Australian Government
Registered Organisations Commission

21 June 2022

Kim Teague
Secretary
Community Management Solutions
Sent via email: info@cmsolutions.org.au
CC: Wicus.wessels@crowe.com.au

Dear Kim Teague,

Community Management Solutions
Financial Report for the year ended 31 December 2021 – (FR2021/326)

I acknowledge receipt of the financial report for the year ended 31 December 2021 for the Community Management Solutions. The documents were lodged with the Registered Organisations Commission (**the ROC**) on 18 June 2022.

The financial report has now been filed.

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009* (**RO Act**) have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements.

Please note that the financial report for the year ending 31 December 2022 may be subject to an advanced compliance review.

You are not required to take any further action in respect of the report lodged. I make the following comments to assist you when you next prepare a financial report.

Audit scope to include officer's declaration statement

Where nil activity disclosures are contained in an officer's declaration statement, in accordance with reporting guideline 21, the officer's declaration statement also forms part of a general purpose financial report prepared under section 253 of the RO Act (see subsection 253(2)(c) of the RO Act.)

Please also note that an officer's declaration statement must, where one is prepared, be identified by title in the auditor's statement in accordance with paragraph 24(c) of Australian Auditing Standard ASA 700 Forming an Opinion and Reporting on a Financial Report.

An officer's declaration statement was included in the copy of the documents lodged with the ROC but the auditor did not refer to the statement in the auditor's report.

Reporting Requirements

The ROC website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the section 253 reporting guidelines and a model set of financial statements. The ROC recommends that reporting units use these model financial statements to assist in complying with the RO Act, the section 253 reporting guidelines and Australian Accounting Standards. Access to this information may be obtained via this link.

If you have any queries regarding this letter, please contact me on (03) 9603 0841 or by email at Mihiri.jayawardane@roc.gov.au.

Yours sincerely,

Mihiri Jayawardane
Registered Organisations Commission

Community Management Solutions
GUIDANCE • ADVICE • SUPPORT

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Telephone: (07) 3852 5177 or 1300 007 110
Email: info@cmsolutions.org.au | Website: www.cmsolutions.org.au

Designated Officer's Certificate or other Authorised Officer

S268 *Fair Work (Registered Organisations) Act* 2009

I *Kim Teague* being the secretary of *Community Management Solutions* certify:

- That the documents lodged herewith are copies of the full report, referred to in s268 of the *Fair Work (Registered Organisations) Act 2009*; and

- That the *full report*, was provided to members on 25th May 2022; and

- That the full report was presented to a general meeting of members of the reporting unit on 15th June 2022; in accordance with section 266 of the *Fair Work (Registered Organisations) Act* 2009.

Kim Teague

Kim Teague
15th June 2022

COMMUNITY MANAGEMENT SOLUTIONS
ABN: 68 150 310 815

Annual Financial Statements
for the year ended 31 December 2021

Presented at the Annual General Meeting

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

CONTENTS

Postal Address:	PO Box 3252 NEWMARKET QLD 4051
Registered Office:	Unit 5/321 Kelvin Grove Road KELVIN GROVE QLD 4059
Telephone:	+61 7 3852 5177
Facsimile:	+61 7 3852 5188
Email:	info@cmsolutions.org.au

Registration:	The Association is registered as an Industrial Union of Employers under the provisions of the Fair Work (Registered Organisations) Act 2009 ("RO").

OPERATING REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

The Committee of Management presents its operating report on the Association for the year ended 31 December 2021.

Review of principal activities, the results of those activities and any significant changes in the nature of those activities during the year

The principal activity of the business is providing guidance, advice and support to our members. There has been no significant change in the nature of these activities during the year. The results of these activities include Industrial Relations & Human Relations services and support activities for our members. A review of the results of these activities shows they have achieved the objectives of the Association.

Significant changes in financial affairs

There were no significant changes in the financial affairs of the Association during 2021.

Right of members to resign

Members may resign from the Association in accordance with R.9 (s.254 (2) (c)).

Officers or members who are superannuation fund trustee(s) or director of a company that is a superannuation fund trustee where being a member or officer of a registered organisation is a criterion for them holding such position

No officers or members are a superannuation fund trustee or director of a company that is a superannuation fund trustee.

