

ITSMF AUSTRALIA INCORPORATED
ABN 41 821 213 034

FINANCIAL REPORT
FOR THE YEAR ENDED
31 DECEMBER 2025

Incorporated in Victoria
Association Registration No. A0036726P

IT SERVICE MANAGEMENT FORUM AUSTRALIA INCORPORATED
FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2025

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DIRECTORY

Principal Address:	8 Telopea Ave Doncaster East, Victoria 3109 Ph: 03 9879 5466
Bankers:	Westpac Banking Corporation
Auditor:	RCR Audit Pty Ltd
Board of Management	
Chairman:	Janet Holling
Treasurer:	Bradley Busch
Directors:	Simon Dorst David Low Carolyn Walker Brendan Cullen
State Branch Chairs:	Gavin Hedrick (SA) Gavin Espin (ACT) Christopher Kahler (VIC) Michelle Major-Goldsmith (WA) Ferenc Varga (QLD) Richard Witton-Smith (NSW)
Executive Officer	Peter Tonkin

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

We have audited the financial report of ItSMF Australia (the association), which comprises the statement of financial position as at 31 December 2025, the statement of profit or 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 material accounting policy information, and the certification by members of the committee.

In our opinion, the accompanying financial report of the association is in accordance with the *Associations Incorporation Reform Act 2012* (Vic), including:

- (i) giving a true and fair view of the association's financial position as at 31 December 2025 and of its financial performance for the year then ended; and
- (ii) that the financial records kept by the association are such as to enable financial statements to be prepared in accordance with Australian Accounting Standards – AASB 1060: *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the association in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of Matter

We draw attention to Note 20 to the financial statements, the organisation recorded a surplus of \$3,006 for the year, and had a deficiency in net assets as at the end of the financial year. These conditions raise concerns regarding the organisation's ability to continue as a going concern. While management has developed plans to address these matters, the uncertainty surrounding the successful execution of those plans casts significant doubt on the organisation's ability to meet its obligations as they fall due.

As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

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

The committee of the association is responsible for the other information. The other information comprises the information included in the association's annual report for the year ended 31 December 2025 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

IT SERVICE MANAGEMENT FORUM AUSTRALIA INCORPORATED

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Committee for the Financial Report

The committee¹ of the association is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – AASB 1060: *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and the *Associations Incorporation Reform Act 2012* (Vic) and for such internal control as the committee determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the committee is responsible for assessing the ability of the association to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the committee either intends to liquidate the association or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

RCR Audit Pty Ltd

RCR Audit Pty Ltd



Susan Barbour, CA

Director

Doncaster East VIC 3109

Dated this 21st day of May 2026

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):

In accordance with Sub div 60-C of the Australian Charities and Not-for-profits Commission Act 2012, we are pleased to provide the following declaration of independence to the Board of Management of IT Service Management Forum Australia Inc. As the lead audit partner for the audit of the financial statements of IT Service Management Forum Australia Inc for the year ended 31 December 2025, we declare that, to the best of our knowledge and belief, during the year ended 31 December 2025, there have been no contraventions of:

- a. the auditor independence requirements of the Australian Charities and Not for Profits Commission Act 2012 in relation to the audit; and
- b. any applicable code of professional conduct in relation to the audit.

RCR Audit Pty Ltd

RCR Audit Pty Ltd

Doncaster East, Vic., 3109

Dated this 21st day of May, 2026



Susan Barbour, CA
Director

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, Janet Holling, Bradley Busch and Peter Tonkin, 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 24, 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 2025 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 20 in the financial report that indicates, due to the matters as set forth in Note 20, 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.



