

ITSMF AUSTRALIA INCORPORATED
ABN 41 821 213 034

FINANCIAL REPORT
FOR THE YEAR ENDED
31 DECEMBER 2015

Incorporated in Victoria
Association Registration No. A0036726P

IT SERVICE MANAGEMENT FORUM AUSTRALIA INCORPORATED
FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015

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DIRECTORY

Principal Address:	Suite 4, 45-51 Ringwood Street Ringwood, Victoria 3134 Ph: 03 9879 5466
Bankers:	Westpac Banking Corporation
Auditor:	Peter Krohn
Board of Management	
Chairman:	Bradley Busch
Deputy Chairman:	Kathryn Howard
Secretary:	Harry Powell
Treasurer:	Garry Long
Directors:	Aprill Allen Michael Billimoria Nick Laggar Brian Jennings Kathryn Heaton Candice Walker
State Branch Chairs:	John Clelland (NT) Simon Dorst (WA) Jon Ettershank (TAS) Gavin Hedrick (SA) Carolyn Keegan (ACT) Peter Marshall (QLD) Peter Tonkin (VIC) Lana Yakimoff (NSW)
Chief Executive Officer	Alan Hollensen

IT SERVICE MANAGEMENT FORUM AUSTRALIA INCORPORATED

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INDEPENDENT AUDIT REPORT

To the Members of IT Service Management Forum Australia Incorporated (itSMF Australia):

Audit Scope

I have audited the accompanying Financial Report of itSMF Australia, as set out on pages 7 to 28, for the year ended and as at 31 December 2015. The Financial Report comprises the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Financial Statements. The Board of Management of itSMF Australia are responsible for the preparation and presentation of the Financial Report and the information it contains. The Board of Management has determined that the accounting policies set out in Note 1 of the Financial Report are consistent with its financial reporting requirements and are appropriate to meet the needs of the members. The responsibilities of the Board of Management also include establishing and maintaining internal controls relevant to the preparation and fair presentation of a Financial Report that is free from material misstatement, whether due to fraud or error, and making accounting estimates that are reasonable in the circumstances.

An independent audit of the Financial Report has been carried out by me in order to express an opinion on it to the Members of itSMF Australia.

The audit has been conducted in accordance with Australian Auditing Standards. These Standards require compliance with certain ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial report is free of 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 of the financial report that gives a true and fair view, 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 the Board of Management, as well as evaluating the overall presentation of the financial report. The audit procedures included an examination, on a test basis, of evidence supporting the amounts and other disclosures in the Financial Report, and the evaluation of accounting policies and significant accounting estimates.

All the above procedures have been undertaken to form an opinion as to whether, in all material respects, the Financial Report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia so as to present a view which is consistent with my understanding of itSMF Australia's financial position and financial performance as represented by the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Audit Opinion

In my opinion, the Financial Report gives a true and fair view, in accordance with the Associations Incorporation Reform Act (Vic) 2012, applicable Accounting Standards and other mandatory professional reporting requirements, of the financial position of itSMF Australia, as at 31 December 2015, its financial performance and cash flows for the year then ended.

IT SERVICE MANAGEMENT FORUM AUSTRALIA INCORPORATED

Material Uncertainty Regarding Continuation as a Going Concern

Without qualifying my opinion, I draw attention to Note 25 in the financial report that indicates, due to the matters as set forth in Note 25, the existence of a material uncertainty which may cast significant doubt about itSMF Australia's ability to continue as a going concern.

Peter Krohn ACA

Auditor

A handwritten signature in blue ink, appearing to be 'P. Krohn', with a large loop at the top and a long horizontal stroke at the bottom.

Dated: 28th April 2016
MELBOURNE, VICTORIA

IT SERVICE MANAGEMENT FORUM AUSTRALIA INCORPORATED

20 Silvan Road
Wattle Glen Victoria 3096
0408 330 800 (mobile)
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AUDITOR'S INDEPENDENCE DECLARATION

To the Board of Management of IT Service Management Forum Australia Incorporated (itSMF Australia):

I am pleased to provide the following declaration of independence.

