

Local Government Managers Australia (Qld) Inc.

ABN 97 968 931 841

Financial Statements

For the Year Ended 30 June 2018

Local Government Managers Australia (Qld) Inc.

ABN 97 968 931 841

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For the Year Ended 30 June 2018

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Local Government Managers Australia (Qld) Inc.

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**Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2018**

	Note	2018	2017
		\$	\$
Revenue	4	1,106,966	1,116,784
Employee benefits expense		(577,003)	(504,647)
Depreciation and amortisation expense		(2,355)	(2,381)
Conferences and event expenses		(180,692)	(170,193)
Professional development and training expenses		(134,524)	(130,487)
Members servicing costs		(118,310)	(86,282)
Other expenses		(89,331)	(69,083)
Profit before income tax		4,751	153,711
Income tax expense		(4,471)	(19,748)
Profit from continuing operations		280	133,963
Profit for the year		280	133,963
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		280	133,963

The accompanying notes form part of these financial statements.

Local Government Managers Australia (Qld) Inc.

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Statement of Assets and Liabilities

As At 30 June 2018

	Note	2018 \$	2017 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	296,441	341,937
Other cash investments	6	853,903	791,993
Trade and other receivables	7	90,047	127,554
Current tax receivable		468	1,625
Other assets	8	103,089	37,126
TOTAL CURRENT ASSETS		1,343,948	1,300,235
NON-CURRENT ASSETS			
Plant and equipment	9	3,719	1,928
TOTAL NON-CURRENT ASSETS		3,719	1,928
TOTAL ASSETS		1,347,667	1,302,163
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	33,880	53,765
Employee benefits	11	101,812	42,704
Other liabilities	12	346,869	320,094
TOTAL CURRENT LIABILITIES		482,561	416,563
NON-CURRENT LIABILITIES			
Employee benefits	11	28,080	48,854
TOTAL NON-CURRENT LIABILITIES		28,080	48,854
TOTAL LIABILITIES		510,641	465,417
NET ASSETS		837,026	836,746
MEMBERS' FUNDS			
General reserve	13	250,000	250,000
Retained profits	13	587,026	586,746
TOTAL MEMBERS' FUNDS		837,026	836,746

The accompanying notes form part of these financial statements.

Local Government Managers Australia (Qld) Inc.

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Notes to the Financial Statements

For the Year Ended 30 June 2018

The financial statements cover Local Government Managers Australia (Qld) Inc. as an individual entity. Local Government Managers Australia (Qld) Inc. is a not-for-profit Association incorporated in Queensland under the *Associations Incorporation Act (QLD) 1981 (as amended by the Associations Incorporation and Other Legislation Amendment Act (QLD) 2007)* ('the Act').

The principal activities of the Association for the year ended 30 June 2018 were to provide education, advocacy and information services to members.

The functional and presentation currency of Local Government Managers Australia (Qld) Inc. is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

In the opinion of the Board of Management, the Association is not a reporting entity since there are unlikely to exist users of the financial statements who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs. These special purpose financial statements have been prepared to meet the reporting requirements of the Act.

The financial statements have been prepared in accordance with the recognition and measurement requirements of Australian Accounting Standards and Accounting Interpretations.

The financial statements have been prepared on an accruals basis and are based on historical costs.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Association and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Income from conferences, events, training and professional development

Revenue from conferences and other events (including related sponsorship income) is recognised in the period in which the conference or event is held. Any income received in advance of the conference or event is included within other liabilities.

Subscriptions

Revenue from the provision of membership subscriptions is recognised on a straight line basis over the subscription period. That portion of the subscription relating to the subsequent financial period is included within other liabilities. Admission fees are recognised when received.

If the outcome cannot be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

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Notes to the Financial Statements For the Year Ended 30 June 2018

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Interest revenue

Interest revenue is recognised when receivable.

(b) Income Tax

Only non member income of the association is assessable for tax, as members income is executed under the principle of mutuality.