Janet Holling
Chair



Bradley Busch
Treasurer



Peter Tonkin
Executive Officer

Dated: 18th May 2026

IT SERVICE MANAGEMENT FORUM AUSTRALIA INCORPORATED

MELBOURNE, VICTORIA

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 8 Telopea Ave, 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 18th May 2026. 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 2025

	Note	Year Ended 31-12-25 \$	Year Ended 31-12-24 \$
Revenue and Other Comprehensive Income	2	723,357	638,210
Employee Benefit Expenses	3	271,225	252,681
Other Expenses	3	449,126	479,659
Total Comprehensive Income/(Deficit) Before Income Tax Expense		3,006	(94,130)
Income Tax Expense	16	-	-
Total Comprehensive Income/(Deficit) After Income Tax Expense		3,006	(94,130)

*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 2025

	Note	December 2025 \$	December 2024 \$
Current Assets			
Cash And Cash Equivalents	4,17	101,567	67,951
Trade And Other Receivables	5,17	3,171	51,909
Other Current Assets	6	1,652	41,981
Total Current Assets		106,390	161,841
Non-Current Assets			
Property, Plant and Equipment	7	-	-
Total Non-Current Assets		-	-
TOTAL ASSETS		106,390	161,841
Current Liabilities			
Trade And Other Payables	8,17	35,480	35,466
Other Liabilities	9	101,328	159,799
Total Current Liabilities		136,808	195,265
Total Non-Current Liabilities		-	-
TOTAL LIABILITIES		136,808	195,265
NET ASSETS (DEFICIT IN ASSETS)		(30,419)	(33,424)
MEMBERS' FUNDS			
Accumulated Surplus (Deficit)		(30,418)	(33,424)
TOTAL MEMBERS' FUNDS		(30,418)	(34,424)
Contingent Assets	12		
Contingent Liabilities	12		

*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 2025

	Note	Year Ended 31-12-25 \$	Year Ended 31-12-24 \$
Movement In Accumulated Surplus (Deficit)			
Opening Balance		(33,424)	60,706
Total Comprehensive Income/(Deficit) After Income Tax Expense For The Reporting Period		3,006	(94,130)
Closing Balance		(30,418)	(33,424)

*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 2025

	Note	Year Ended 31-12-25 \$	Year Ended 31-12-24 \$
Cash Flows from Operating Activities			
Payments:			
Wages and Salaries		(290,359)	(255,955)
Suppliers		(129,684)	(173,049)
Conference Costs		(275,313)	(298,535)
Branch Seminars		(395)	(6,525)
Total Payments		(695,751)	(734,064)
Receipts:			
Membership Subscriptions		155,790	174,230
Conference Income		530,481	377,973
Branch Seminars		3,064	-
Newsletter		500	500
Interest Received		691	4,691
Other Receipts		38,840	34,960
Total Receipts		729,366	592,354
Net Cash Provided by/(Used in) Operating Activities	10	33,615	(141,710)
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 In Cash And Cash Equivalents Held		(33,615)	(141,710)
Cash And Cash Equivalents at the Beginning of the Financial Period		67,951	209,661
Cash And Cash Equivalents at the End of the Financial Period	4	101,567	67,951

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 2025

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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 2025

NOTE 1 - STATEMENT OF MATERIAL ACCOUNTING POLICIES

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures of the Australian Accounting Standards Board (AASB) and the Associations Incorporation Reform Act 2012. The association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

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.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

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 statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

1.2 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.

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 2025.

IT SERVICE MANAGEMENT FORUM AUSTRALIA INCORPORATED

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1.3 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.

1.4 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.

1.5 NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

Certain new Australian accounting standards and interpretations have been published that are not mandatory for the 31 December 2025 reporting period. ItSMF Australia has not and does not intend to adopt these standards early.

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NOTE 2 – REVENUE AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	Year Ended 31-12-25 \$	Year Ended 31-12-24 \$
Revenues from Operating Activities			
Membership Subscriptions		157,048	177,516
Conferences		526,390	418,209
Seminars		-	-
itSMF International Administration Fee		35,688	38,097
Newsletter		500	500
		722,690	634,322
Revenues from Non-operating Activities			
Investment Income		667	3,888
		667	3,888
Total Revenue and Other Comprehensive Income		723,357	638,210