As lead audit partner for the audit of the financial statements of itSMF Australia for the financial year ended 31 December 2015, I declare that, to the best of my knowledge and belief, during the year ended 31 December 2015 there have been:

- a) no contraventions of accepted auditor independence requirements in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

Peter Krohn ACA
Auditor



Dated: 28th April 2016
MELBOURNE, VICTORIA

IT SERVICE MANAGEMENT FORUM AUSTRALIA INCORPORATED

STATEMENT BY COMMITTEE MEMBERS

Annual Statements Give True And Fair View Of Financial Position

We, Bradley Busch, Garry Long and Alan Hollensen, being respectively members of the Committee and Executive Officer of IT Service Management Forum Australia Incorporated (itSMF Australia), certify that:

The statements attached to this certificate being the Financial Report of IT Service Management Forum Australia Incorporated (itSMF Australia), comprising the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and the accompanying Notes to the Financial Statements, as set out on pages 7 to 28, give a true and fair view of the financial position of IT Service Management Forum Australia Incorporated during and at the end of the financial year of the association ending on 31 December 2015 in accordance with the Associations Incorporation Reform Act (Vic) 2012, applicable Australian Accounting Standards and other mandatory professional reporting requirements..

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.

Material Uncertainty Regarding Continuation as a Going Concern

Without qualifying our opinion, we draw attention to Note 25 in the financial report that indicates, due to the matters as set forth in Note 25, the existence of a material uncertainty which may cast significant doubt about itSMF Australia's ability to continue as a going concern.

Bradley Busch
Chairman



Garry Long
Treasurer



IT SERVICE MANAGEMENT FORUM AUSTRALIA INCORPORATED

Alan Hollensen
Chief Executive Officer



Dated 28th April 2016
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 Suite 4, 45-51 Ringwood Street, Ringwood, Victoria 3134.

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 26 April 2016. The Board has the power to amend and reissue the financial report.

IT SERVICE MANAGEMENT FORUM AUSTRALIA INCORPORATED

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Note	Year Ended 31-12-15 \$	Year Ended 31-12-14 \$
Revenue	2	1,056,180	1,518,919
Employee Benefit Expenses	3	349,547	451,370
Depreciation/Amortisation Expense	3	2,418	2,008
Other Expenses	3	829,962	1,021,394
Surplus/(Deficit) Before Income Tax Expense		(125,747)	44,147
Income Tax Expense	20	-	-
Net Surplus/(Deficit) After Income Tax Expense		(125,747)	44,147

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 2015

	Note	December 2015 \$	December 2014 \$
Current Assets			
Cash And Cash Equivalents	4,21	194,271	298,343
Trade And Other Receivables	5,21	71,523	64,131
Inventories	6	-	9,777
Other Current Assets	7	81,480	87,951
Total Current Assets		347,274	460,202
Non-Current Assets			
Property, Plant and Equipment	9	2,936	5,354
Total Non-Current Assets		2,936	5,354
TOTAL ASSETS		350,210	465,556
Current Liabilities			
Trade And Other Payables	10,21	125,069	91,430
Finance Lease Liability	13,21	-	-
Other Liabilities	11	150,908	174,146
Total Current Liabilities		275,977	265,576
Total Non-Current Liabilities		-	-
TOTAL LIABILITIES		275,977	265,576
NET ASSETS		74,233	199,980
MEMBERS' FUNDS			
Accumulated Surplus	23	74,233	199,980
TOTAL MEMBERS' FUNDS		74,233	199,980
Contingent Assets	15		
Contingent Liabilities	15		

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 2015

	Note	Year Ended 31-12-15 \$	Year Ended 31-12-14 \$
Movement In Accumulated Surplus			
Opening Balance	23	199,980	155,833
Net Surplus/(Deficit) For The Reporting Period	23	(125,747)	44,147
Closing Balance		74,233	199,980

