hand	500	500
Cash at bank	241,673	167,849
Cash on deposit	790,786	819,338
	<hr/>	<hr/>
	<b>1,032,959</b>	<b>987,687</b>
	<hr/> <hr/>	<hr/> <hr/>

**Note 6. Current assets - trade and other receivables**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Other receivables	50,258	43,084
Prepayments & other debtors	25,964	25,593
	<hr/>	<hr/>
	<b>76,222</b>	<b>68,677</b>
	<hr/> <hr/>	<hr/> <hr/>

**Note 7. Current assets - other**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Short term deposits		
	<hr/>	<hr/>
	<b>81,835</b>	<b>81,835</b>
	<hr/> <hr/>	<hr/> <hr/>

**Note 8. Financial Investments at Fair Value**

**ARCS Australia Limited**  
**Notes to the financial statements**  
**30 June 2015**

**Through Profit and Loss**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Investments in Unlisted Funds at Fair Value	517,049	502,661
Movement in Financial Assets		
Balance at 1 July	502,661	439,957
Disposals	-	-
Unrealised gain/(loss) for the year	14,388	62,704
Balance at 30 June	517,049	502,661

**Note 9. Non-current assets - property, plant and equipment**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Office Furniture & Equipment - at cost	122,549	114,058
Less: Accumulated depreciation	(94,260)	(83,609)
	<u>28,289</u>	<u>30,449</u>
Software - at cost	13,267	9,926
Less: Accumulated depreciation	(9,939)	(9,716)
	<u>3,328</u>	<u>210</u>
Office Fitout - at cost	30,000	30,000
Less: Accumulated depreciation	(9,000)	(3,000)
	<u>21,000</u>	<u>27,000</u>
	<u>52,617</u>	<u>57,659</u>

**Note 9. Non-current assets - property, plant and equipment (continued)**

**ARCS Australia Limited**  
**Notes to the financial statements**  
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*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Office Equipment & Furniture	Software	Office Fitout	Total
Balance at 1 July 2013	33,677	415	10,833	44,925
Additions	9,181	-	30,000	39,181
Retirements	-	-	-	-
Depreciation expense	(12,409)	(205)	(13,833)	(26,447)
Balance at 1 July 2014	30,449	210	27,000	57,659
Additions	8,491	3,341	-	11,832
Retirements	-	-	-	-
Depreciation expense	(10,651)	(223)	(6,000)	(16,874)
Balance at 30 June 2015	28,289	3,328	21,000	52,617

	2015 \$	2014 \$
Payments for property, plant and equipment (GST inc)	13,016	43,100
Payments for intangible assets (GST inc)	122,217	99,831
Payments for property, plant and equipment for the year	135,233	142,931

**Note 10. Intangible Assets**

	2015 \$	2014 \$
Website Development Costs	210,881	90,755
Less: Accumulated amortisation	(6,927)	-
	203,954	90,755

**Note 10. Intangible Assets (continued)**

**ARCS Australia Limited**  
**Notes to the financial statements**  
**30 June 2015**

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Website Development Costs	Total
Balance at 1 July 2013	-	-
Additions	90,755	90,755
Retirements	-	-
Amortisation expense	-	-
Balance at 1 July 2014	<u>90,755</u>	<u>90,755</u>
Additions	120,126	120,126
Retirements	-	-
Amortisation expense	(6,927)	(6,927)
Balance at 30 June 2015	<u><u>203,954</u></u>	<u><u>203,954</u></u>

**Note 11. Current liabilities - trade and other payables**

	2015 \$	2014 \$
Trade payables	34,886	20,776
BAS payable	3,436	4,094
Other payables & accruals	<u>51,605</u>	<u>57,598</u>
	<u><u>89,927</u></u>	<u><u>82,468</u></u>

**Note 12. Current liabilities - employee benefits**

	2015 \$	2014 \$
Provision for annual leave and long service leave	<u>95,752</u>	<u>67,198</u>

**Note 13. Income in Advance**

**ARCS Australia Limited**  
**Notes to the financial statements**  
**30 June 2015**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Income in Advance	68,395	67,371

**Note 14. Lease Incentive Liability**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Lease incentive liability - current	6,000	6,000
Lease incentive liability – non current	15,000	21,000
Total lease incentive liability	<u>21,000</u>	<u>27,000</u>

**Note 15. Equity - retained surpluses**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Retained surpluses at the beginning of the financial year	1,545,237	1,486,710
Surplus for the year	<u>144,326</u>	<u>58,527</u>
Retained surpluses at the end of the financial year	<u>1,689,563</u>	<u>1,545,237</u>

**Note 16. Financial instruments**

***Market risk***

*Interest rate risk*

The company is not exposed to any significant interest rate risk.

*Price risk*

Other price risk is the risk that the fair value of available for sale financial assets will fluctuate due to changes in market prices, other than those arising from interest rate risk.

**Note 17. Key management personnel disclosures**

*Compensation*

None of the Directors received remuneration in the current or previous financial years.

**ARCS Australia Limited**  
**Notes to the financial statements**  
**30 June 2015**

**Note 18. Contingent liabilities**

The company had no contingent liabilities as at 30 June 2015 and 30 June 2014.

**Note 19. Commitments**

*Operating leases payable*

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Not later than 1 year	122,252	117,550
Later than 1 year not later than 5 years	315,362	437,614
Later than 5 years	-	-
	<u>437,614</u>	<u>555,164</u>

**Note 20. Related party transactions**

*Key management personnel*

Disclosures relating to key management personnel are set out in note 17.

*Transactions with related parties*

There were no transactions with related parties during the current and previous financial year.

*Receivable from and payable to related parties*

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

*Loans to/from related parties*

There were no loans to or from related parties at the current and previous reporting date.

**Note 21. Events after the reporting period**

No matter or circumstance has arisen since 30 June 2015 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

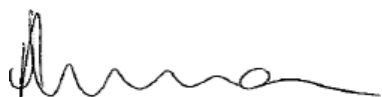
**ARCS Australia Limited**  
**Directors' declaration**

In the directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, the Australian Accounting Standards - Reduced Disclosure Requirements, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto give a true and fair view of the company's financial position as at 30 June 2015 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5) of the Corporations Act 2001.

On behalf of the directors



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Director

30 October 2015

Sydney

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