Number of members

The number of members who, at the end of the reporting period, were recorded on the Register of Members of the Association was 542.

Number of employees

The number of full time equivalent employees as at 31 December 2021 was 9.09 employees (2020: 6.59).

Names of Committee of Management members and period positions held during the financial year

The persons who held office as members of the Committee of Management of the Association during the reporting period are:

Deborah Ponting	President
Jennifer O'Brien	Vice President
Kim Teague	Secretary
Lyanna George	Treasurer
Allan Fazldeen	Board member
Peter Hoens	Board member

Unless otherwise indicated each person held office for the full period of the financial year.

Signature of designated officer: D E Ponting

Name and title of designated officer: Deborah Ponting, President   Dated: 24-May-22

COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

On the 24th May 2022 the Committee of Management of the above named Association passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 31 December 2021:

The Committee of Management declares that in its opinion:

(a) the financial statements and notes comply with the Australian Accounting Standards;

(b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act);

(c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Association for the financial year to which they relate;

(d) there are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable; and

(e) during the financial year to which the GPFR relates and since the end of that year:

- (i) meetings of the committee of management were held in accordance with the rules of the organisation; and
- (ii) the financial affairs of the Association have been managed in accordance with the rules of the organisation; and
- (iii) the financial records of the Association have been kept and maintained in accordance with the RO Act; and
- (iv) the organisation consists of only one reporting unit;
- (v) no information has been sought in any request by a member of the Association or the Commissioner duly made under section 272 of the RO Act; and
- (vi) no order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act.

This declaration is made in accordance with a resolution of the Committee of Management.

Signature of designated officer: D E Ponting

President- Deborah Ponting

Signature of designated officer: Lyanna George

Treasurer - Lyanna George

REPORT REQUIRED UNDER SUBSECTION 255(2A)
FOR THE YEAR ENDED 31 DECEMBER 2021

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Association for the year ended 31 December 2021.

Descriptive form

	2021 $	2020 $
Categories of expenditures		
Remuneration and other employment-related costs and expenses - employees	820,659	848,942
Advertising	-	-
Operating costs	461,877	452,948
Donations to political parties	-	-
Legal costs	1,000	-

Signature of designated officer: D E Ponting

Name of designated officer: Deborah Ponting

Title of designated officer: President

Dated: 24 May 2022

Community Management Solutions

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021	2020
		$	$
REVENUE FROM CONTRACTS WITH CUSTOMERS			
Membership revenue		461,680	441,512
Capitation fees and other revenue from another reporting unit		-	-
Levies		-	-
Services rendered income		713,084	676,475
Manuals and awards sales income		7,792	8,907
TOTAL REVENUE FROM CONTRACTS WITH CUSTOMERS		**1,182,556**	1,126,894
INCOME FOR FURTHERING OBJECTIVES			
Grants and donations	3b	11,200	313,203
TOTAL INCOME FOR FURTHERING OBJECTIVES		**11,200**	313,203
OTHER INCOME			
Investment income	3a	39,685	18,185
Revenue from recovery of wages activity		-	-
Rental and facilities income	3c	8,000	9,000
Net gain/(loss) on disposal of investments		46,448	(37,697)
Unrealised profit on financial assets held for trading		65,185	5,373
Other revenue		1,600	800
TOTAL OTHER INCOME		**160,918**	**(4,339)**
TOTAL INCOME		**1,354,674**	**1,435,758**
EXPENSES			
Employee expenses	4a	820,659	848,942
Capitation fees and other expense to another reporting unit		-	-
Affiliation fees		-	-
Administration expenses	4b	290,631	288,477
Grants or donations		-	-
Depreciation	4c	53,626	61,537
Finance costs	4d	6,866	9,997
Legal costs	4e	1,000	-
Other expenses	4f	-	-
Audit fees	14	14,160	13,905
Brokerage & stamp duty		18,789	12,280
Insurance expense		14,732	14,536
Loss/(profit) from scrapping of asset		-	(40)
Membership, subscriptions & member seminars		10,817	12,615
Project & recoverable costs		52,256	39,641
TOTAL EXPENSES		**1,283,536**	1,301,890
SURPLUS FOR THE YEAR		**71,138**	133,868
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**71,138**	133,868

The above statement should be read in conjunction with the notes.

STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 $	2020 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5a	755,786	924,200
Trade and other receivables	5b	156,305	88,810
Financial assets	5c	985,031	755,646
TOTAL CURRENT ASSETS		1,897,122	1,768,656
NON-CURRENT ASSETS			
Furniture and equipment	6a	10,154	5,809
Computer equipment	6b	4,251	12,170
Strata title office	6c	549,342	575,519
Right of use asset	6d	38,701	54,190
TOTAL NON-CURRENT ASSETS		602,448	647,688
TOTAL ASSETS		**2,499,570**	2,416,344
LIABILITIES			
CURRENT LIABILITIES			
Trade payables	7a	23,155	20,196
Other payables	7b	685,140	587,616
Employee provisions	8a	100,276	79,658
Lease liability	6d	15,884	15,286
Other current liabilities	9	313,016	339,927
TOTAL CURRENT LIABILITIES		1,137,471	1,042,683
NON-CURRENT LIABILITIES			
Employee provisions	8a	21,835	22,882
Lease liability	6d	24,551	40,435
Other non-current liabilities	9	74,812	140,581
TOTAL NON-CURRENT LIABILITIES		121,198	203,898
TOTAL LIABILITIES		**1,258,669**	1,246,581
NET ASSETS		**1,240,901**	1,169,763
EQUITY			
Accumulated funds	10	1,240,901	1,169,763
TOTAL EQUITY		**1,240,901**	1,169,763

The above statement should be read in conjunction with the notes.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	Accumulated funds $	Total equity $
Balance as at 1 January 2020		**1,035,895**	**1,035,895**
Surplus		133,868	133,868
Other comprehensive income		-	-
Closing balance as at 31 December 2020	10	**1,169,763**	**1,169,763**
Surplus		71,138	71,138
Other comprehensive income		-	-
Closing balance as at 31 December 2021	10	**1,240,901**	**1,240,901**

The above statement should be read in conjunction with the notes.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 $	2020 $
OPERATING ACTIVITIES			
Cash received			
Receipts from members and customers		1,238,233	1,247,212
Receipts from grants		10,000	312,000
Dividends		38,799	17,370
Interest		886	815
Cash used			
Suppliers		(361,524)	(213,830)
Employees		(801,088)	(865,572)
Lease payments for leases of low-value assets	6d	(7,203)	(5,238)
Finance costs		(5,616)	(8,134)
GST		(74,908)	(69,113)
Net cash from/(used by) operating activities	11a	37,579	415,510
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of investments		539,817	329,921
Cash used			
Purchase of plant & equipment		(8,386)	(7,969)
Payments for investments		(657,569)	(396,351)
Net cash from/(used by) investing activities		(126,138)	(74,399)
FINANCING ACTIVITIES			
Cash used			
Repayment of borrowings		(64,569)	(37,250)
Repayment of right of use asset		(15,286)	(14,708)
Net cash from/(used by) financing activities		(79,855)	(51,958)
Net (decrease)/increase in cash & cash equivalents held		(168,414)	289,153
Cash & cash equivalents at the beginning of the reporting period		924,200	635,047
Cash & cash equivalents at the end of the reporting period	5a	755,786	924,200

The above statement should be read in conjunction with the notes.

INDEX TO THE NOTES OF THE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Note 1: Summary of significant accounting policies

1.1 Basis of preparation of financial statements

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period, and the *Fair Work (Registered Organisation) Act 2009 (RO Act).* For the purpose of preparing the general purpose financial statements Community Management Solutions (the Association) is a not-for-profit entity.

The financial statements, except for cash flow information, have been prepared using the accrual basis of accounting. The financial statements have been prepared on a historical cost basis, except for certain assets and liabilities measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

1.2 Comparative amounts

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

1.3 Significant accounting judgements and estimates

No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standards and amendments

No accounting standard has been adopted earlier than the application date stated in the standard.
The accounting policies adopted are consistent with those of the previous financial year except for the following accounting standard and amendments which have been adopted for the first time this financial year.

AASB 2019-1 ***Amendments to Australian Accounting Standards – References to the Conceptual Framework***

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the accounting standard setter in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. This will affect those entities which developed their accounting policies based on the Conceptual Framework. The revised Conceptual Framework includes some new concepts, updated definitions nad recognition criteria for assets and liabilities and clarified some important concepts.