*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 2015

	Note	Year Ended 31-12-15 \$	Year Ended 31-12-14 \$
Cash Flows from Operating Activities			
Payments:			
Wages and Salaries		(353,585)	(444,513)
Suppliers		(275,658)	(324,788)
Books		-	(67,714)
Conference Costs		(439,844)	(552,439)
Branch Seminars		(64,423)	(63,543)
Newsletter		-	(30,217)
Total Payments		(1,133,510)	(1,483,214)
Receipts:			
Book Sales		781	82,048
Membership Subscriptions		290,077	356,562
Conference Income		565,345	928,104
Branch Seminars		47,940	42,259
Newsletter		-	136
Interest Received		1,256	4,929
Other Receipts		124,039	108,383
Total Receipts		1,029,438	1,522,421
Net Cash Provided By (Used In) Operating Activities	12	(104,072)	39,207
Cash Flows from Investing Activities			
Funds from/(to) Finance Lease		-	-
Payments for Property, Plant & Equipment		-	(5,037)
Net Cash And Cash Equivalents Provided By (Used In) Investing Activities		(104,072)	(5,037)
Net (Decrease)/Increase In Cash And Cash Equivalents Held		(104,072)	34,170
Cash And Cash Equivalents at the Beginning of the Financial Period		298,343	264,173
Cash And Cash Equivalents at the End of the Financial Period	4	194,271	298,343

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 2015

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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 2015

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The Financial Report is a General Purpose Financial Report prepared in accordance with relevant Australian Accounting Standards, Australian Accounting Interpretations, other mandatory requirements and the requirements of the Associations Incorporation Reform Act (Vic) 2012. The Financial Report consists of the Financial Statements of IT Service Management Forum Australia Incorporated (itSMF Australia) as an individual entity. itSMF Australia is an incorporated association, incorporated and domiciled in Australia. The accounting policies adopted in preparing the Financial Report are consistent with those of previous years, except as indicated in Note 23 and where otherwise stated.

itSMF Australia is a not for profit entity and therefore applies the additional paragraphs applicable to "not for profit" entities under Australian Accounting Standards.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The Financial Report of itSMF Australia complies with all relevant Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

The financial report is presented in Australian dollars, which is the functional and presentation currency of itSMF Australia.

The following is a summary of the material accounting policies adopted by itSMF Australia in the preparation of the Financial Report. The accounting policies have been consistently applied, unless otherwise stated.

1.1 BASIS OF PREPARATION OF THE FINANCIAL REPORT

The Financial Report, except for the Statement of Cash Flows has been prepared on an accruals and historical cost basis on a going concern basis whereby assets are recorded at cost and do not take into account changing money values, nor the current cost of non-current assets, except for certain assets, which are at valuation. Under the accrual basis, items are recognised as assets, liabilities, equity, income or expenses when they satisfy the definitions and recognition criteria for those items, that is they are recognised in the reporting period to which they relate, regardless of when cash is received or paid. Cost is based on the fair value of the consideration given in exchange for assets.

1.2 ROUNDING OFF

All amounts shown in the Financial Statements are expressed to the nearest dollar.

1.3 PROPERTY, PLANT AND EQUIPMENT (INCLUDING SOFTWARE)

Property, plant & equipment are carried at cost less any accumulated depreciation. The carrying amount of property, plant and equipment is reviewed annually by the members of the Board of Management to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. Any excess above the recoverable amount of any asset is charged to the depreciation/amortisation expense in the financial year in which it is identified. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

Non-current assets are capitalised and depreciated to write off the cost or revalued amount of each item of Plant and Equipment, over its expected useful life to itSMF Australia.

IT SERVICE MANAGEMENT FORUM AUSTRALIA INCORPORATED

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Depreciation methods and rates used for each class of depreciable assets are:

	<u>Method</u>	<u>Rate</u>
Furniture & Fittings	Straight Line	20% or 33%
Computer & Office Equipment	Straight Line	33%
Computer Software	Straight Line	33%

Depreciation methods and rates of all non-current assets are reviewed on an annual basis.

There has been no change in the methodology and rates for 2013.

1.4 INVENTORIES

Inventories are stated in the Statement of Financial Position at the lower of cost and net realisable value. Cost is determined principally by the first-in, first-out method.

1.5 EMPLOYEE ENTITLEMENTS

The calculation of employee entitlements includes all relevant on-costs and is calculated as follows at reporting date.

1.5.1 WAGES AND SALARIES, ANNUAL LEAVE AND SICK LEAVE:

Liabilities for wages and salaries and annual leave are recognised, and are measured as the amount unpaid at current pay rates in respect of employees' services up to that date. Sick leave is non-vesting and a liability is recognised only when the amount of sick leave expected to be taken in future periods exceeds the entitlements expected to accrue in those periods.

