

**ITSMF AUSTRALIA INCORPORATED**  
**ABN 41 821 213 034**

**FINANCIAL REPORT**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2018**

**Incorporated in Victoria**  
**Association Registration No. A0036726P**

**IT SERVICE MANAGEMENT FORUM AUSTRALIA INCORPORATED**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

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**DIRECTORY**

<b>Principal Address:</b>	Suite 3, 329 Mitcham Road Mitcham, Victoria 3132 Ph: 03 9879 5466
<b>Bankers:</b>	Westpac Banking Corporation
<b>Auditor:</b>	Geoffrey B Johnson – Rucker DWC Pty Ltd
<b>Board of Management</b>	
<b>Chairman:</b>	Bradley Busch
<b>Deputy Chairman:</b>	Brendan Cullen
<b>Secretary:</b>	April Allen
<b>Treasurer:</b>	Garry Long
<b>Directors:</b>	Rose Dyson Katherine Howard Brian Jennings Troy Latter Harry Powell Candice Walker
<b>State Branch Chairs:</b>	David Lowe (WA) Gavin Hedrick (SA) Brad Schimmel (VIC) Jonathan Jones (NSW) Rachel Seaniger (QLD) Adam Seeber (ACT) Wilma Weaver (NT)
<b>Manager National Office</b>	Sheryl Kingsley

# IT SERVICE MANAGEMENT FORUM AUSTRALIA INCORPORATED

Suite 2, Level 1  
90-96 Tram Road  
Doncaster, VIC 3108  
+61 3 9874 7255

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IT SERVICE MANAGEMENT FORUM AUSTRALIA INCORPORATED (ITSMF AUSTRALIA)

### Opinion

I have audited the accompanying financial report, being a special purpose financial report, of ItSMF Australia, which comprises the statement of financial position as at 31 December 2018 the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies and the statement by the board of management and manager national office's declaration.

In my opinion, the financial report presents fairly, in all material respects, the financial position of ItSMF Australia as 31 December 2018, and of its financial performance and its cash flows for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements and the Associations Incorporation Reform Act 2012 Vic.

### Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of my report. I am independent of the entity in accordance with 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 my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Emphasis of Matter – Basis of Accounting

I draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for distribution to members for the purpose of fulfilling the board of management and manager national office's financial reporting obligations under the Associations Incorporation Reform Act 2012 Vic. As a result, the financial report may not be suitable for another purpose. My opinion is not modified in respect of this matter.

### Other Matter

This is my first year as auditor of ItSMF Australia. As such I have not verified the comparative figures. However, the financial report of ItSMF Australia for the year ended 31 December 2017 was audited by another auditor who expressed an unmodified opinion on that financial report on 27 March 2018.

### Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the applicable legislation and for such internal control as management determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the entity'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 management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.



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Tel: +61 3 9874 7255

## AUDITOR'S INDEPENDENCE DECLARATION

To the Board of Management of IT Service Management Forum Australia Incorporated (itSMF Australia):

I am pleased to provide the following declaration of independence.

As auditor of the financial statements of itSMF Australia for the financial year ended 31 December 2018, I declare that, to the best of my knowledge and belief, during the year ended 31 December 2018 there have been:

- a) no contraventions of accepted auditor independence requirements in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

**Geoffrey B Johnson**  
**Chartered Accountant**  
**Rucker DWC Pty Ltd**

Dated this 25th day of February 2019  
Doncaster, VIC

# **IT SERVICE MANAGEMENT FORUM AUSTRALIA INCORPORATED**

## **STATEMENT BY BOARD OF MANAGEMENT AND MANAGER NATIONAL OFFICE**

### **Annual Statements Give True And Fair View Of Financial Position**

The Board of Management has determined that the IT Service Management Forum Australia Incorporated (itSMF Australia) financial report should be prepared in accordance with the accounting policies described in note 1 to the financial statements.

We, Bradley Busch, Garry Long and Sheryl Kingsley, being respectively members of the Committee and Manager National Office, of itSMF Australia, certify that:

The financial statements attached to this certificate being the Financial Report of IT Service Management Forum Australia Incorporated (itSMF Australia), comprising the Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and the accompanying Notes to the Financial Statements, as set out on pages 7 to 28, give a true and fair view of the financial position of IT Service Management Forum Australia Incorporated during and at the end of the financial year of the association ended on 31 December 2018 in accordance with the Associations Incorporation Reform Act (Vic) 2012, applicable Australian Accounting Standards and other mandatory professional reporting requirements..

At the date of signing this certificate we are not aware of any circumstances which would render any particulars included in the Financial Report to be misleading or inaccurate and there are reasonable grounds to believe that itSMF Australia will be able to pay its debts as and when they become due and payable.