These amendments had no impact on the financial statements of the Association, nor is there expected to be any future impact to the Association.

Note 1: Summary of significant accounting policies (continued)

1.4 New Australian Accounting Standards (continued)

Future Australian Accounting Standard Requirements
New standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to future reporting periods that are expected to have a potential future financial impact on the Association include:

AASB 2020-1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current*
This Standard amends AASB 101 *Presentation of Financial Statements* to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. For example, the amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. This Standard applies to annual reporting periods beginning on or after 1 January 2023. Earlier application is permitted. The Association does not expect the adoption of this amendment to have a material impact on its financial statements.

The following new and revised Australian Accounting Standards, Interpretations and amendments, that have been issued but are not yet effective have not been applied:

AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities. It is not expected that this standard will have a significant impact in the financial statements.

1.5 Current vs non-current classification

The Association presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:
- expected to be realised or intended to be sold or consumed in the normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability it current when:
- it is expected to be settled in the normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Association classifies all other liabilities as non-current.

Note 1: Summary of significant accounting policies (continued)

1.6 Revenue

The Association enters into various arrangements where it receives consideration from another party. These arrangements include consideration in the form of membership subscriptions, grants and donations.

The timing of recognition of these amounts as either revenue or income depends on the rights and obligations in those arrangements.

Revenue from contracts with customers

Where the Association has a contract with a customer, the Association recognises revenue when or as it transfers control of goods or services to the customer. The Association accounts for an arrangement as a contract with a customer if the following criteria are met:

- the arrangement is enforceable; and
- the arrangement contains promises (that are also known as performance obligations) to transfer goods or services to the customer (or to other parties on behalf of the customer) that are sufficiently specific so that it can be determiend whether the performance obligation has been satisfied.

Membership revenue

For membership subscription arrangements that meet the criteria to be contracts with customers, revenue is recognised when the promised goods or services transfer to the customer as a member of the Association.

If there is only one distinct membership service promised in the arrangement, the Association recognises revenue as the membership service is provided, which is typically based on the passage of time over the subscription period to reflect the Association's promise to stand ready to provide assistance and support to the member as required.

For member subscriptions paid annually in advance, the Association has elected to apply the practical expedient to not adjust the transaction price for the effects of a significant financing component because the period from when the customer pays and the good or services will transfer to the customer will be one year or less. The annual membership revenue is recognised on a straight line basis over the year consistent with the delivery of services rendered to members. Members who do not renew their membership are removed from the Association's member register.

When a member subsequently purchases additional goods or services from the Association at their standalone selling price, the Association accounts for those sales as a separate contract with a customer.

Income of the Association as a not-for-profit entity

Consideration is received by the Association to enable the entity to further its objectives. The Association recognises each of these amounts of consideration as income when the consideration is received (which is when the Association obtains control of the cash), because based on the rights and obligations in each arrangement:

- the arrangements do not meet the criteria to be contracts with customers because either the arrangement is unenforceable or lacks sufficiently specific promises to transfer goods or services to the customer; and

- the Association's recognition of the cash contribution does not give to any related liabilities.

During the year, the Association received cash consideration from government grants whereby that consideration was recognised as income upon receipt.

Note 1: Summary of significant accounting policies (continued)

1.6 Revenue (continued)

Interest revenue

Interest revenue is recognised on an accrual basis using the effective interest method.

Dividend revenue

Dividend revenue is recognised when the Association has established that it has a right to receive a dividend.

Service revenue

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

Rental income

Leases in which the Association as a lessor, does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the relevant lease term. Contingent rents are recognised as income in the period in which they are earned.

Gains on disposal of financial assets

Gains from the disposal of financial assets is recognised as other income in the period in which the financial asset is disposed of.

Sales made on credit are included in "Trade Debtors" and are recorded at the balance due less any provision for impairment for amounts estimated to be un-collectable. Trade debtor amounts are due within 30 days of invoice.

The organisation by its nature and location has a concentration of credit risk in that all of its trade debtors are due from customers in Queensland who operate in the education and child care industry.

Gains

Sale of assets

An item of property, plant and equipment is derecognised upon disposal (which is at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income when the asset is derecognised.