1.5.2 LONG SERVICE LEAVE:

A liability for long service leave is recognised and is measured as the present value of expected future payments (including on-costs) to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

Expected future payments are discounted using interest rates on national Government guaranteed securities with terms to maturity that match, as closely as possible, the estimated future cash flows. The nominal amount of long service leave expected to be paid in the next financial year is included as a current liability.

1.5.2 SUPERANNUATION:

Superannuation Guarantee Levy amounts and Salary Sacrifice contributions are expensed at the time of the corresponding salary payment. No other liability for superannuation benefits is recognised.

1.6 DOUBTFUL DEBTS

A provision is made for any doubtful debts based on a review of all outstanding amounts at the reporting date. Bad debts are written off in the period in which they are identified.

1.7 LEASES

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased non-current assets, and operating leases under which the lessor effectively retains all such risks and benefits. Where a non-current asset is acquired by means of a finance lease, the minimum lease payments are discounted at the interest rate implicit in the lease. The discounted amount is established as a non-current asset at the beginning of the lease term and is amortised over its expected economic life. A corresponding liability is established and each lease payment is allocated between the principal component and the interest expense. Operating lease payments are representative of the pattern of benefits derived from the leased assets and are charged against revenue in the periods in which they are incurred.

1.8 NON-CURRENT ASSETS

Plant and Equipment includes office furniture, IT assets and other equipment. Upon the sale of non-current assets the net gain/ (loss) is included as revenue/ (expense) at the date control passes to the buyer. The net gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal.

IT SERVICE MANAGEMENT FORUM AUSTRALIA INCORPORATED

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1.9 VALUATION OF NON-CURRENT ASSETS

Non-Current Assets are valued as follows:

Application of Accounting Standard AASB J 041 Revaluation of Non-Current Assets requires that each class of non-current physical assets must be measured on either the cost or fair value basis.

Plant and Equipment (including Software) are measured at cost. ItSMF Australia includes in its Asset Register only items of plant, equipment and furniture, which have a life expectancy of more than twelve months. The Financial report is prepared consistent with the Asset Register.

1.10 CASH AND CASH EQUIVALENTS

For the purpose of the Statement of Cash Flows, cash includes cash on hand and cash equivalents, i.e. highly liquid investments with short periods to maturity, which are readily convertible to cash on hand at ItSMF Australia's option. Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position.

1.11 GOODS AND SERVICES TAX

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax (GST), except, where the amount of GST incurred is not recoverable from the Taxation Authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense. The net amount of GST recoverable from, or payable to, the Taxation Authority is included as part of receivables or payables in the Statement of Financial Position. The GST component of a receipt or payment is recognised on a gross basis in the Statement of Cash Flows in accordance with Accounting Standard AAS 28 Statement of Cash Flows.

1.12 REVENUE RECOGNITION

Membership Subscriptions are payable annually in advance on the anniversary date of the membership. Membership renewals are an invitation to renew and as such membership subscriptions are recognised as income only upon receipt of payment or a confirmed purchase order. Only the portion of membership subscription payments that is attributable to the current financial year is recognised as revenue. The portion of membership subscription payments that relates to future periods is shown in the Statement of Financial Position as Memberships in Advance under the heading of Current Liabilities – Other.

Trading and book sales are recognised as revenue upon the rendering of an invoice. Conference and seminar revenue is recognised as revenue on delivery of the event. Investment income from cash, short term deposits and investments is brought to account on a time proportionate basis.

1.13 TAX

ItSMF Australia is considered to be exempt from income tax under sections 50-40 of the Income Tax Assessment Act (Cth.) 1997. Revenue from mutual dealings with members is also exempt in accordance with the mutuality principles of the income tax law.

1.14 NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

Certain new Australian accounting standards and interpretations have been published that are not mandatory for the 31 December 2015 reporting period. ItSMF Australia has not and does not intend to adopt these standards early.

