

ITSMF AUSTRALIA INCORPORATED

ABN 41 821 213 034

**FINANCIAL REPORT
FOR THE YEAR ENDED
31 DECEMBER 2021**

Incorporated in Victoria

Association Registration No. A0036726P

IT SERVICE MANAGEMENT FORUM AUSTRALIA INCORPORATED
FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

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DIRECTORY

Principal Address:	3/1012 Doncaster Road Doncaster East, Victoria 3109 Ph: 03 9879 5466
Bankers:	Westpac Banking Corporation
Auditor:	Geoffrey B Johnson – Rucker Audit & Assurance Pty Ltd
Board of Management	
Chairman:	Brendan Cullen
Deputy Chairman:	Harry Powell
Treasurer:	Troy Latter
Directors:	Bradley Busch Janet Holling Feisar Joya Murali Ramakrishnan Peter Tonkin Wilma Weaver
State Branch Chairs:	David Low (WA) Gavin Hedrick (SA) Brad Schimmel (VIC) Richard Witton-Smith (NSW) Rachel Seaniger (QLD) Ian Smith (ACT) Karina Bourne (NT)
Executive Officer	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 2021 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 2021, 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.

– Material Uncertainty Regarding Continuation as a Going Concern

I also draw attention to Note 24 in the financial report that indicates, due to the matters as set forth in Note 24, the existence of a material uncertainty which may cast significant doubt about the itSMF Australia's ability to continue as a going concern. My Opinion is not modified in respect of this matter.

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.

IT SERVICE MANAGEMENT FORUM AUSTRALIA INCORPORATED

Auditor's Responsibility for the Audit of the Financial Report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.*
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.*
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.*
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.*
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.*

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Geoffrey B Johnson
Chartered Accountant
Rucker Audit & Assurance Pty Ltd

Dated this 2nd day of May 2022
Doncaster, VIC

IT SERVICE MANAGEMENT FORUM AUSTRALIA INCORPORATED

Suite 2, Level 1
90-96 Tram Road
Doncaster, VIC 3108
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 2021, I declare that, to the best of my knowledge and belief, during the year ended 31 December 2021 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 Audit & Assurance Pty Ltd

Dated this 2nd day of May 2022
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, Brendan Cullen, Troy Latter and Sheryl Kingsley, being respectively members of the Committee and Executive Officer, 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 2021 in accordance with the Associations Incorporation Reform Act (Vic) 2012, applicable Australian Accounting Standards and other mandatory professional reporting requirements..

Without qualifying our opinion, we draw attention to Note 24 in the financial report that indicates, due to the matters as set forth in Note 24, the existence of a material uncertainty which may cast significant doubt about the itSMF Australia's ability to continue as a going concern.

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.



Brendan Cullen
Chairman



Troy Latter
Treasurer



Sheryl Kingsley
Manager National Office

Dated: 2nd May 2022

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 3/1012 Doncaster Road, Doncaster East, Victoria 3109.

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 2nd May 2022. 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 2021

	Note	Year Ended 31-12-21 \$	Year Ended 31-12-20 \$
Revenue and Other Comprehensive Income	2	307,092	536,022
Employee Benefit Expenses	3	240,913	238,403
Depreciation/Amortisation Expense	3	-	387
Other Expenses	3	183,805	240,650
Total Comprehensive Income/(Deficit) Before Income Tax Expense		(117,626)	56,582
Income Tax Expense	19	-	-
Total Comprehensive Income/(Deficit) After Income Tax Expense		(117,626)	56,582

*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 2021

	Note	December 2021 \$	December 2020 \$
Current Assets			
Cash And Cash Equivalents	4,20	254,371	266,174
Trade And Other Receivables	5,20	41,022	23,102
Other Current Assets	6	101,933	98,187
Total Current Assets		397,326	387,463
Non-Current Assets			
Property, Plant and Equipment	8	-	-
Total Non-Current Assets		-	-
TOTAL ASSETS		397,326	387,463
Current Liabilities			
Trade And Other Payables	9,20	233,184	105,343
Other Liabilities	10	119,713	120,065
Total Current Liabilities		352,897	225,408
Total Non-Current Liabilities		-	-
TOTAL LIABILITIES		352,897	225,408
NET ASSETS		44,429	162,055
MEMBERS' FUNDS			
Accumulated Surplus	22	44,429	162,055
TOTAL MEMBERS' FUNDS		44,429	162,055
Contingent Assets	14		
Contingent Liabilities	14		

*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 2021

	Note	Year Ended 31-12-21 \$	Year Ended 31-12-20 \$
Movement In Accumulated Surplus			
Opening Balance	22	162,055	105,473
Total Comprehensive Income/(Deficit) After Income Tax Expense For The Reporting Period	22	(117,626)	56,582
Closing Balance		44,429	162,055