Capitation fees

Where the Association's arrangement with a branch or another reporting unit meets the criteria to be a contract with a customer, the Association recognises the capitation fees promised under that arrangement when or as it transfers.

In circumstances where the criteria for a contract with a customer are not met, the Association will recognise capitation fees as income upon receipt.

Levies

Levies paid by a member (or other party) in an arrangement that meets the criteria to be a contract with a customer is recognised as revenue when or as the Association transfers the goods or services that will transfer as part of its sufficiently specific promise to the branch/other reporting unit.

In circumstances where the criteria for a contract with a customer are not met, the Association will recognise levies as income upon receipt.

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

Note 1: Summary of significant accounting policies (continued)

1.7 Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and termination benefits when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities for short-term employee benefits (as defined in AASB 119 *Employee Benefits*) and termination benefits which are expected to be settled within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits which are expected to be settled beyond twelve months are measured as the present value of the estimated future cash outflows to be made by the Association in respect of services provided by employees up to reporting date.

1.8 Leases

The Association assesses at contract inception whether a contract is, or contains a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Association as a lessee

The Association applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Association recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right of use assets

The Association recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

	2021	**2020**
Plant and equipment	5 years	5 years

The right of use asset is also subject to impairment.

For leases of low-value assets the Association has applied the optional exemptions to not recognise right-of-use assets but to account for the lease expense on a straight line basis over the remaining lease term.

Lease liabilities

At the commencement date of the lease, the Association recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Association uses the incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Note 1: Summary of significant accounting policies (continued)

1.8 Leases

Short-term leases and leases of low-value assets

The Association's short-term leases are those that have a lease term of 12 months or less from the commencement. It also applies the lease of low-value assets recognition exemption to leases of assets that are below $8,000. Lease payments on short-term leases and leases of low-value assets are recognised on a straight-line basis over the lease term.

1.9 Borrowing costs

All borrowing costs are recognised in profit and loss in the period in which they are incurred.

1.10 Cash

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand, deposits held at call with bank, other short-term highly liquid investments with original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

1.11 Financial instruments

Financial assets and financial liabilities are recognised when the Association becomes a party to the contractual provisions of the instrument.

1.12 Financial assets

Initial Recognition and Measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Association's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Association initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Association's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e.. the date that the Association commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in five categories:

- (other) financial assets at amortised cost
- (other) financial assets at fair value through other comprehensive income
- Investments in equity instruments designated at fair value through other comprehensive income
- (other) financial assets at fair value through profit or loss
- (other) financial assets designated at fair value through profit or loss

Note 1: Summary of significant accounting policies (continued)

1.12 Financial assets (continued)

Financial assets at Amortised Cost

The Association measures financial assets at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at Amortised Cost (continued)

The Association's financial assets at amortised cost includes trade receivables.

Financial assets at fair value through profit or loss (including designated)

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value.

Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

Derecognition

A financial asset is derecognised when:

- the rights to receive cash flows from the asset have expired or
- the Association has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

a) the Association has transferred substantially all the risk and rewards of the asset, or

b) the Association has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Association has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Association continues to recognise the transferred asset to the extent of its continuing involvement together with associated liability.

Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Note 1: Summary of significant accounting policies (continued)

1.12 Financial assets (continued)

Impairment

Expected credit losses

Receivables for goods and services, which have 30-day terms, are recognised at the nominal amounts due less any loss allowance due to expected credit losses (ECLs) at each reporting date. A provision matrix that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment has been established.

(i) Trade receivables

For trade receivables that do not have a significant financing component, the Association applies a simplified approach in calculating ECLs which requires lifetime ECLs to be recognised from initial recognition of the receivables.

Therefore, the Association does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Association has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Trade receivables and other receivables are non-interest bearing and receipt is normally on 30 - 60 days terms. Therefore, the carrying value of trade receivables and other receivables approximates its fair value.

(ii) Debt instruments other than trade receivables

For all debt instruments other than trade receivables and debt instruments not held at fair value through profit or loss, the Association recognises an allowance for ECLs using the general approach. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Association expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages:

- Where there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses from possible default events within the next 12-months (a 12-month ECL).
- Where there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the debt, irrespective of the timing of the default (a lifetime ECL).