IT SERVICE MANAGEMENT FORUM AUSTRALIA INCORPORATED

NOTE 3 – EXPENSES FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	Year Ended 31-12-25 \$	Year Ended 31-12-24 \$
Employee Benefit Expenses			
Salaries And Related		263,431	230,412
Superannuation		27,200	25,543
Leave Accrual		(1,170)	(2,521)
Long Service Leave		(18,236)	(753)
Total Employee Benefit Expenses		271,225	252,681
 Other Expenses			
Advertising/Promotional Events		8,397	8,546
Audit Fees		5,582	5,400
Bad and Doubtful Debts		-	-
Bank Charges		1,551	2,157
Branch Seminars		396	6,525
Information Technology		48,638	46,858
Conference		311,369	336,393
Consumables		1,274	1402
Contract Staff/Consultancy		48,911	46,873
Insurances		6,534	9,635
International Affiliation Fees		8,789	9,060
Legal		0	520
Postage & Courier		242	246
Rent & Utilities		3,841	3,600
Telecommunications		1,830	1,739
Sundry Expenses		1,258	705
Total Other Expenses		449,126	479,659
Total Expenses		720,351	732,340

NOTE 4 - CASH AND CASH EQUIVALENTS

	Note	Year Ended 31-12-25 \$	Year Ended 31-12-24 \$
Current			
Cash	17	101,567	67,951
		101,567	67,951

IT SERVICE MANAGEMENT FORUM AUSTRALIA INCORPORATED

NOTE 5 – TRADE AND OTHER RECEIVABLES

	Note	Year Ended 31-12-25 \$	Year Ended 31-12-24 \$
Current			
Debtors	17	3,491	52,229
Less Provision For Doubtful Debts		<u>(320)</u>	<u>(320)</u>
		<u>3,171</u>	<u>51,903</u>

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

NOTE 6 – OTHER CURRENT ASSETS

	Year Ended 31-12-25 \$	Year Ended 31-12-24 \$
Current		
Bonds/Deposits/Prepayments	<u>1,652</u>	<u>41,981</u>
	<u>1,652</u>	<u>41,981</u>

NOTE 7 - NON-CURRENT ASSETS: PROPERTY, PLANT & EQUIPMENT

	Year Ended 31-12-25 \$	Year Ended 31-12-24 \$
Furniture & Fixtures at cost	-	15,036
Accumulated Depreciation	-	<u>(15,036)</u>
Net Furniture & Fixtures	<u>-</u>	<u>-</u>
Computer & Office Equipment at cost	-	43,440
Accumulated Depreciation	-	<u>(43,440)</u>
Net Computer & Office Equipment	<u>-</u>	<u>-</u>
Total Property, Plant & Equipment	-	58,476
Accumulated Depreciation	-	<u>(58,476)</u>
Net Property, Plant & Equipment	<u>-</u>	<u>-</u>

IT SERVICE MANAGEMENT FORUM AUSTRALIA INCORPORATED

NOTE 8 – TRADE AND OTHER PAYABLES

Current	Year Ended 31-12-25 \$	Year Ended 31-12-24 \$
Creditors and Accruals	25,317	34,142
GST Payable	10,163	1,324
	35,480	35,466

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

NOTE 9 – OTHER LIABILITIES

Current	Year Ended 31-12-25 \$	Year Ended 31-12-24 \$
Memberships in Advance	82,347	80,503
Deferred Conference Income	-	40,909
Provision For Employee Benefits (i)	18,981	38,387
	101,328	159,799

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

NOTE 10 – CASH FLOWS

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

	Year Ended 31-12-25 \$	Year Ended 31-12-24 \$
Total Comprehensive Income/(Deficit) After Income Tax Expense	3,006	(94,130)
Change In Operating Assets And Liabilities		
Increase in Receivables	48,738	(25,327)
Decrease (Increase) in Other Financial Assets	40,329	34,410
Decrease in Payables	(40,910)	(49,794)
Increase (Decrease) in Other Liabilities	(17,562)	(6,869)
Net Cash from Operating Activities	33,615	(141,710)

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

IT SERVICE MANAGEMENT FORUM AUSTRALIA INCORPORATED

NOTE 11 – COMMITMENTS FOR EXPENDITURE

As at the 31 December 2025, itSMF Australia had no outstanding capital commitments (2024 nil).

NOTE 12 CONTINGENT ASSETS AND LIABILITIES

There were no contingent assets and liabilities as at 31 December 2025 (2024 nil).