We acknowledge that liabilities exceeded assets by \$17,102 in itSMF Australia's Statement of Financial Position as at 31 December 2018. We note that liabilities include membership fees received in advance of \$125,373, this being a technical liability only.

Bradley Busch  
Chairman

Garry Long  
Treasurer

Sheryl Kingsley  
Manager National Office

Dated: 2019

MELBOURNE, VICTORIA

# IT SERVICE MANAGEMENT FORUM AUSTRALIA INCORPORATED

## FINANCIAL REPORT

This financial report is the financial report of itSMF Australia. The financial report is presented in the Australian currency.

itSMF Australia is an incorporated association, incorporated under the Associations Incorporation Reform Act (Vic) 2012 and domiciled in Victoria, Australia. Its principal place of business is Suite 3, 329 Mitcham Road, Mitcham, Victoria 3132.

A description of the nature of the entity's operations and its principal activities is included in the Annual Report which does not form part of this financial report.

The financial report was authorised for issue by the Board on 23 April 2019. The Board of Management has the power to amend and reissue the financial report.

**IT SERVICE MANAGEMENT FORUM AUSTRALIA INCORPORATED**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

	Note	Year Ended 31-12-18 \$	Year Ended 31-12-17 \$
Revenue and Other Comprehensive Income	2	758,501	924,905
Employee Benefit Expenses	3	213,776	337,247
Depreciation/Amortisation Expense	3	3,028	3,652
Other Expenses	3	501,930	676,148
<b>Total Comprehensive Income/(Deficit) Before Income Tax Expense</b>		<b>39,767</b>	<b>(92,142)</b>
<b>Income Tax Expense</b>	20	-	-
<b>Total Comprehensive Income/(Deficit) After Income Tax Expense</b>		<b>39,767</b>	<b>(92,142)</b>

*The above statement should be read in conjunction with the accompanying notes  
which form part of the financial report.*

# IT SERVICE MANAGEMENT FORUM AUSTRALIA INCORPORATED

## STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

	Note	December 2018 \$	December 2017 \$
<b>Current Assets</b>			
Cash And Cash Equivalents	4,21	96,376	120,798
Trade And Other Receivables	5,21	1,928	3,969
Inventories	6	-	-
Other Current Assets	7	44,499	14,440
<b>Total Current Assets</b>		<b>142,803</b>	<b>139,207</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	9	2,038	5,066
<b>Total Non-Current Assets</b>		<b>2,038</b>	<b>5,066</b>
<b>TOTAL ASSETS</b>		<b>144,841</b>	<b>144,273</b>
<b>Current Liabilities</b>			
Trade And Other Payables	10,21	30,396	50,966
Finance Lease Liability	13,21	-	-
Other Liabilities	11	131,547	150,176
<b>Total Current Liabilities</b>		<b>161,943</b>	<b>201,142</b>
<b>Total Non-Current Liabilities</b>		-	-
<b>TOTAL LIABILITIES</b>		<b>161,943</b>	<b>201,142</b>
<b>NET ASSETS</b>		<b>(17,102)</b>	<b>(56,869)</b>
<b>MEMBERS' FUNDS</b>			
Accumulated Surplus	23	(17,102)	(56,869)
<b>TOTAL MEMBERS' FUNDS</b>		<b>(17,102)</b>	<b>(56,869)</b>
Contingent Assets	15		
Contingent Liabilities	15		

*The above statement should be read in conjunction with the accompanying notes  
which form part of the financial report.*

# IT SERVICE MANAGEMENT FORUM AUSTRALIA INCORPORATED

## STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	Note	Year Ended 31-12-18 \$	Year Ended 31-12-17 \$
<b>Movement In Accumulated Surplus</b>			
Opening Balance	23	(56,869)	35,273
<b>Total Comprehensive Income/(Deficit) After Income Tax Expense</b> For The Reporting Period	23	39,767	(92,142)
<b>Closing Balance</b>		<b>(17,102)</b>	<b>(56,869)</b>

*The above statement should be read in conjunction with the accompanying notes  
which form part of the financial report.*

