

Local Government Managers Australia (QLD) Inc.

ABN 97 968 931 841

Financial Statements

For the Year Ended 30 June 2017

Local Government Managers Australia (QLD) Inc.

ABN 97 968 931 841

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For the Year Ended 30 June 2017

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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 2017

	Note	2017	2016
		\$	\$
Revenue	2	1,116,784	873,840
Employee benefits expense		(504,647)	(458,867)
Depreciation and amortisation expense		(2,381)	(2,389)
Conferences and event expenses		(170,193)	(133,802)
Professional development and training expenses		(130,487)	(94,278)
Members servicing costs		(86,282)	(79,401)
Other expenses		(69,083)	(73,800)
Profit before income tax		153,711	31,303
Income tax expense		(19,748)	(569)
Profit for the year		133,963	30,734
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		133,963	30,734

The accompanying notes form part of these financial statements.

Statement of Financial Position

As At 30 June 2017

	Note	2017 \$	2016 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	341,937	161,664
Other cash investments	4	791,993	772,721
Trade and other receivables	5	127,554	85,743
Current tax receivable		1,625	12,209
Prepayments		37,126	20,440
TOTAL CURRENT ASSETS		1,300,235	1,052,777
NON-CURRENT ASSETS			
Plant and equipment	6	1,928	2,828
TOTAL NON-CURRENT ASSETS		1,928	2,828
TOTAL ASSETS		1,302,163	1,055,605
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	53,765	48,644
Employee benefits		42,704	40,302
Other liabilities	9	320,094	220,745
TOTAL CURRENT LIABILITIES		416,563	309,691
NON-CURRENT LIABILITIES			
Employee benefits	8	48,854	43,131
TOTAL NON-CURRENT LIABILITIES		48,854	43,131
TOTAL LIABILITIES		465,417	352,822
NET ASSETS		836,746	702,783
MEMBERS' FUNDS			
General reserve	10	250,000	250,000
Retained profits	11	586,746	452,783
TOTAL MEMBERS' EQUITY		836,746	702,783

Local Government Managers Australia (QLD) Inc.

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Notes to the Financial Statements

For the Year Ended 30 June 2017

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 principal activities of the Association during the financial year were to provide education, advocacy and information services to members.

1 Summary of Significant Accounting Policies

(a) Basis of preparation

This financial report is a special purpose financial statements prepared in order to satisfy the financial reporting requirements of the *Associations Incorporation Act (QLD) 1981* (as amended by the *Associations Incorporation and Other Legislation Amendment Act (QLD) 2007*). The board of management has determined that the Association is not a reporting entity.

The financial report has been prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

Amounts in the financial statements have been rounded to the nearest dollar.

The following significant accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report.

(b) Comparative figures

Comparatives are consistent with prior years, unless otherwise stated.

(c) Plant and equipment

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

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life commencing from the time the asset is held ready for use.

Depreciation rates

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Office Equipment	20-30%

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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.

Notes to the Financial Statements

For the Year Ended 30 June 2017

1 Summary of Significant Accounting Policies

(d) Impairment of non-financial assets

At the end of each reporting period, the Association reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

(e) Cash and cash equivalents and other cash investments

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less. Term deposits with original maturities of more than three months are classified as other cash investments.

(f) 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 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.

(g) Income tax

Only non-member income of the association is only 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.

(h) Revenue and other income

The Association recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Association and specific criteria have been met for each of Local Government Managers Australia (QLD) Inc.'s activities as discussed below.

Notes to the Financial Statements

For the Year Ended 30 June 2017

1 Summary of Significant Accounting Policies

(h) Revenue and other income

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.

In a similar manner income relating to the provision of training and professional development services is recognised with reference to the stage of completion of the training or professional development program concerned.

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.

Interest revenue

Interest revenue is recognised when receivable.

All revenue is stated net of the amount of goods and services tax (GST).

(i) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

(j) Functional and presentation currency

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

(k) Critical accounting estimates and judgments

The board of management evaluates estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Association.

Provision for impairment of 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.

Notes to the Financial Statements

For the Year Ended 30 June 2017

1 Summary of Significant Accounting Policies

(k) Critical accounting estimates and judgments

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.