IT SERVICE MANAGEMENT FORUM AUSTRALIA INCORPORATED

NOTE 2 – REVENUE FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	Year Ended 31-12-15 \$	Year Ended 31-12-14 \$
Revenues from Operating Activities			
Membership Subscriptions	23	306,357	355,115
Sales of Goods		41	82,048
Conferences		605,735	928,104
Seminars		36,850	42,259
Newsletter		–	136
itSMF International Admin		105,792	107,614
Other			
		1,054,775	1,515,276
Revenues from Non-operating Activities			
Investment Income		1,405	3,643
		1,405	3,643
Total Revenue		1,056,180	1,518,919

IT SERVICE MANAGEMENT FORUM AUSTRALIA INCORPORATED

NOTE 3 – EXPENSES FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	Year Ended 31-12-15 \$	Year Ended 31-12-14 \$
Employee Benefit Expenses			
Salaries And Related		323,171	406,739
Superannuation	16	30,414	37,774
Leave Accrual		(4,038)	6,857
Total Employee Benefit Expenses		349,547	451,370
 Depreciation Expense			
Depreciation And Amortisation	9	2,418	2,008
Total Depreciation Expense		2,418	2,008
 Other Expenses			
Advertising/Promotional Events		11,034	36,470
Audit Fees		5,000	5,000
Bad and Doubtful Debts		-	(769)
Bank Charges		15,765	11,705
Branch Seminars		63,733	68,343
Information Technology		82,257	75,601
Conference		447,197	511,056
Consumables		14,208	16,697
Contract Staff/Consultancy		40,482	35,338
Cost Of Sale Of Goods, including ancillary trading		9,777	63,390
Insurances		9,679	9,466
International Affiliation Fees		19,146	14,148
Legal		516	366
Member & Board Meetings		8,392	15,091
Member Services		20,157	18,023
Newsletter		-	30,217
Postage & Courier		1,507	6,333
Recruitment		-	240
Rent & Utilities		56,873	55,124
Subscriptions		1,084	1,415
Telecommunications		8,703	12,274
Travel Expenses		14,170	31,387
Sundry Expenses		282	4,479
Total Other Expenses		829,962	1,021,394
Total Expenses		1,181,927	1,474,772

IT SERVICE MANAGEMENT FORUM AUSTRALIA INCORPORATED

NOTE 4 - CASH AND CASH EQUIVALENTS

	Note	Year Ended 31-12-15 \$	Year Ended 31-12-14 \$
Current			
Cash	21	194,271	298,343
		194,271	298,343

NOTE 5 – TRADE AND OTHER RECEIVABLES

	Note	Year Ended 31-12-15 \$	Year Ended 31-12-14 \$
Current			
Debtors	21	73,405	66,013
Less Provision For Doubtful Debts		(1,882)	(1,882)
		71,523	64,131

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

NOTE 6 - INVENTORIES

	Year Ended 31-12-15 \$	Year Ended 31-12-14 \$
Current		
Books	-	9,777
	-	9,777

NOTE 7 – OTHER CURRENT ASSETS

	Year Ended 31-12-15 \$	Year Ended 31-12-14 \$
Current		
Bonds/Deposits	81,480	87,951
	81,480	87,951

NOTE 8 – INTANGIBLE ASSETS

There were no Intangible Assets in the reporting period ended 31 December 2015 (2014 nil).

IT SERVICE MANAGEMENT FORUM AUSTRALIA INCORPORATED

NOTE 9 - NON-CURRENT ASSETS: PROPERTY, PLANT & EQUIPMENT

	Year Ended 31-12-15 \$	Year Ended 31-12-14 \$
Furniture & Fixtures at cost	58,130	58,130
Accumulated Depreciation	(58,130)	(57,918)
Net Furniture & Fixtures	-	212
Computer & Office Equipment at cost	142,914	142,914
Accumulated Depreciation	(139,978)	(137,772)
Net Computer & Office Equipment	2,936	5,142
Total Property, Plant & Equipment	201,044	201,044
Accumulated Depreciation	(198,108)	(195,690)
Net Property, Plant & Equipment	2,936	5,354

Reconciliations of the carrying amounts of each class of asset at the beginning and end of the current period are set out below:

	Year Ended 31-12-15 \$	Year Ended 31-12-14 \$
<u>Furniture & Fittings</u>		
Carrying Amount At Start Of Period	212	524
Additions	-	-
Disposals	-	-
Revaluation Increments/(Decrements)	-	-
Transfers	-	-
Depreciation	(212)	(312)
Carrying Amount At End Of Period	-	212
 <u>Computer & Office Equipment</u>		
Carrying Amount At Start Of Period	5,142	1,801
Additions	-	5,037
Disposals	-	-
Revaluation Increments/(Decrements)	-	-
Transfers	-	-
Depreciation	(2,206)	(1,696)
Carrying Amount At End Of Period	2,936	5,142

IT SERVICE MANAGEMENT FORUM AUSTRALIA INCORPORATED

NOTE 9 - NON-CURRENT ASSETS: PROPERTY, PLANT & EQUIPMENT (Continued)

	Year Ended 31-12-15	Year Ended 31-12-14
<u>Total Property, Plant And Equipment</u>		
Carrying Amount At Start Of Period	5,354	2,325
Additions	-	5,037
Disposals	-	-
Revaluation Increments/(Decrements)	-	-
Transfers	-	-
Depreciation and Amortisation	(2,418)	(2,008)
Carrying Amount At End Of Period	2,936	5,354
 Depreciation/Amortisation Expense for the period		
	Year Ended 31-12-15	Year Ended 31-12-14
	\$	\$
Depreciation/Amortisation Expense	2,418	2,008
Fixtures & Fittings	212	312
Computer & Office Equipment	2,206	1,696
Total Depreciation/Amortisation	2,418	2,008

IT SERVICE MANAGEMENT FORUM AUSTRALIA INCORPORATED

NOTE 10 – TRADE AND OTHER PAYABLES

Current	Year Ended 31-12-15 \$	Year Ended 31-12-14 \$
Creditors and Accruals	62,447	60,238
GST Payable	10,122	3,465
Deferred Sponsorship	52,500	27,727
	125,069	91,430

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

NOTE 11 – OTHER LIABILITIES

Current	Year Ended 31-12-15 \$	Year Ended 31-12-14 \$
Memberships in Advance	128,379	147,579
Provision For Employee Benefits (i) (ii)	22,529	26,567
	150,908	174,146

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

NOTE 12 – CASH FLOWS

Reconciliation of Operating Result Before Extraordinary Items To Net Cash Provided By Operating Activities:

	Year Ended 31-12-15 \$	Year Ended 31-12-14 \$
Operating Result	(125,747)	44,147
Depreciation And Amortisation	2,418	2,008
Loss on Disposal of Assets		
Change In Operating Assets And Liabilities		
Decrease(Increase) in Receivables	(7,392)	(10,334)
Decrease(Increase) in Inventories	9,777	6,010
Decrease(Increase) in Other Financial Assets	6,471	(39,146)
Increase(Decrease) in Payables	33,639	28,218
Increase(Decrease) in Other Liabilities	(23,238)	8,304
Net Cash Provided By/(Used In) Operating Activities	(104,072)	39,207

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

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NOTE 13 – LEASES

	Year Ended 31-12-15 \$	Year Ended 31-12-14 \$
Operating Lease Commitments		
Payments due - within one year	-	-
One to five years	-	-
Over five years	-	-
	-	-
Total	-	-
Finance Lease Commitments		
Payments due - within one year	-	-
One to five years	-	-
Over five years	-	-
	-	-
Total	-	-

NOTE 14 – COMMITMENTS FOR EXPENDITURE

As at the 31 December 2015, itSMF Australia had no outstanding capital commitments (2014 nil).

NOTE 15 CONTINGENT ASSETS AND LIABILITIES

There were no contingent assets and liabilities as at 31 December 2015 (2014 nil).