# IT SERVICE MANAGEMENT FORUM AUSTRALIA INCORPORATED

## STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	Note	Year Ended 31-12-18 \$	Year Ended 31-12-17 \$
<b>Cash Flows from Operating Activities</b>			
<b>Payments:</b>			
Wages and Salaries		(220,235)	(335,767)
Suppliers		(247,389)	(295,019)
Conference Costs		(261,497)	(364,213)
Branch Seminars		(44,300)	(55,604)
<b>Total Payments</b>		<b>(773,421)</b>	<b>(1,050,603)</b>
<b>Receipts:</b>			
Membership Subscriptions		269,038	290,028
Conference Income		405,495	593,432
Branch Seminars		10,058	22,685
Interest Received		1,206	1,017
Other Receipts		62,566	88,018
<b>Total Receipts</b>		<b>748,363</b>	<b>995,180</b>
<b>Net Cash Provided By (Used In) Operating Activities</b>	12	<b>(25,058)</b>	<b>(55,423)</b>
<b>Cash Flows from Investing Activities</b>			
Proceeds of Sale of Fixed Assets		636	–
Payments for Property, Plant & Equipment		–	(1,204)
<b>Net Cash And Cash Equivalents Provided By (Used In) Investing Activities</b>		<b>636</b>	<b>(1,204)</b>
<b>Net (Decrease)/Increase In Cash And Cash Equivalents Held</b>		<b>(24,422)</b>	<b>(56,627)</b>
Cash And Cash Equivalents at the Beginning of the Financial Period		120,798	177,425
<b>Cash And Cash Equivalents at the End of the Financial Period</b>	4	<b>96,376</b>	<b>120,798</b>

*The above statement should be read in conjunction with the accompanying notes which form part of the financial report.*

# IT SERVICE MANAGEMENT FORUM AUSTRALIA INCORPORATED

## NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

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# IT SERVICE MANAGEMENT FORUM AUSTRALIA INCORPORATED

## NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

### NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The Financial Report is a Special Purpose Financial Report prepared in accordance with relevant Australian Accounting Standards, Reduced Disclosure Requirements, Australian Accounting Interpretations, other mandatory requirements and the requirements of the Associations Incorporation Reform Act (Vic) 2012. The Financial Report consists of the Financial Statements of IT Service Management Forum Australia Incorporated (itSMF Australia) as an individual entity. itSMF Australia is an incorporated association, incorporated and domiciled in Australia. The accounting policies adopted in preparing the Financial Report are consistent with those of previous years, except as indicated in Note 23 and where otherwise stated.

itSMF Australia is a not for profit entity and therefore applies the additional paragraphs applicable to "not for profit" entities under Australian Accounting Standards.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The Financial Report of itSMF Australia complies with all relevant Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

The financial report is presented in Australian dollars, which is the functional and presentation currency of itSMF Australia.

The following is a summary of the material accounting policies adopted by itSMF Australia in the preparation of the Financial Report. The accounting policies have been consistently applied, unless otherwise stated.

#### 1.1 BASIS OF PREPARATION OF THE FINANCIAL REPORT

The Financial Report, except for the Statement of Cash Flows has been prepared on an accruals and historical cost basis on a going concern basis whereby assets are recorded at cost and do not take into account changing money values, nor the current cost of non-current assets, except for certain assets, which are at valuation. Cost is based on the fair values of the consideration given in exchange for assets. Under the accrual basis, items are recognised as assets, liabilities, equity, income or expenses when they satisfy the definitions and recognition criteria for those items, that is they are recognised in the reporting period to which they relate, regardless of when cash is received or paid. Cost is based on the fair value of the consideration given in exchange for assets.

#### 1.2 ROUNDING OFF

All amounts shown in the Financial Statements are expressed to the nearest dollar.

#### 1.3 PROPERTY, PLANT AND EQUIPMENT (INCLUDING SOFTWARE)

Property, plant & equipment are carried at cost less any accumulated depreciation. The carrying amount of property, plant and equipment is reviewed annually by the members of the Board of Management to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. Any excess above the recoverable amount of any asset is charged to the depreciation/amortisation expense in the financial year in which it is identified. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

Non-current assets are capitalised and depreciated to write off the cost or revalued amount of each item of Plant and Equipment, over its expected useful life to itSMF Australia.

# IT SERVICE MANAGEMENT FORUM AUSTRALIA INCORPORATED

## NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Depreciation methods and rates used for each class of depreciable assets are:

	<u>Method</u>	<u>Rate</u>
Furniture & Fittings	Straight Line	20% or 33%
Computer & Office Equipment	Straight Line	33%
Computer Software	Straight Line	33%

Depreciation methods and rates of all non-current assets are reviewed on an annual basis.

There has been no change in the methodology and rates for 2018.

### 1.4 INVENTORIES

Inventories are stated in the Statement of Financial Position at the lower of cost and net realisable value. Cost is determined principally by the first-in, first-out method.

### 1.5 EMPLOYEE ENTITLEMENTS

The calculation of employee entitlements includes all relevant on-costs and is calculated as follows at reporting date.

#### 1.5.1 WAGES AND SALARIES, ANNUAL LEAVE AND SICK LEAVE:

Liabilities for wages and salaries and annual leave are recognised, and are measured as the amount unpaid at current pay rates in respect of employees' services up to that date. Sick leave is non-vesting and a liability is recognised only when the amount of sick leave expected to be taken in future periods exceeds the entitlements expected to accrue in those periods.

