

Local Government Managers Australia (Qld) Inc.

ABN 97 968 931 841

Financial Statements

For the Year Ended 30 June 2021

Local Government Managers Australia (Qld) Inc.

ABN 97 968 931 841

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For the Year Ended 30 June 2021

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Local Government Managers Australia (Qld) Inc.

ABN 97 968 931 841

**Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2021**

	Note	2021 \$	2020 \$
Revenue	4	886,441	911,016
Government grants (COVID-19 related)		91,200	145,000
Employee benefits expense		(539,246)	(488,507)
Administration support		(450)	-
Depreciation		(2,232)	(2,918)
Conferences and event expenses		(27,622)	(226,806)
Professional development and training expenses		(78,214)	(82,553)
Members servicing costs		(65,998)	(59,660)
Other expenses		(76,918)	(90,501)
Profit before income tax		186,961	105,071
Income tax credit/(expense)		2,570	(4,471)
Profit for the year		189,531	100,600
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		189,531	100,600

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 2021**

	Note	2021 \$	2020 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	467,997	317,557
Other cash investments	6	1,150,282	944,466
Trade and other receivables	7	100,252	99,439
Current tax receivable		2,766	-
Other assets	8	32,754	14,072
TOTAL CURRENT ASSETS		1,754,051	1,375,534
NON-CURRENT ASSETS			
Plant and equipment	9	2,539	3,725
TOTAL NON-CURRENT ASSETS		2,539	3,725
TOTAL ASSETS		1,756,590	1,379,259
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	53,220	32,082
Employee benefits	11	129,882	110,156
Current tax liabilities		-	1,142
Other liabilities	12	306,583	180,799
TOTAL CURRENT LIABILITIES		489,685	324,179
NON-CURRENT LIABILITIES			
Employee benefits	11	42,459	20,165
TOTAL NON-CURRENT LIABILITIES		42,459	20,165
TOTAL LIABILITIES		532,144	344,344
NET ASSETS		1,224,446	1,034,915
MEMBERS' FUNDS			
General reserve	13	-	250,000
Retained profits	13	1,224,446	784,915
TOTAL MEMBERS' FUNDS		1,224,446	1,034,915

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 2021

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 2021 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 because there are no users dependent on general purpose financial statements. 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 with the exception of AASB 16 *Leases*.

AASB 16 - Leases

Under AASB 16, there is no differentiation between finance and operating leases for the lessee. All leases are recognised on the statement of financial position (except for short-term leases and leases of low value assets). The Association occupies office space on an informal basis. This arrangement could be deemed to be a lease under AASB 16. The Association has elected to retain its existing method of accounting for operating leases and has not applied AASB 16. Operating leases are charged as an expense on a straight-line basis over the life of the lease term.

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 recognition

Revenue is recognised as follows:

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.

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

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.

Local Government Managers Australia (Qld) Inc.

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Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(a) Revenue recognition

Grant revenue

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met.

Interest revenue

Interest revenue is recognised when receivable.

(b) Income Tax

Only non member income of the association is assessable for tax, as member 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

The Association has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months. Lease payments on these assets are expensed to profit or loss as incurred.

(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%

Local Government Managers Australia (Qld) Inc.

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Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(e) Plant and equipment

Depreciation

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.

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.

(h) Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

(i) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Local Government Managers Australia (Qld) Inc.

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Notes to the Financial Statements For the Year Ended 30 June 2021

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 allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

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.

4 Revenue

	2021	2020
	\$	\$
- Member subscriptions and admission fees	287,659	250,597
- Provision of member services	66,764	295
- Interest income	6,554	18,735
- Conferences and events income	98,191	352,862
- Professional development and training	399,128	288,758
- Other trading revenue	28,145	(231)
	<u>886,441</u>	<u>911,016</u>

5 Cash and Cash Equivalents

Cash at bank and in hand	<u>467,997</u>	317,557
	<u>467,997</u>	<u>317,557</u>

6 Other cash investments

CURRENT		
Bank term deposits	<u>1,150,282</u>	944,466
	<u>1,150,282</u>	<u>944,466</u>

7 Trade and Other Receivables

CURRENT		
Trade receivables	100,252	37,421
GST receivable	-	2,116
Government grants receivable	-	59,902
	<u>100,252</u>	<u>99,439</u>

Local Government Managers Australia (Qld) Inc.