The income tax expense/(revenue) for the year comprises current income tax expense/(income) and deferred tax expense/(income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities/(assets) are therefore measured at the amounts expected to be paid to/(recovered from) the relevant taxation authority.

(c) Leases

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

(d) Goods and services tax (GST)

Revenue, 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 Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

(e) Plant and equipment

Plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment.

Depreciation

Plant and equipment is depreciated on a straight-line basis over the assets useful life to the Association, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Office Equipment	30%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

Notes to the Financial Statements

For the Year Ended 30 June 2018

2 Summary of Significant Accounting Policies

(e) Plant and equipment

Depreciation

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of profit or loss and other comprehensive income.

(f) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Term deposits with original maturities of more than three months are classified as other cash investments.

(g) Employee benefits

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. The board of management do not make any adjustments related to expected pay increases or the time value of money as the net effect of these factors is not considered significant. Changes in the measurement of the liability are recognised in profit or loss.

Employee benefits are presented as current liabilities in the statement of financial position if the Association does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date regardless of the classification of the liability for measurement purposes under AASB 119.

3 Critical Accounting Estimates and Judgments

The board of management make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - receivables

The value of the provision for impairment of receivables is estimated by considering the ageing of receivables, communication with the debtors and prior history.

Key estimates - income tax provision

Some of the Association's income is taxable. Judgement is required in determining the provision for income tax. The Association recognises a tax liability based upon its current understanding of tax law. Where the final tax outcome is different from initial estimate, such differences will impact the tax charge and provision in the period in which determination is made.

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Notes to the Financial Statements For the Year Ended 30 June 2018

4 Revenue

	2018	2017
	\$	\$
- Member subscriptions and admission fees	219,566	239,541
- Provision of member services	77,545	82,576
- Interest income	21,548	21,549
- Conferences and events income	374,234	393,323
- Professional development and training	413,678	375,048
- Other trading revenue	395	4,747
	<u>1,106,966</u>	<u>1,116,784</u>

5 Cash and Cash Equivalents

Cash at bank and in hand	296,441	341,937
	<u>296,441</u>	<u>341,937</u>

6 Other cash investments

CURRENT		
Bank term deposits	853,903	791,993
	<u>853,903</u>	<u>791,993</u>

7 Trade and Other Receivables

CURRENT		
Trade receivables	90,047	127,554
	<u>90,047</u>	<u>127,554</u>

8 Other Assets

CURRENT		
Prepayments and deposits paid	96,445	37,126
Accrued income (interest on term deposit)	6,644	-
	<u>103,089</u>	<u>37,126</u>

9 Plant and equipment

Office equipment		
At cost	20,628	19,745
Accumulated depreciation	(16,909)	(17,817)
Total plant and equipment	<u>3,719</u>	<u>1,928</u>

Local Government Managers Australia (Qld) Inc.

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Notes to the Financial Statements For the Year Ended 30 June 2018

9 Plant and equipment

Movement in the carrying amounts of plant and equipment in the current financial year:

	Office Equipment	Total
	\$	\$
Balance at the beginning of year	1,928	1,928
Additions	4,699	4,699
Disposals		
Disposals - written down value	(553)	(553)
Depreciation expense	(2,355)	(2,355)
Balance at the end of the year	3,719	3,719

10 Trade and Other Payables

	2018	2017
	\$	\$
Current		
Other payables	33,880	53,765
	33,880	53,765

11 Employee Benefits

Current liabilities		
Provision for annual leave	46,951	42,704
Long service leave	54,861	-
	101,812	42,704
Non-current liabilities		
Long service leave	28,080	48,854
	28,080	48,854

12 Other liabilities

CURRENT		
Income received in advance	346,869	320,094
Total	346,869	320,094

The above amounts relate to sponsorship and other income which has been billed in advance in relation to future events or services yet to be supplied at the year end.

Local Government Managers Australia (Qld) Inc.