#### 1.5.2 LONG SERVICE LEAVE:

A liability for long service leave is recognised and is measured as the present value of expected future payments (including on-costs) to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

Expected future payments are discounted using interest rates on national Government guaranteed securities with terms to maturity that match, as closely as possible, the estimated future cash flows. The nominal amount of long service leave expected to be paid in the next financial year is included as a current liability.

#### 1.5.2 SUPERANNUATION:

Superannuation Guarantee Levy amounts and Salary Sacrifice contributions are expensed at the time of the corresponding salary payment. No other liability for superannuation benefits is recognised.

### 1.6 DOUBTFUL DEBTS

A provision is made for any doubtful debts based on a review of all outstanding amounts at the reporting date. Bad debts are written off in the period in which they are identified.

### 1.7 LEASES

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased non-current assets, and operating leases under which the lessor effectively retains all such risks and benefits. Where a non-current asset is acquired by means of a finance lease, the minimum lease payments are discounted at the interest rate implicit in the lease. The discounted amount is established as a non-current asset at the beginning of the lease term and is amortised on over its expected economic life. A corresponding liability is established and each lease payment is allocated between the principal component and the interest expense. Operating lease payments are representative of the pattern of benefits derived from the leased assets and are charged against revenue in the periods in which they are incurred.

### 1.8 NON-CURRENT ASSETS

Plant and Equipment includes office furniture, IT assets and other equipment. Upon the sale of non-current assets the net gain/ (loss) is included as revenue/ (expense) at the date control passes to the buyer. The net gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal.

# IT SERVICE MANAGEMENT FORUM AUSTRALIA INCORPORATED

## NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 1.9 VALUATION OF NON-CURRENT ASSETS

Non-Current Assets are valued as follows:

Application of Accounting Standard AASB J 041 Revaluation of Non-Current Assets requires that each class of non-current physical assets must be measured on either the cost or fair value basis.

Plant and Equipment (including Software) are measured at cost. ItSMF Australia includes in its Asset Register only items of plant, equipment and furniture, which have a life expectancy of more than twelve months. The Financial report is prepared consistent with the Asset Register.

### 1.10 CASH AND CASH EQUIVALENTS

For the purpose of the Statement of Cash Flows, cash includes cash on hand and cash equivalents, i.e. highly liquid investments with short periods to maturity, which are readily convertible to cash on hand at ItSMF Australia's option. Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position.

### 1.11 GOODS AND SERVICES TAX

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax (GST), except, where the amount of GST incurred is not recoverable from the Taxation Authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense. 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. The GST component of a receipt or payment is recognised on a gross basis in the Statement of Cash Flows in accordance with Accounting Standard AAS 28 Statement of Cash Flows.

### 1.12 REVENUE RECOGNITION

Membership Subscriptions are payable annually in advance on the anniversary date of the membership. Membership renewals are an invitation to renew and as such membership subscriptions are recognised as income only upon receipt of payment or a confirmed purchase order. Only the portion of membership subscription payments that is attributable to the current financial year is recognised as revenue. The portion of membership subscription payments that relates to future periods is shown in the Statement of Financial Position as Memberships in Advance under the heading of Current Liabilities – Other.

Trading and book sales are recognised as revenue upon the rendering of an invoice. Conference and seminar revenue is recognised as revenue on delivery of the event. Investment income from cash, short term deposits and investments is brought to account on a time proportionate basis.

### 1.13 TAX

ItSMF Australia is considered to be exempt from income tax under sections 50-40 of the Income Tax Assessment Act (Cth.) 1997. Revenue from mutual dealings with members is also exempt in accordance with the mutuality principles of the income tax law.

### 1.14 NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

Certain new Australian accounting standards and interpretations have been published that are not mandatory for the 31 December 2018 reporting period. ItSMF Australia has not and does not intend to adopt these standards early.

## IT SERVICE MANAGEMENT FORUM AUSTRALIA INCORPORATED

### NOTE 2 – REVENUE AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	Year Ended 31-12-18 \$	Year Ended 31-12-17 \$
<b>Revenues from Operating Activities</b>			
Membership Subscriptions	23	283,620	281,885
Conferences		401,041	543,882
Seminars		10,058	17,686
itSMF International Administration Fee		62,566	75,214
		<b>757,285</b>	<b>918,667</b>
<b>Revenues from Non-operating Activities</b>			
Investment Income		1,216	1,229
Other Income- Donation		-	5,009
		1,216	6,238
<b>Total Revenue and Other Comprehensive Income</b>		<b>758,501</b>	<b>924,905</b>