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Notes to the Financial Statements For the Year Ended 30 June 2021

8 Other Assets

	2021	2020
	\$	\$
CURRENT		
Prepayments and deposits paid	32,017	14,072
Accrued income (interest on term deposit)	737	-
	<u>32,754</u>	<u>14,072</u>

9 Plant and equipment

Office equipment		
At cost	26,685	25,640
Accumulated depreciation	(24,146)	(21,915)
Total plant and equipment	<u>2,539</u>	<u>3,725</u>

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

	Office Equipment	Total
	\$	\$
Balance at the beginning of year	3,725	3,725
Additions	1,045	1,045
Depreciation expense	(2,231)	(2,231)
Balance at the end of the year	<u>2,539</u>	<u>2,539</u>

10 Trade and Other Payables

	2021	2020
	\$	\$
Current		
Trade payables	658	1,236
Other payables	52,562	30,846
	<u>53,220</u>	<u>32,082</u>

11 Employee Benefits

Current liabilities		
Annual leave	70,782	52,092
Long service leave	59,100	58,064
	<u>129,882</u>	<u>110,156</u>
Non-current liabilities		
Long service leave	42,459	20,165
	<u>42,459</u>	<u>20,165</u>

Local Government Managers Australia (Qld) Inc.

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**Notes to the Financial Statements
For the Year Ended 30 June 2021****12 Other liabilities**

	2021	2020
	\$	\$
CURRENT		
Income received in advance	306,583	180,799
Total	306,583	180,799

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.

13 Retained Earnings and General Reserve

Retained Earnings		
Opening balance	784,915	684,315
Profit for the year	189,531	100,600
Transfer from general reserve	250,000	-
Retained earnings at end of the financial year	1,224,446	784,915

General Reserve

The general reserve of \$250,000 represented funds set aside for future expansion of Local Government Managers Australia (Qld) Inc.. In the current year this balance was transferred to general retained earnings.

14 Auditors' Remuneration

Remuneration of the auditor SAAS Audit, for:		
- auditing or reviewing the financial statements	5,850	5,600
- assistance with the preparation of the financial statements	2,900	2,900
Total	8,750	8,500

The above amounts relate to the prior years' financial statements.

15 Contingencies

The Association was unable to recover a non-refundable deposit made to a conference venue of \$51,730 during the year ended 30 June 2020 where the conference was cancelled as a result of COVID-19. This amount was treated as an expense last year. In the current year, an amount of \$28,162 (included within 'Other trading revenue' in Note 4) of this was recovered from a third party as a contribution to the costs of this conference which included part of the deposit paid.

In the opinion of the Board of Management, the Association did not have any other contingencies at 30 June 2021 (30 June 2020:None).

Local Government Managers Australia (Qld) Inc.

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Notes to the Financial Statements

For the Year Ended 30 June 2021

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.

LGMA utilised conference rooms and accommodation at International House to deliver the introductory forum for the 2021 Ignite programme. The LGMA CEO was, at the time, a Director on the Board of International House. LGMA selected International House because the facilities offer attractive outdoor space delegates could access and the accommodation and venue rates are well below market rate for Brisbane hotel/motel style accommodation and conference rooms.

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.

18 Impacts of Covid-19 & Events after the end of the Reporting Period

The impact of the COVID-19 pandemic is ongoing and continues to have a significant impact on the Association's operations. The Association was able to move many programmes 'on line' but income from events and training programmes have fallen significantly resulting in a fall in revenue overall compared to the prior year.

The Association has benefited from further financial relief through the Federal Government's economic response to COVID-19 receiving a total 'JobKeeper' wage subsidy of \$91K in the current year. The future financial impact of COVID-19 remains uncertain as at the date of this report.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could 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 2021 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:

DocuSigned by:
Brett de Chastel
1E7540A6A9C54DE...
President
Brett de Chastel

DocuSigned by:
Liza Perrett
FB2AEF81ABF9467...
Treasurer
Liza Perrett

Dated: 06 August 2021 | 7:37 AM AEST

06 August 2021 | 3:22 PM AEST

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 2021, 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 2021 presents fairly, in all material respects, the financial position of the Association as at 30 June 2021, 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)

DocuSigned by:

00F6F18EF1214DF...
James Kenward
Director

138 Juliette Street
Greenslopes QLD 4120

Dated: 06 August 2021 | 3:23 PM AEST