NOTE 16 – SUPERANNUATION

	Year Ended 31-12-15 \$	Year Ended 31-12-14 \$
Contribution To All Funds	30,414	37,774
	30,414	37,774
Total Contribution To All Funds	30,414	37,774

NOTE 17 – AUDITOR'S REMUNERATION

	Year Ended 31-12-15 \$	Year Ended 31-12-14 \$
For Auditing the Financial Statements	5,000	5,000
For Other Services	-	-
	5,000	5,000
Total Auditor's Remuneration	5,000	5,000

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NOTE 18 – RESPONSIBLE PERSONS RELATED DISCLOSURES

Responsible Persons:

The members of the Board of Management and State Branch Chairs, during the financial period were:

Board of Management

Bradley Busch (appointed Chairman 20/5/2015)
Garry Long (Treasurer)
Aprill Allen (appointed 20/5/2015)
Michael Billimoria
Claire Brereton (resigned 20/5/2015)
Annamarie Boddy (resigned 1/7/2015)
Karen Ferris (resigned 20/5/2015)
Kathryn Heaton
Kathryn Howard
Brian Jennings (appointed 20/5/2015)
Nick Laggar
Harry Powell (resigned as Chairman effective 20/5/2015)
Candice Walker (appointed 17/12/2015)

State Branch Chairs

Justin Gasparre (ACT) (resigned 2015)
Carolyn Keegan (ACT) (appointed 2015)
Sandra Hinchcliffe (NSW) (resigned 1/7/2015)
Lana Yakimoff (NSW) (appointed 1/7/2015)
John Clelland (NT) (appointed 29/4/2015)
Wilma Weaver (NT) (resigned 29/4/2015)
Peter Marshall (Qld)
Gavin Hedrick (SA)
Jon Ettershank (TAS)
Peter Tonkin (appointed 17/12/2015)
Candice Walker (VIC) (resigned 17/12/2015)
Simon Dorst (WA)

Remuneration of Responsible Persons:

There was no remuneration received or due and receivable from itSMF Australia in connection with the management of itSMF Australia, other than that set out below:

2015 – Kathryn Heaton \$19,047 remuneration re Operations Manager Duties (2014 - \$7,168)

Retirement Benefits of Responsible Persons:

There were no retirement benefits paid by itSMF Australia in connection with the retirement of Responsible Persons of itSMF Australia (2014 - nil).

Superannuation for Responsible Persons:

There were no amounts paid to a superannuation plan by itSMF Australia in connection with the Responsible Persons of any related party or Responsible Persons related party of those Responsible Persons (2014 - nil).

Loans with Responsible Persons:

There were no loans between itSMF Australia and its Responsible Persons (2014 - nil)

Other Transactions with Responsible Persons:

ItSMF Australia entered into other transactions, which are insignificant in amount, with Responsible Persons or related parties of a Responsible Persons in their domestic dealings within normal customer, employee or contractor relationships on terms and conditions no more favourable than those available in similar arm's length

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dealings.

NOTE 19 – SEGMENT INFORMATION

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

NOTE 20 – INCOME TAX

	Year Ended 31-12-15 \$	Year Ended 31-12-14 \$
Prima facie tax payable/ (benefit) on operating surplus/deficit at 30% (2014 30%)	(37,724)	13,244
Less tax effect of non taxable income	<u>(37,724)</u>	<u>13,244</u>
Income Tax Expense	<u>-</u>	<u>-</u>

itSMF Australia is a non-profit association established for the purpose of promoting the development of Australian information and communications technology resources and as such is considered to be exempt from income tax under sections 50-40 of the Income Tax Assessment Act (Cth.) 1987.

Revenue in the form of member receipts represents mutual income and is not subject to income tax. Expenses associated with such mutual activities are not tax deductible for income tax purposes.

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NOTE 21 – FINANCIAL INSTRUMENTS

21.1 Terms, Conditions and Accounting Policies

itSMF Australia's accounting policies, including the terms and condition of each class of financial asset, financial liability and equity instrument, both recognised and unrecognised at reporting date, are as follows:

Recognised Financial Instruments	Notes	Accounting Policies	Terms and Conditions
FINANCIAL ASSETS			
Cash Assets Cash at Bank	4	Cash at Bank is carried at the principal amount.	Cash is invested as funds permit at varying market interest rates.
Receivables – Debtors	5	Trade Receivables are carried at nominal amounts due less any provision for doubtful debts. A provision for doubtful debts is maintained to recognise that collection of the full nominal amount is no longer probable.	Credit sales are on 30 day terms.
Receivables – Other Debtors	5	Other Debtors are carried at the nominal amounts.	Credit is allowed in accordance with agreement.
FINANCIAL LIABILITIES			
Trade Creditors and Accruals	10	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.