*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 2021

	Note	Year Ended 31-12-21 \$	Year Ended 31-12-20 \$
Cash Flows from Operating Activities			
Payments:			
Wages and Salaries		(229,203)	(236,824)
Suppliers		(26,369)	(186,455)
Conference Costs		(45,197)	(31,954)
Branch Seminars		(2,853)	(9,301)
Total Payments		(303,622)	(464,534)
Receipts:			
Membership Subscriptions		184,427	203,149
Government Assistance		61,100	188,366
Conference Income		(35,000)	-
Branch Seminars		7,273	21,177
Interest Received		264	1,515
Other Receipts		73,755	50,649
Total Receipts		291,819	464,856
Net Cash Provided By (Used In) Operating Activities	11	(11,803)	322
Cash Flows from Investing Activities			
Proceeds of Sale of Fixed Assets		-	-
Payments for Property, Plant & Equipment		-	-
Net Cash And Cash Equivalents Provided By (Used In) Investing Activities		-	-
Net (Decrease)/Increase In Cash And Cash Equivalents Held		(11,803)	322
Cash And Cash Equivalents at the Beginning of the Financial Period		266,174	265,852
Cash And Cash Equivalents at the End of the Financial Period	4	254,371	266,174

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 2021

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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 2021

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 22 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 2019.

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.

1.5.3 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 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 2021 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 2021

Note	Year Ended 31-12-21 \$	Year Ended 31-12-20 \$
Revenues from Operating Activities		
Membership Subscriptions	196,928	242,967
Seminars	2,273	26,177
itSMF International Administration Fee	61,920	61,985
Federal Government Assistance	25,800	183,666
Victorian State Government Grants	20,000	20,000
	306,921	534,795
Revenues from Non-operating Activities		
Investment Income	171	1,227
	171	1,227
Total Revenue and Other Comprehensive Income	307,092	536,022

IT SERVICE MANAGEMENT FORUM AUSTRALIA INCORPORATED

NOTE 3 – EXPENSES FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	Year Ended 31-12-21 \$	Year Ended 31-12-20 \$
Employee Benefit Expenses			
Salaries And Related		209,062	216,503
Superannuation	15	20,141	20,321
Leave Accrual		9,627	2,306
Long Service Leave		2,083	(727)
Total Employee Benefit Expenses		240,913	238,403
 Depreciation/Amortisation Expense			
Depreciation And Amortisation	8	-	387
Total Depreciation/Amortisation Expense		-	387
 Other Expenses			
Advertising/Promotional Events		9,516	9,277
Audit Fees		5,553	5,152
Bad and Doubtful Debts		408	
Bank Charges		2,281	2,366
Branch Seminars		2,853	9,301
Information Technology		34,988	41,283
Conference		-	-
Consumables		2,309	9,545
Contract Staff/Consultancy		58,733	87,245
Insurances		10,988	11,012
International Affiliation Fees		9,800	12,927
Legal		119	118
Member & Board Meetings		-	-
Member Services		15,799	13,016
Postage & Courier		684	130
Rent & Utilities		23,993	31,189
Telecommunications		4,665	4,861
Travel Expenses		55	1,062
Sundry Expenses		1,061	2,166
Total Other Expenses		183,805	240,650
Total Expenses		424,718	479,440

IT SERVICE MANAGEMENT FORUM AUSTRALIA INCORPORATED

NOTE 4 - CASH AND CASH EQUIVALENTS

	Note	Year Ended 31-12-21 \$	Year Ended 31-12-20 \$
Current			
Cash	20	254,371	266,174
		254,371	266,174

NOTE 5 – TRADE AND OTHER RECEIVABLES

	Note	Year Ended 31-12-21 \$	Year Ended 31-12-20 \$
Current			
Debtors	20	41,439	23,488
Less Provision For Doubtful Debts		(417)	(386)
		41,022	23,102

For maturity analysis and nature and extent of risks arising from receivables refer to Note 20.

NOTE 6 – OTHER CURRENT ASSETS

		Year Ended 31-12-21 \$	Year Ended 31-12-20 \$
Current			
Bonds/Deposits/Prepayments		101,933	98,187
		101,933	98,187

NOTE 7 – INTANGIBLE ASSETS

There were no Intangible Assets in the reporting period ended 31 December 2021 (2020 nil).