The Association considers a financial asset in default when contractual payments are 30 to 60 days past due. However, in certain cases, the Association may also consider a financial asset to be in default when internal or external information indicates that the Association is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

1.13 Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, at amortised cost unless at fair value through profit or loss.

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

The Association's financial liabilities include trade and other payables.

Note 1: Summary of significant accounting policies (continued)

1.13 Financial Liabilities (continued)

Subsequent measurement

Financial liabilities at fair value through profit or loss (including designated)

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Gains or losses on liabilities held for trading are recognised in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in AASB 9 Financial Instruments are satisfied.

Financial liabilities at amortised cost

After initial recognition, trade payables and interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

1.14 Contingent Liabilities and Contingent Assets

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

1.15 Land, Buildings, Plant and Equipment

Asset Recognition Threshold

Purchases of land, buildings, plant and equipment are recognised initially at cost in the Statement of Financial Position. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

Revaluations—Land and Buildings

Following initial recognition at cost, land and buildings are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient frequency such that the carrying amount of assets do not differ materially from those that would be determined using fair values as at the reporting date.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the profit or loss except to the extent that they reverse a previous revaluation increment for that class. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

Note 1: Summary of significant accounting policies (continued)

1.15 Land, Buildings, Plant and Equipment (continued)

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful life using, in all cases, the straight line method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

Class of assets	**2021**	**2020**
Furniture and equipment	3 to 10 years	4 to 10 years
Computer equipment	3 years	3 years
Strata Title Office	10 to 40 years	10 to 40 years

Derecognition

An item of land, buildings, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss.

1.16 Impairment of non-financial assets

All assets are assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated, and an impairment adjustment made if the asset's recoverable amount is less than the carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Association were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

1.17 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs of disposal.

Note 1: Summary of significant accounting policies (continued)

1.18 Taxation

The Association is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 however still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST except:

· where the amount of GST incurred is not recoverable from the Australian Taxation Office; and

· for receivables and payables.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

1.19 Fair value measurement

The Association measures financial instruments, such as, financial assets as at fair value through the profit and loss, financial assets at fair value through other comprehensive income, and non-financial assets such as land and buildings, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are considered in Note 16(a) Financial assets and liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

· In the principal market for the asset or liability, or

· In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Association. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Association uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

· Level 1—Quoted (unadjusted) market prices in active markets for identical assets or liabilities

· Level 2—Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

· Level 3—Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Association determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Note 1: Summary of significant accounting policies (continued)

1.19 Fair value Measurement (continued)

External valuers are involved for valuation of significant assets, such as land and buildings. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the Association has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

1.20 Finance costs

All finance costs are recognised in the statement of comprehensive income in the period in which they are incurred.

Note 2: Events after the reporting period

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has 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 subsequent financial periods.

		2021	2020
		$	$
Note 3:	**Revenue and other income**		
	Disaggregation of revenue from contracts with customers		
	A disaggregation of the Association's revenue by type of arrangement is provided on the face of the statement of comprehensive income. The table below also sets out a disaggregation of revenue by type of customer:		
	Type of customer		
	Members	1,182,556	1,126,894
	Other parties	-	-
	Total revenue from contracts with customers	1,182,556	1,126,894
	Disaggregation of income for furthering activities		
	A disaggregation of the Association's revenue by type of arrangement is provided on the face of the statement of comprehensive income. The table below also sets out a disaggregation of income by funding source:		
	Income funding sources		
	Government	11,200	313,203
	Other parties	-	-
	Total income for furthering activities	11,200	313,203
3(a)	**Investment income**		
	Interest		
	Deposits	886	815
	Loans	-	-
	Dividends	38,799	17,370
	Total investment income	39,685	18,185

		2021	2020
		$	$
Note 3:	**Revenue and other income (continued)**		
3(b)	**Grants or donations**		
	Grants	-	-
	Government grants	11,200	313,203
	Donations	-	-
	Total grants or donations	11,200	313,203
3(c)	**Rental income**		
	Office rental	8,000	9,000
Note 4:	**Expenses**		
4(a)	**Employee expenses**		
	Holders of office:		
	Wages and salaries	-	-
	Superannuation	-	-
	Leave and other entitlements	-	-
	Separation and redundancies	-	-
	Other employee expenses	-	-
	Subtotal employee expenses holders of office	-	-
	Employees other than office holders		
	Wages and salaries	717,892	781,666
	Superannuation	71,674	67,160
	Leave and other entitlements	19,571	(16,630)
	Separation and redundancies	-	-
	Other employee expenses	11,522	16,746
	Subtotal employee expenses other than office holders	820,659	848,942
	Total employee expenses	820,659	848,942