2 Revenue

	2017	2016
	\$	\$
- Member subscriptions and admission fees	239,541	207,699
- Provision of member services	82,576	59,060
- Interest income	21,549	29,953
- Conferences and events income	393,323	328,220
- Professional development and training	375,048	248,908
- Other trading revenue	4,747	-
Total Revenue	1,116,784	873,840

3 Cash and Cash Equivalents

Cash at bank	341,737	161,464
Cash on hand	200	200
Total cash and cash equivalents	341,937	161,664

4 Other cash investments

Bank term deposits	791,993	772,721
Total other cash investments	791,993	772,721

Bank term deposits above have original maturity periods of six months.

5 Trade and Other Receivables

CURRENT		
Trade receivables	127,554	83,478
Other receivables	-	2,265
Total current trade and other receivables	127,554	85,743

Notes to the Financial Statements

For the Year Ended 30 June 2017

6 Plant and Equipment

	2017	2016
	\$	\$
Office equipment		
At cost	19,745	18,264
Accumulated depreciation	<u>(17,817)</u>	<u>(15,436)</u>
Total office equipment	<u>1,928</u>	<u>2,828</u>
Total plant and equipment	<u>1,928</u>	<u>2,828</u>

Movements in Carrying Amounts

Movement in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year:

	Office Equipment	Total
	\$	\$
Balance at the beginning of year	2,828	2,828
Additions	1,481	1,481
Depreciation expense	<u>(2,381)</u>	<u>(2,381)</u>
Balance at end of financial year	<u>1,928</u>	<u>1,928</u>

7 Trade and Other Payables

	2017	2016
	\$	\$
CURRENT		
Trade payables	-	7,357
Other payables	<u>53,765</u>	<u>41,287</u>
	<u>53,765</u>	<u>48,644</u>

8 Employee Benefits

CURRENT		
Provision for annual leave	<u>42,704</u>	<u>40,302</u>
NON-CURRENT		
Provision for long service leave	<u>48,854</u>	<u>43,131</u>

Notes to the Financial Statements

For the Year Ended 30 June 2017

9 Other Liabilities

	2017	2016
	\$	\$
CURRENT		
Income received in advance	<u>320,094</u>	<u>220,745</u>

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.

10 General reserve

The general reserve records funds set aside for future expansion of Local Government Managers Australia (QLD) Inc..

11 Retained Earnings

	2017	2016
	\$	\$
Opening balance	452,783	422,049
Profit for the year	133,963	30,734
Retained earnings at end of the financial year	<u>586,746</u>	<u>452,783</u>

12 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.

13 Auditors' Remuneration

	2017	2016
	\$	\$
Remuneration of the auditor of the Association, BB Whitehouse Audit Pty Ltd, for:		
- auditing or reviewing the financial report	<u>6,500</u>	<u>5,320</u>

14 Contingent Liabilities and Contingent Assets

In the opinion of the Board of Management, the Association did not have any contingencies at 30 June 2017 (30 June 2016:None).

Notes to the Financial Statements

For the Year Ended 30 June 2017

15 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.

16 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.

ABN 97 968 931 841

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 1 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 2017 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

Cale Dendle



Treasurer

Ray Burton

Dated

21 July 2017

Local Government Managers Australia (Qld) Inc.

ABN 87 988 831 841

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

Report on the Financial Report

We have audited the accompanying financial report being a special purpose financial report, of Local Government Managers Australia (Qld) Inc., which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss and other comprehensive income for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the statement by members of board of management.

Officers' Responsibility for the Financial Report

The members of the board of management are responsible for the preparation of the financial report and have determined that the basis of preparation described in Note 1, is appropriate to meet the requirements of the *Associations Incorporation Act (Qld) 1981* and is appropriate to meet the needs of the members. The board's responsibility also includes such internal control as the board 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with *Australian Auditing Standards*. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial report.

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

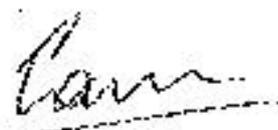
Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of Local Government Managers Australia (Qld) Inc. as at 30 June 2017, and its financial performance for the year then ended in accordance with *Australian Accounting Standards and the Associations Incorporation Act (Qld) 1981*.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report which describes the basis of accounting. The financial report is prepared to assist Local Government Managers Australia (Qld) Inc. to comply with the financial reporting provisions of the *Associations Incorporation Act (Qld) 1981*. As a result, the financial report may not be suitable for another purpose.

Whitehouse Audit Pty Ltd



27 Mayneview Street, Milton QLD

Dated this 27 day of July 2017