IT SERVICE MANAGEMENT FORUM AUSTRALIA INCORPORATED

NOTE 8 - NON-CURRENT ASSETS: PROPERTY, PLANT & EQUIPMENT

	Year Ended 31-12-21 \$	Year Ended 31-12-20 \$
Furniture & Fixtures at cost	15,036	15,036
Accumulated Depreciation	(15,036)	(15,036)
Net Furniture & Fixtures	-	-
Computer & Office Equipment at cost	43,440	43,440
Accumulated Depreciation	(43,440)	(43,440)
Net Computer & Office Equipment	-	-
Total Property, Plant & Equipment	58,476	58,476
Accumulated Depreciation	(58,476)	(58,476)
Net Property, Plant & Equipment	-	-

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 31-12-21 \$	Year Ended 31-12-20 \$
<u>Furniture & Fittings</u>		
Carrying Amount At Start Of Period	-	-
Additions	-	-
Disposals	-	-
Revaluation Increments/(Decrements)	-	-
Transfers	-	-
Depreciation	-	-
Carrying Amount At End Of Period	-	-
<u>Computer & Office Equipment</u>		
Carrying Amount At Start Of Period	-	387
Additions	-	-
Disposals	-	-
Revaluation Increments/(Decrements)	-	-
Transfers	-	-
Depreciation	-	(387)
Carrying Amount At End Of Period	-	-

IT SERVICE MANAGEMENT FORUM AUSTRALIA INCORPORATED

NOTE 8 - NON-CURRENT ASSETS: PROPERTY, PLANT & EQUIPMENT (Continued)

	Year Ended 31-12-21	Year Ended 31-12-20
<u>Total Property, Plant And Equipment</u>		
Carrying Amount At Start Of Period	-	387
Additions	-	-
Disposals	-	-
Revaluation Increments/(Decrements)	-	-
Transfers	-	-
Depreciation and Amortisation	-	(387)
	-	-
Carrying Amount At End Of Period	-	-
 Depreciation/Amortisation Expense for the period		
	Year Ended 31-12-21	Year Ended 31-12-20
	\$	\$
Depreciation/Amortisation Expense	-	387
Fixtures & Fittings	-	-
Computer & Office Equipment	-	387
	-	387
Total Depreciation/Amortisation	-	387

IT SERVICE MANAGEMENT FORUM AUSTRALIA INCORPORATED

NOTE 9 – TRADE AND OTHER PAYABLES

Current	Year Ended 31-12-21 \$	Year Ended 31-12-20 \$
Creditors and Accruals	51,729	39,323
GST Payable	8,323	3,861
Deferred Conference Income	173,132	62,159
	233,184	105,343

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

NOTE 10 – OTHER LIABILITIES

Current	Year Ended 31-12-21 \$	Year Ended 31-12-20 \$
Memberships in Advance	85,088	97,150
Provision For Employee Benefits (i) (ii)	34,625	22,915
	119,713	120,065

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

NOTE 11 – CASH FLOWS

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

	Year Ended 31-12-21 \$	Year Ended 31-12-20 \$
Total Comprehensive Income/(Deficit) After Income Tax Expense	(117,626)	56,582
Depreciation And Amortisation	-	387
Profit on Disposal of Assets	-	-
Change In Operating Assets And Liabilities		
Decrease (Increase) in Receivables	(17,920)	(20,299)
Decrease (Increase) in Other Financial Assets	(3,745)	(54,822)
Increase (Decrease) in Payables	127,840	53,025
Increase (Decrease) in Other Liabilities	(352)	(34,551)
	(11,803)	322

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

IT SERVICE MANAGEMENT FORUM AUSTRALIA INCORPORATED

NOTE 12 – LEASES

	Year Ended 31-12-21 \$	Year Ended 31-12-20 \$
Operating Lease Commitments		
Payments due - within one year	-	17,488
One to five years	-	-
	-	-
Total	-	17,488

NOTE 13 – COMMITMENTS FOR EXPENDITURE

As at the 31 December 2021, itSMF Australia had no outstanding capital commitments (2020 nil).

NOTE 14 CONTINGENT ASSETS AND LIABILITIES

There were no contingent assets and liabilities as at 31 December 2021 (2020 nil).