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NOTE 21 – FINANCIAL INSTRUMENTS (continued)

21.2 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	
	2015	2014	2015	2014	2015	2014	2015	2014
FINANCIAL ASSETS								
Cash at Bank	194,271	184,544	-	113,799			194,271	298,343
Receivables – Debtors					71,523	64,131	71,523	64,131
Total Financial Assets	194,271	184,544	-	113,799	71,523	64,131	265,794	362,474
FINANCIAL LIABILITIES								
Trade Creditors & Accruals					125,069	91,430	125,069	91,430
Finance Leases			-	-			-	-
Other Financial Liabilities					150,908	174,146	150,908	174,146
Total Financial Liabilities			-	-	275,977	265,576	275,977	265,576

21.3 Net Fair Values

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

FINANCIAL ASSETS	Total Carrying Amount as per the Statement of Financial Position		Aggregate Net Fair Value	
	2015 \$	2014 \$	2015 \$	2014 \$
Cash at Bank	194,271	298,343	194,271	298,343
Receivables – Debtors	71,523	64,131	71,523	64,131
Total Financial Assets	265,794	362,474	265,794	362,474
FINANCIAL LIABILITIES				
	2015 \$	2014 \$	2015 \$	2014 \$
Trade Creditors & accruals	125,069	91,430	125,069	91,430
Finance Leases	-	-	-	-
Other Financial Liabilities	-	-	-	-
Total Financial Liabilities	125,069	91,430	125,069	91,430

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.

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NOTE 21 – FINANCIAL INSTRUMENTS (continued)

21.4 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 instruments 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.

21.5 Credit Risk Exposures

itSMF Australia's maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is the carrying amount of those assets as indicated in the Statement of Financial Position.

Concentration of Credit Risk

itSMF Australia minimises concentrations of credit risk in relation to trade accounts receivable by undertaking transactions with a large number of customers. The customers are concentrated in Australia. The major customers relate to the provision of education and training services to industry. itSMF Australia continues to provide ongoing training, and other services for these customers who adhere to industry trade terms.

Credit risk in trade receivables is managed in the following ways:

- Payment terms are 30 days from date of invoice
- Debtors with accounts in excess of 30 days are sent a statement of account, indicating payment terms
- Debtors with arrears are followed up by telephone prior to restricting access to services and referring their debt to a debt collection agency
- Debtors which represent major companies, government departments or agencies are not referred to a debt collection agency, but managed by the organisation directly through escalation with debtor.

21.6 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 22 – ASSOCIATION INFORMATION

The registered office of itSMF Australia is
Suite 4, 45-51 Ringwood Street, Ringwood, Victoria 3134

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NOTE 23 – ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS AND POLICIES

itSMF Australia has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operation and effective for the current annual reporting period.

As required under Australian Accounting Standards, the impact of standards and interpretations that have not been adopted early and that are expected to have a material effect on the entity are disclosed below:

Nil impact.

NOTE 24 – CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

The preparation of the Financial Report requires the Board of Management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts for assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

(a) Critical judgements in applying itSMF Australia's accounting policies

The following are the critical judgements (apart from those involving estimations, which are dealt with below), that management has made in the process of applying itSMF Australia's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Employee Entitlements

Management judgement is applied in determining the following key assumptions used in the calculation of long service leave at balance date:

- Future increases in wages and salaries
- Future on-cost rates; and
- Experience of employee departures and period of service.

(b) Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Useful Lives of Property, Plant & Equipment and Intangible Assets

Useful lives of property, plant & equipment and intangible assets are reviewed annually. Any reassessment of useful lives in a particular year will affect the depreciation and amortisation expense (either increasing or decreasing) through to the end of reassessed useful life for both the current and future years.

NOTE 25 – 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.

Whilst current assets exceeded current liabilities, as at the end of the financial year there was uncertainty as to whether the annual conference would generate the necessary surplus.

NOTE 26 – SUBSEQUENT EVENTS

There have not been any other matters or circumstances that have arisen since the end of the financial year that has significantly affected, or may significantly affect, the operations of itSMF Australia, the results of those operations, or the state of affairs of itSMF Australia in future years.