NOTE 13 – AUDITOR’S REMUNERATION

	Year Ended 31-12-25 \$	Year Ended 31-12-24 \$
For Auditing the Financial Statements	5,582	5,400
For Other Services	-	-
Total Auditor’s Remuneration	5,582	5,400

NOTE 14 – 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 (Treasurer)
Brendan Cullen
Simon Dorst
David Low
Ryan Bunning (resigned 2025)
Harry Powell (resigned 2025)
Janet Holling (Chair)
Peter Tonkin
Carolyn Walker

State Branch Chairs

Gavin Hedrick (SA)
Sue Lamont (ACT) (resigned 2025)
Gavin Espin (ACT) (appointed 2025)
Christopher Kahler (VIC)
Michelle Major-Goldsmith (WA)
FERENCE VARGA (QLD)
Richard Witton-Smith (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 (2024 – nil).

Loans with Responsible Persons:

There were no loans between itSMF Australia and its Responsible Persons (2024 - nil)

IT SERVICE MANAGEMENT FORUM AUSTRALIA INCORPORATED

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.

NOTE 15 – SEGMENT INFORMATION

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

NOTE 16– INCOME TAX

	Year Ended 31-12-25	Year Ended 31-12-24
	\$	\$
Prima facie tax payable/ (benefit) on operating surplus/deficit at 25% (2024 25%)	751	(23,533)
Less tax effect of non-taxable income	(751)	23,533
Income Tax Expense	-	-

itSMF Australia is a not-for-profit association established for the purpose of promoting the development of Australian information and communications technology resources. As such, it is considered exempt from income tax under Division 50 of the Income Tax Assessment Act 1997 (Cth).

Revenue derived from members represents mutual receipts and is classified as non-assessable non-exempt income; it is not subject to income tax. Accordingly, expenses associated with these mutual activities are not tax deductible.

NOTE 17 – FINANCIAL RISK MANAGEMENT

17.1 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.

IT SERVICE MANAGEMENT FORUM AUSTRALIA INCORPORATED

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.

17.2 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	
	2025	2024	2025	2024	2025	2024	2025	2024
FINANCIAL ASSETS								
Cash at Bank	79,259	46,335	22,077	21,386	230	230	101,566	67,951
Receivables – Debtors	-	-	-	-	3,491	51,909	3,491	51,909
Total Financial Assets	79,259	46,335	22,077	21,386	3,721	52,139	104,737	119,860
FINANCIAL LIABILITIES								
Trade Creditors & Accruals	-	-	-	-	35,480	76,375	35,480	76,375
Other Financial Liabilities	-	-	-	-	101,328	118,890	101,328	118,890
Total Financial Liabilities	-	-	-	-	136,808	195,265	136,808	195,265

IT SERVICE MANAGEMENT FORUM AUSTRALIA INCORPORATED

NOTE 17 – FINANCIAL RISK MANAGEMENT (continued)

17.3 Net Fair Values

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

	Total Carrying Amount as per the Statement of Financial Position		Aggregate Net Fair Value	
	2025 \$	2024 \$	2025 \$	2024 \$
FINANCIAL ASSETS				
Cash at Bank	101,566	67,951	101,566	67,951
Receivables – Debtors	3,491	51,909	3,491	51,909
Total Financial Assets	104,737	119,860	104,737	119,860
FINANCIAL LIABILITIES				
Trade Creditors & accruals	35,480	76,375	35,480	76,375
Finance Leases	-	-	-	-
Other Financial Liabilities	-	-	-	-
Total Financial Liabilities	35,480	76,375	35,480	76,375

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.

17.4 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.

17.5 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.

IT SERVICE MANAGEMENT FORUM AUSTRALIA INCORPORATED

NOTE 17 – FINANCIAL RISK MANAGEMENT (continued)

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.

17.6 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 18 – ASSOCIATION INFORMATION

The registered office of itSMF Australia is
Level 40, 140 William Street, Melbourne, 3000, VIC.

NOTE 19 – 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.

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.

IT SERVICE MANAGEMENT FORUM AUSTRALIA INCORPORATED

NOTE 20 – 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.

This year the conference generated a net profit of \$215,020 (2024 \$81,816), significantly impacting the overall financial performance of the organisation. The organisation has also managed costs where possible. As a result the organisation recorded a profit for the year of \$3,006. However, the organisation continues to have a deficiency in net assets at year end.

The Board anticipates that future Conferences should generate sufficient funds, combined with any necessary cost saving measures, to ensure the continued viability of the organisation, and has therefore prepared the financial report on a going concern basis.