NOTE 15 – SUPERANNUATION

	Year Ended 31-12-21 \$	Year Ended 31-12-20 \$
Contribution To All Funds	20,141	20,321
Total Contribution To All Funds	20,141	20,321

NOTE 16 – AUDITOR'S REMUNERATION

	Year Ended 31-12-21 \$	Year Ended 31-12-20 \$
For Auditing the Financial Statements	5,153	5,152
For Other Services	400	-
Total Auditor's Remuneration	5,553	5,152

IT SERVICE MANAGEMENT FORUM AUSTRALIA INCORPORATED

NOTE 17 – 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
Brendan Cullen (Chair)
Troy Latter (Treasurer)
Harry Powell (Vice Chair)
Rose Dyson (resigned May 2021)
Janet Holling
Kathryn Howard (resigned August 2021)
Brian Hughes (passed away March 2021)
Feisar Joya
Murali Ramakrishnan
Peter Tonkin
Wilma Weaver (Secretary)

State Branch Chairs

Andrew Ritchie (ACT – resigned May 2021)
Ian Smith (ACT – appointed May 2021)
Richard Witton-Smith (NSW)
Karina Bourne (NT)
Rachel Seaniger (QLD)
Gavin Hedrick (SA)
Brad Schimmel (VIC)
David Low (WA)

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 (2020 – 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 (2020 - 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 (2020 - nil).

Loans with Responsible Persons:

There were no loans between itSMF Australia and its Responsible Persons (2020 - 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 18 – SEGMENT INFORMATION

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

NOTE 19– INCOME TAX

	Year Ended 31-12-21 \$	Year Ended 31-12-20 \$
Prima facie tax payable/ (benefit) on operating surplus/deficit at 27.5% (2020 27.5%)	(32,347)	15,560
Less tax effect of non-taxable income	(32,347)	15,560
	<hr/>	<hr/>
Income Tax Expense	-	-

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 20 – FINANCIAL RISK MANAGEMENT

20.1 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
FINANCIAL ASSETS			
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.
FINANCIAL LIABILITIES			
Trade Creditors and Accruals	9	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 20 – FINANCIAL RISK MANAGEMENT (continued)

20.2 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	
	2021	2020	2021	2020	2021	2020	2021	2020
FINANCIAL ASSETS								
Cash at Bank	125,749	138,076	128,362	128,098	260	-	254,371	266,174
Receivables – Debtors					41,022	23,102	41,022	23,102
Total Financial Assets	125,749	138,076	128,362	128,098	41,282	23,102	295,393	289,276
FINANCIAL LIABILITIES								
Trade Creditors & Accruals					233,184	105,343	233,184	105,343
Finance Leases			-	-			-	-
Other Financial Liabilities					119,713	120,065	119,713	120,065
Total Financial Liabilities			-	-	352,897	225,408	352,897	225,408

20.3 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	
	2021 \$	2020 \$	2021 \$	2020 \$
Cash at Bank	254,371	266,174	254,371	266,174
Receivables – Debtors	41,022	23,102	41,022	23,102
Total Financial Assets	295,393	289,276	295,393	289,276
FINANCIAL LIABILITIES	2021 \$	2020 \$	2021 \$	2020 \$
Trade Creditors & accruals	233,184	105,343	233,184	105,343
Finance Leases	-	-	-	-
Other Financial Liabilities	-	-	-	-
Total Financial Liabilities	233,184	105,343	233,184	105,343

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 20 – FINANCIAL RISK MANAGEMENT (continued)

20.4 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 instrument 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.

20.5 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.

20.6 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 21 – ASSOCIATION INFORMATION

The registered office of itSMF Australia is
3/1012 Doncaster Road, Doncaster East, Victoria 3109

IT SERVICE MANAGEMENT FORUM AUSTRALIA INCORPORATED

NOTE 22 – 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 23 – 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 24 – GOING CONCERN

itSMF Australia is dependent upon generating a significant surplus from its annual conference to provide the necessary funds to continue normal operations into the subsequent financial year.

The outbreak of the COVID-19 pandemic and the measures adopted by the government in Australia to mitigate its spread have impacted itSMF Australia. These measures effectively prevented itSMF Australia from holding its annual conference, in both 2020 and 2021. This has negatively impacted itSMF Australia's financial performance during these years.

For the year ended 31 December 2021, itSMF Australia recognised a net loss of \$117,626, thereby reducing the organisations net assets to \$44,429. Although it should be noted that the cash and cash equivalents balance only reduced by \$11,803, as cashflow was tightly controlled. It should be noted that creditors increased substantially, due to deferred conference sponsorship.

IT SERVICE MANAGEMENT FORUM AUSTRALIA INCORPORATED

NOTE 24 – GOING CONCERN (continued)

There is still uncertainty over how the future development of the outbreak will impact itSMF Australia's ability to hold a financially successful conference in 2022 and beyond. itSMF Australia was able to hold a Conference in March 2022. Consequentially we have succeeded in retaining the conference sponsorship monies received in prior years and retained our conference deposits paid.

Whilst the financial outcome has not been finalised at the date of signing these accounts, the Board anticipates that the Conference should generate sufficient funds, combined with any necessary cost saving measures, to mitigate the uncertainty and has therefore prepared the financial report on a going concern basis.