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Notes to the Financial Statements For the Year Ended 30 June 2018

13 Retained Earnings and General Reserve

Retained Earnings

	2018	2017
	\$	\$
Opening balance	586,746	452,783
Profit for the year	280	133,963
Retained earnings at end of the financial year	587,026	586,746

General Reserve

The general reserve of \$250,000 (2016: \$250,000) records funds set aside for future expansion of Local Government Managers Australia (Qld) Inc..

14 Auditors' Remuneration

Remuneration of the auditor SAAS Audit (2017 BB Whitehouse Audit Pty Ltd), for:)

- auditing or reviewing the financial statements (BBW)	6,500	6,500
- assistance with the preparation of the financial statements (SAAS)	3,250	2,700
Total	9,750	9,200

The above amounts relate to the prior years financial statements.

15 Contingencies

In the opinion of the Board of Management, the Association did not have any contingencies at 30 June 2018 (30 June 2017:None).

16 Transactions with Related Parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. Following the late withdrawal of the original recipient, the Manager Exchange to Canada was conferred on a Board Director, Susan Jarvis. LGMA reimbursed the Director for the usual costs associated with the exchange

17 Capital Management

The Board of Management controls the capital of the Association in order to ensure that adequate cash flows are generated to fund its activities. This includes monitoring future cash flow requirements and available cash reserves.

The Association does not have any borrowings and there are no externally imposed capital requirements.

There have been no changes in the strategy adopted by the Board of Management to control the capital of the Association since the previous year.

Local Government Managers Australia (Qld) Inc.

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Notes to the Financial Statements

For the Year Ended 30 June 2018

18 Events after the end of the Reporting Period

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Association, the results of those operations or the state of affairs of the Association in future financial years.

19 Association details

The registered office and principal place of business of the Association is:

Level 7, Quay Central

95 North Quay

Brisbane QLD 4000

Local Government Managers Australia (Qld) Inc.

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Statement by Members of the Board of Management

The board of management has determined that the Association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 2 to the financial statements.

In the opinion of the board the financial report as set out on pages 1 to 9:

1. Presents fairly the financial position of Local Government Managers Australia (Qld) Inc. as at 30 June 2018 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that Local Government Managers Australia (Qld) Inc. will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the board and is signed for and on behalf of the board by:

President *S. Jarvis*
Susan Jarvis

Treasurer *Ray Burton*
Ray Burton

23RD JULY 2018

Dated:

Local Government Managers Australia (Qld) Inc.

Independent Audit Report to the members of Local Government Managers Australia (Qld) Inc.

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report, being a special purpose financial report of Local Government Managers Australia (Qld) Inc. (the Association), which comprises the statement of assets and liabilities as at 30 June 2018, the statement of profit or loss and other comprehensive income for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the statement by members of the board of management.

In our opinion, the accompanying financial report of the Association for the year ended 30 June 2018 presents fairly, in all material respects, the financial position of the Association as at 30 June 2018, and of its financial performance for the year then ended in accordance with the financial reporting requirements of the Associations Incorporation Act (QLD) 1981 (as amended by the Associations Incorporation and Other Legislation Amendment Act (QLD) 2007).

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 auditor independence requirements of 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 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 - Basis of Accounting

We draw attention to Note 1 of the financial report, which describes the basis of accounting. The financial report is prepared to assist the Association in complying with the reporting requirements of the Associations Incorporation Act (QLD) 1981 (as amended by the Associations Incorporation and Other Legislation Amendment Act (QLD) 2007). As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation and fair presentation of the financial report in accordance with the Associations Incorporation Act (QLD) 1981 (as amended by the Associations Incorporation and Other Legislation Amendment Act (QLD) 2007), and for such internal control as management determines is necessary to enable the preparation of the financial report is free from material misstatement, whether due to fraud or error.

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

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

Local Government Managers Australia (Qld) Inc.

Independent Audit Report to the members of Local Government Managers Australia (Qld) Inc.

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: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

SAAS Audit Pty Ltd (Authorised Audit Company number 458246)



James Kenward
Director

Suite 4, 118 Vulture Street
South Brisbane QLD 4101

Dated:

27/7/2018