## IT SERVICE MANAGEMENT FORUM AUSTRALIA INCORPORATED

### NOTE 3 – EXPENSES FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	Year Ended 31-12-18 \$	Year Ended 31-12-17 \$
<b>Employee Benefit Expenses</b>			
Salaries And Related		201,524	307,197
Superannuation	16	18,711	28,570
Leave Accrual		(6,459)	1,480
<b>Total Employee Benefit Expenses</b>		<b>213,776</b>	<b>337,247</b>
 <b>Depreciation/Amortisation Expense</b>			
Depreciation And Amortisation	9	3,028	3,652
<b>Total Depreciation/Amortisation Expense</b>		<b>3,028</b>	<b>3,652</b>
 <b>Other Expenses</b>			
Advertising/Promotional Events		6,574	7,041
Audit Fees		5,000	5,000
Bank Charges		6,979	12,947
Branch Seminars		44,300	55,604
Information Technology		45,273	42,225
Conference		237,706	417,713
Consumables		7,202	15,401
Contract Staff/Consultancy		35,614	10,256
Insurances		7,017	2,318
International Affiliation Fees		14,300	15,519
Legal		4,585	203
Member & Board Meetings		1,623	104
Member Services		17,756	17,707
Postage & Courier		1,309	1,402
Profit on Disposal of Fixed Assets		(636)	-
Rent & Utilities		53,528	56,710
Subscriptions		655	655
Telecommunications		10,347	9,475
Travel Expenses		2,460	4,738
Sundry Expenses		338	1,130
<b>Total Other Expenses</b>		<b>501,930</b>	<b>676,148</b>
<b>Total Expenses</b>		<b>718,734</b>	<b>1,017,047</b>

## IT SERVICE MANAGEMENT FORUM AUSTRALIA INCORPORATED

### NOTE 4 - CASH AND CASH EQUIVALENTS

	Note	Year Ended 31-12-18 \$	Year Ended 31-12-17 \$
Current			
Cash	21	96,376	120,798
		<b>96,376</b>	<b>120,798</b>

### NOTE 5 – TRADE AND OTHER RECEIVABLES

	Note	Year Ended 31-12-18 \$	Year Ended 31-12-17 \$
Current			
Debtors	21	2,674	4,937
Less Provision For Doubtful Debts		(746)	(968)
		<b>1,928</b>	<b>3,969</b>

For maturity analysis and nature and extent of risks arising from receivables, refer to Note 21.

### NOTE 6 - INVENTORIES

	Year Ended 31-12-18 \$	Year Ended 31-12-17 \$
Current		
Books	-	-
	<b>-</b>	<b>-</b>

### NOTE 7 – OTHER CURRENT ASSETS

	Year Ended 31-12-18 \$	Year Ended 31-12-17 \$
Current		
Bonds/Deposits/Prepayments	44,499	14,440
	<b>44,499</b>	<b>14,440</b>

### NOTE 8 – INTANGIBLE ASSETS

There were no Intangible Assets in the reporting period ended 31 December 2018 (2017 nil).

## IT SERVICE MANAGEMENT FORUM AUSTRALIA INCORPORATED

### NOTE 9 - NON-CURRENT ASSETS: PROPERTY, PLANT & EQUIPMENT

	Year Ended 31-12-18 \$	Year Ended 31-12-17 \$
Furniture & Fixtures at cost	15,036	58,130
Accumulated Depreciation	(15,036)	(58,130)
Net Furniture & Fixtures	-	-
Computer & Office Equipment at cost	43,440	152,088
Accumulated Depreciation	(41,402)	(147,022)
Net Computer & Office Equipment	2,038	5,066
Total Property, Plant & Equipment	58,476	210,218
Accumulated Depreciation	(53,438)	(205,152)
<b>Net Property, Plant &amp; Equipment</b>	<b>2,038</b>	<b>5,066</b>

Reconciliations of the carrying amounts of each class of asset at the beginning and end of the current period are set out below:

	Year Ended 31-12-18 \$	Year Ended 31-12-17 \$
<u>Furniture &amp; Fittings</u>		
Carrying Amount At Start Of Period	-	-
Additions	-	-
Disposals	-	-
Revaluation Increments/(Decrements)	-	-
Transfers	-	-
Depreciation	-	-
Carrying Amount At End Of Period	-	-
 <u>Computer &amp; Office Equipment</u>		
Carrying Amount At Start Of Period	5,066	7,514
Additions	-	1,204
Disposals	-	-
Revaluation Increments/(Decrements)	-	-
Transfers	-	-
Depreciation	(3,028)	(3,652)
Carrying Amount At End Of Period	2,038	5,066

## IT SERVICE MANAGEMENT FORUM AUSTRALIA INCORPORATED

### NOTE 9 - NON-CURRENT ASSETS: PROPERTY, PLANT & EQUIPMENT (Continued)

	Year Ended 31-12-18	Year Ended 31-12-17
<u>Total Property, Plant And Equipment</u>		
Carrying Amount At Start Of Period	5,066	7,514
Additions	-	1,204
Disposals	-	-
Revaluation Increments/(Decrements)	-	-
Transfers	-	-
Depreciation and Amortisation	(3,028)	(3,652)
Carrying Amount At End Of Period	<u>2,038</u>	<u>5,066</u>