		2021 $	2020 $
Note 4:	**Expenses (continued)**		
4(b)	**Administration expenses**		
	Total paid to employers for payroll deductions of membership subscriptions	-	-
	Compulsory levies	-	-
	Fees/allowances- meeting and conferences	-	-
	Conference and meeting expenses	2,249	2,720
	Contractors/consultants	198,736	170,549
	Property expenses	22,306	23,818
	Office expenses	26,879	44,466
	Information communications technology	22,470	35,503
	Other	10,788	6,183
	Subtotal administration expense	283,428	283,239
	Operating lease rentals:		
	Short term, low value lease payments	7,203	5,238
		7,203	5,238
	Total administration expenses	290,631	288,477
4(c)	**Depreciation**		
	Strata title office	26,177	26,249
	Right of use asset	15,489	15,531
	Property, plant and equipment	11,960	19,756
	Total depreciation	53,626	61,537
4(d)	**Finance costs**		
	Finance charges	4,993	7,549
	Lease interest	1,873	2,448
	Total finance costs	6,866	9,997
4(e)	**Legal costs**		
	Litigation	-	-
	Other legal costs	1,000	-
	Total legal costs	1,000	-
4(f)	**Other expenses**		
	Penalties - via RO Act or the *Fair Work Act 2009*	-	-
	Total other expenses	-	-

		2021 $	2020 $
Note 5:	**Current assets**		
5(a)	**Cash and cash equivalents**		
	Cash at bank	189,021	455,109
	Cash at bank - held in trust	566,265	468,591
	Cash on hand	500	500
	Total cash and cash equivalents	755,786	924,200

Other comments: The "cash at bank - held in trust" relates to funds received from payroll and/or bookkeeping clients which is held and used on their behalf for their payroll and/or bookkeeping activities. Refer to Note 7b for the corresponding liability.

		2021 $	2020 $
5(b)	**Trade and other receivables**		
	Receivables from other reporting unit(s)	-	-
	Total receivables from other reporting unit(s)	-	-
	Less: allowance	-	-
	Total allowance	-	-
	Receivable from other reporting unit(s)- net	-	-
	Other receivables		
	Trade receivables	131,833	58,620
	Less: Allowance	-	-
		131,833	58,620
	Other debtors	24,472	30,190
	Total trade and other receivables- net	156,305	88,810
	The movement in the allowance of trade and other receivables is as follows:		
	At 1 January	-	-
	Provision for expected credit losses	-	-
	Write-off	-	-
	At 31 December	-	-

Credit risk

Refer to Note 15(d) for assessment of credit risk.

		2021	2020
		$	$
Note 5:	**Current assets (continued)**		
5(c)	**Financial assets**		
	Financial assets held for trading:		
	- shares in listed corporations at market value	985,031	755,646
	Total financial assets	985,031	755,646
Note 6:	**Non-current assets**		
6(a)	**Furniture and equipment**		
	At cost	38,190	32,217
	Accumulated depreciation	(28,036)	(26,408)
	Total furniture and equipment	**10,154**	5,809
	Reconciliation of opening and closing balances of furniture and equipment		
	As at 1 January		
	Gross book value	32,217	34,265
	Accumulated depreciation and impairment	(26,408)	(26,170)
	Net book value 1 January	5,809	8,095
	Additions:		
	By purchase	6,691	1,988
	Depreciation expense	(2,346)	(4,275)
	Disposals:		
	Other - Write offs and scrapping of assets	-	-
	Net book value 31 December	**10,154**	5,809