#### Depreciation/Amortisation Expense for the period

	Year Ended 31-12-18	Year Ended 31-12-17
Depreciation/Amortisation Expense	\$ 3,028	\$ 3,652
Fixtures & Fittings	-	-
Computer & Office Equipment	3,028	3,652
<b>Total Depreciation/Amortisation</b>	<u><b>3,028</b></u>	<u><b>3,652</b></u>

## IT SERVICE MANAGEMENT FORUM AUSTRALIA INCORPORATED

### NOTE 10 – TRADE AND OTHER PAYABLES

Current	Year Ended 31-12-18 \$	Year Ended 31-12-17 \$
Creditors and Accruals	28,545	45,427
GST Payable	1,851	5,569
Deferred Sponsorship	-	-
	<b>30,396</b>	<b>50,966</b>

For maturity analysis and nature and extent of risks arising from payables, refer to Note 21

### NOTE 11 – OTHER LIABILITIES

Current	Year Ended 31-12-18 \$	Year Ended 31-12-17 \$
Memberships in Advance	125,373	137,543
Provision For Employee Benefits (i) (ii)	6,174	12,633
	<b>131,547</b>	<b>150,176</b>

- (i) Provision for employee benefits consists of annual leave accrued by employees, not including on-costs.
- (ii) The amounts disclosed are nominal amounts.

### NOTE 12 – CASH FLOWS

Reconciliation of **Total Comprehensive Income/(Deficit) After Income Tax Expense** To Net Cash Provided By Operating Activities:

	Year Ended 31-12-18 \$	Year Ended 31-12-17 \$
<b>Total Comprehensive Income/(Deficit) After Income Tax Expense</b>	39,767	(92,142)
Depreciation And Amortisation	3,028	3,652
Profit on Disposal of Assets	(636)	
Change In Operating Assets And Liabilities		
Decrease(Increase) in Receivables	2,041	68,937
Decrease(Increase) in Inventories	-	-
Decrease(Increase) in Other Financial Assets	(30,059)	55,029
Increase(Decrease) in Payables	(20,570)	(98,938)
Increase(Decrease) in Other Liabilities	(18,629)	8,039
	<b>(25,058)</b>	<b>(55,423)</b>

itSMF Australia has no standby credit or finance facilities in place.

## IT SERVICE MANAGEMENT FORUM AUSTRALIA INCORPORATED

### NOTE 13 – LEASES

	Year Ended 31-12-18 \$	Year Ended 31-12-17 \$
<b>Operating Lease Commitments</b>		
Payments due - within one year	34,748	41,448
One to five years	34,748	13,816
	<b>69,496</b>	<b>55,264</b>
<b>Total</b>	<b>69,496</b>	<b>55,264</b>

### NOTE 14 – COMMITMENTS FOR EXPENDITURE

As at the 31 December 2018, itSMF Australia had no outstanding capital commitments (2017 nil).

### NOTE 15 CONTINGENT ASSETS AND LIABILITIES

There were no contingent assets and liabilities as at 31 December 2018 (2017 nil).

### NOTE 16 – SUPERANNUATION

	Year Ended 31-12-18 \$	Year Ended 31-12-17 \$
Contribution To All Funds	18,711	28,570
<b>Total Contribution To All Funds</b>	<b>18,711</b>	<b>28,570</b>

### NOTE 17 – AUDITOR'S REMUNERATION

	Year Ended 31-12-18 \$	Year Ended 31-12-17 \$
For Auditing the Financial Statements	5,000	5,000
For Other Services	-	-
<b>Total Auditor's Remuneration</b>	<b>5,000</b>	<b>5,000</b>

# IT SERVICE MANAGEMENT FORUM AUSTRALIA INCORPORATED

## NOTE 18 – RESPONSIBLE PERSONS RELATED DISCLOSURES

### Responsible Persons:

The members of the Board of Management and State Branch Chairs, being Responsible Persons, during the financial period were:

#### Board of Management

Bradley Busch (Chairman)  
Garry Long (Treasurer)  
Aprill Allen  
Brendan Cullen  
Rose Dyson (appointed 22/5/2018)  
Justin Gasparre (resigned 15/4/2018)  
Kathryn Howard  
Brian Jennings  
Troy Latter  
Harry Powell  
Candice Walker

#### State Branch Chairs

Nicola Cox (TAS) (resigned 19/11/2018)  
Simon Dorst (WA) (resigned 23/4/2018)  
David Lowe (WA) (appointed 23/4/2018)  
Gavin Hedrick (SA)  
Wilma Weaver (NT)  
Adam Seeber (ACT)  
Rachel Seaniger (QLD)  
Janet Holling (VIC) (resigned 17/1/2018 )  
Brad Schimmel (VIC) (appointed 17/1/2018)  
Jonathan Jones (NSW)

### Remuneration of Responsible Persons:

The Responsible Persons act in an honorary capacity and receive no compensation for their services. There was no remuneration received or due and receivable from itSMF Australia in connection with the management of itSMF Australia (2017 – nil).

### Retirement Benefits of Responsible Persons:

There were no retirement benefits paid by itSMF Australia, in connection with, the retirement of Responsible Persons of itSMF Australia (2017 - nil).

### Superannuation for Responsible Persons:

There were no amounts paid to a superannuation plan by itSMF Australia, in connection with, the Responsible Persons of any related party or Responsible Persons related party of those Responsible Persons (2017 - nil).

### Loans with Responsible Persons:

There were no loans between itSMF Australia and its Responsible Persons (2017 - nil)

### Other Transactions with Responsible Persons:

ItSMF Australia entered into other transactions, which are insignificant in amount, with Responsible Persons or related parties of a Responsible Persons in their domestic dealings within normal customer, employee or contractor relationships on terms and conditions no more favourable than those available in similar arms length dealings.

# IT SERVICE MANAGEMENT FORUM AUSTRALIA INCORPORATED

## NOTE 19 – SEGMENT INFORMATION

ItSMF Australia operates throughout Australia, predominantly in the IT standards, education, development and training industry.

## NOTE 20 – INCOME TAX

	Year Ended 31-12-18 \$	Year Ended 31-12-17 \$
Prima facie tax payable/ (benefit) on operating surplus/deficit at 27.5% (2017 27.5%)	10,936	(25,339)
Less tax effect of non taxable income	<u>10,936</u>	<u>(25,339)</u>
Income Tax Expense	<u>-</u>	<u>-</u>

itSMF Australia is a non-profit association established for the purpose of promoting the development of Australian information and communications technology resources and as such is considered to be exempt from income tax under sections 50-40 of the Income Tax Assessment Act (Cth.) 1987.

Revenue in the form of member receipts represents mutual income and is not subject to income tax. Expenses associated with such mutual activities are not tax deductible for income tax purposes.

## IT SERVICE MANAGEMENT FORUM AUSTRALIA INCORPORATED

### NOTE 21 – FINANCIAL RISK MANAGEMENT

#### 21.1 Terms, Conditions and Accounting Policies

itSMF Australia's accounting policies, including the terms and condition of each class of financial asset, financial liability and equity instrument, both recognised and unrecognised at reporting date, are as follows:

Recognised Financial Instruments	Notes	Accounting Policies	Terms and Conditions
<b>FINANCIAL ASSETS</b>			
Cash Assets Cash at Bank	4	Cash at Bank is carried at the principal amount.	Cash is invested as funds permit at varying market interest rates.
Receivables – Debtors	5	Trade Receivables are carried at nominal amounts due less any provision for doubtful debts. A provision for doubtful debts is maintained to recognise that collection of the full nominal amount is no longer probable.	Credit sales are on 30 day terms.
Receivables – Other Debtors	5	Other Debtors are carried at the nominal amounts.	Credit is allowed in accordance with agreement.
<b>FINANCIAL LIABILITIES</b>			
Trade Creditors and Accruals	10	Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not invoiced to itSMF Australia.	Trade liabilities are settled as required.

## IT SERVICE MANAGEMENT FORUM AUSTRALIA INCORPORATED

### NOTE 21 – FINANCIAL RISK MANAGEMENT (continued)

#### 21.2 Interest Rate Risk

itSMF Australia's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised at balance date are as follows:

FINANCIAL INSTRUMENTS	Floating Interest Rate		Fixed Interest Rate		Non-Interest Bearing		Total Carrying Amount per Statement of Financial Position	
	2018	2017	2018	2017	2018	2017	2018	2017
<b>FINANCIAL ASSETS</b>								
Cash at Bank	40,402	64,774	55,601	55,913	373	111	96,376	120,798
Receivables – Debtors					1,928	3,969	1,928	3,969
<b>Total Financial Assets</b>	<b>40,402</b>	<b>64,774</b>	<b>55,601</b>	<b>55,913</b>	<b>2,301</b>	<b>4,080</b>	<b>98,304</b>	<b>124,767</b>
<b>FINANCIAL LIABILITIES</b>								
Trade Creditors & Accruals					30,396	50,966	30,396	50,966
Finance Leases			-	-			-	-
Other Financial Liabilities					131,547	150,176	131,547	150,176
<b>Total Financial Liabilities</b>			<b>-</b>	<b>-</b>	<b>161,943</b>	<b>201,142</b>	<b>161,943</b>	<b>201,142</b>

#### 21.3 Net Fair Values

The aggregate net fair values of financial assets and financial liabilities, both recognised and unrecognised, at balance date, are as follows:

FINANCIAL ASSETS	Total Carrying Amount as per the Statement of Financial Position		Aggregate Net Fair Value	
	2018 \$	2017 \$	2018 \$	2017 \$
Cash at Bank	96,376	120,798	96,376	120,798
Receivables – Debtors	1,928	3,969	1,928	3,969
<b>Total Financial Assets</b>	<b>98,304</b>	<b>124,767</b>	<b>98,304</b>	<b>124,767</b>
<b>FINANCIAL LIABILITIES</b>				
	2018 \$	2017 \$	2018 \$	2017 \$
Trade Creditors & accruals	30,396	50,966	30,396	50,966
Finance Leases	-	-	-	-
Other Financial Liabilities	-	-	-	-
<b>Total Financial Liabilities</b>	<b>30,396</b>	<b>50,966</b>	<b>30,396</b>	<b>50,966</b>

The following methods and assumptions are used to determine the net fair values of financial assets and liabilities:

#### Recognised Financial Instruments

##### Cash at Bank, Receivables, Creditors and Accruals

These financial instruments have a short term to maturity. Accordingly, it is considered that their carrying amounts reflect fair values.

## IT SERVICE MANAGEMENT FORUM AUSTRALIA INCORPORATED

### NOTE 21 – FINANCIAL RISK MANAGEMENT (continued)

#### 21.4 Financial Risk Management Objectives and Policies

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

itSMF Australia is exposed to key financial risks, including market risk (which includes interest rate risk), credit risk and liquidity risk. This financial instruments note presents information about itSMF Australia's exposure to each of these risks, and the objectives, policies and processes for measuring and managing risk.

itSMF Australia's Board of Management has overall responsibility for the establishment and oversight of risk management. The Treasurer reviews and makes recommendations to the Board of Management in relation to the company's financial policies and risk management policies and procedures.

#### 21.5 Credit Risk Exposures

itSMF Australia's maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is the carrying amount of those assets as indicated in the Statement of Financial Position.

##### Concentration of Credit Risk

itSMF Australia minimises concentrations of credit risk in relation to trade accounts receivable by undertaking transactions with a large number of customers. The customers are concentrated in Australia. The major customers relate to the provision of education and training services to industry. itSMF Australia continues to provide ongoing training, and other services for these customers who adhere to industry trade terms.

Credit risk in trade receivables is managed in the following ways:

- Payment terms are 30 days from date of invoice
- Debtors with accounts in excess of 30 days are sent a statement of account, indicating payment terms
- Debtors with arrears are followed up by telephone prior to restricting access to services and referring their debt to a debt collection agency
- Debtors which represent major companies, government departments or agencies are not referred to a debt collection agency, but managed by the organisation directly through escalation with debtor.

#### 21.6 Liquidity Risk

Liquidity risk is the risk that itSMF Australia will not be able to meet its financial obligations as they fall due.

Ultimate responsibility for liquidity risk management rests with the Board of Management who has built an appropriate risk management framework for the management of itSMF Australia's short, medium and long term funding and liquidity requirements. Day to day liquidity is managed by management which continuously monitors the company's cash position and cash flows.

### NOTE 22 – ASSOCIATION INFORMATION

The registered office of itSMF Australia is  
Suite 3, 329 Mitcham Road, Mitcham, Victoria 3132

## IT SERVICE MANAGEMENT FORUM AUSTRALIA INCORPORATED

### NOTE 23 – ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS AND POLICIES

itSMF Australia has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operation and effective for the current annual reporting period.

As required under Australian Accounting Standards, the impact of standards and interpretations that have not been adopted early and that are expected to have a material effect on the entity are disclosed below:

Nil impact.

### NOTE 24 – CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

The preparation of the Financial Report requires the Board of Management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts for assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

(a) Critical judgements in applying itSMF Australia's accounting policies

The following are the critical judgements (apart from those involving estimations, which are dealt with below), that management has made in the process of applying itSMF Australia's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

#### *Employee Entitlements*

Management judgement is applied in determining the following key assumptions used in the calculation of long service leave at balance date:

- Future increases in wages and salaries
- Future on-cost rates; and
- Experience of employee departures and period of service.

(b) Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

#### *Useful Lives of Property, Plant & Equipment and Intangible Assets*

Useful lives of property, plant & equipment and intangible assets are reviewed annually. Any reassessment of useful lives in a particular year will affect the depreciation and amortisation expense (either increasing or decreasing) through to the end of reassessed useful life for both the current and future years.

### NOTE 25 – SUBSEQUENT EVENTS

There have not been any other matters or circumstances that have arisen since the end of the financial year that has significantly affected, or may significantly affect, the operations of itSMF Australia, the results of those operations, or the state of affairs of itSMF Australia in future years.