		2021 $	2020 $
Note 6:	**Non-current assets (continued)**		
6(a)	**Furniture and equipment (continued)**		
	Net book value as at 31 December represented by:		
	Gross book value	34,871	32,217
	Accumulated depreciation and impairment	(24,717)	(26,408)
	Net book value 31 December	**10,154**	5,809
6(b)	**Computer equipment**		
	At cost	45,005	43,310
	Accumulated depreciation	(40,754)	(31,140)
	Total computer equipment	**4,251**	12,170
	Reconciliation of opening and closing balances of computer equipment		
	As at 1 January		
	Gross book value	43,310	38,146
	Accumulated depreciation and impairment	(31,140)	(15,925)
	Net book value 1 January	12,170	22,221
	Additions:		
	By purchase	1,695	5,980
	Depreciation expense	(9,614)	(15,482)
	Disposals:		
	Other - Write offs and scrapping of assets	-	(550)
	Net book value 31 December	4,251	12,170
	Net book value as at 31 December represented by:		
	Gross book value	45,005	43,310
	Accumulated depreciation and impairment	(40,754)	(31,140)
	Net book value 31 December	**4,251**	12,170
6(c)	**Strata Title Office**		
	At cost	697,735	697,735
	Accumulated depreciation	(148,393)	(122,216)
	Total strata title office	**549,342**	575,519
	Reconciliation of the Opening and Closing balances of Strata Title Office		
	As at 1 January		
	Gross book value	697,735	697,735
	Accumulated depreciation and impairment	(122,216)	(95,967)
	Net book value 1 January	575,519	601,768
	Additions:		
	By purchase	-	-
	Depreciation expense	(26,177)	(26,249)
	Net book value 31 December	549,342	575,519
	Net book value as at 31 December represented by:		
	Gross book value	697,735	697,735
	Accumulated depreciation and impairment	(148,393)	(122,216)
	Net book value 31 December	**549,342**	575,519

		2021 $	2020 $
Note 6:	**Non-current assets (continued)**		
6(d)	**Right of use asset**		
	Cost	77,487	77,487
	Accumulated depreciation	(38,786)	(23,297)
	Total right of use asset	**38,701**	54,190
	Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:		
	As at 1 January		
	Gross book value	77,487	77,487
	Accumulated depreciation and impairment	(23,297)	(7,766)
	Net book value 1 January	54,190	69,721
	Additions:		
	By lease addition	-	-
	Depreciation expense	(15,489)	(15,531)
	Net book value 31 December	38,701	54,190
	Net book value as at 31 December represented by:		
	Gross book value	77,487	77,487
	Accumulated depreciation and impairment	(38,786)	(23,297)
	Net book value 31 December	**38,701**	54,190
	Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:		
	As at 1 January	55,721	70,429
	Additions	-	-
	Accretion of interest	1,873	2,448
	Payments	(17,159)	(17,156)
	As at 31 December	40,435	55,721
	Current	**15,884**	15,286
	Non current	**24,551**	40,435

The maturity analysis of lease liabilities is disclosed in note 15(e).

	2021 $	2020 $
The following are the amounts recognised in profit or loss:		
Depreciation expense of right-of-use asset	15,489	15,531
Interest expense on lease liabilities	1,873	2,448
Expense relating to leases of low-value assets (included in administrative expenses)	7,203	5,238
Total amount recognised in profit or loss	24,565	23,217

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

		2021 $	2020 $
Note 7:	**Current liabilities**		
7(a)	**Trade payables**		
	Unsecured liabilities:		
	Trade creditors	23,155	20,196
	Subtotal trade creditors	23,155	20,196
	Payables to other reporting unit(s)	-	-
	Total trade payables	23,155	20,196
	Settlement is usually made within 30 days.		
7(b)	**Other payables**		
	Liability - Funds held in trust	566,265	468,089
	Other payables	118,875	119,527
	Payable to employers for making payroll deductions of membership subscriptions	-	-
	Legal costs		
	Litigation	-	-
	Other legal costs	-	-
	Total other payables	685,140	587,616
	Total other payables are expected to be settled in:		
	No more than 12 months	685,140	587,616
	More than 12 months	-	-
	Total other payables	685,140	587,616
Note 8:	**Provisions**		
8(a)	**Employee Provisions**		
	Office holders:		
	Annual leave	-	-
	Long service leave	-	-
	Separations and redundancies	-	-
	Other	-	-
	Subtotal employee provisions-office holders	-	-
	Employees other than office holders:		
	Annual leave	64,891	54,423
	Long service leave	57,220	48,117
	Separations and redundancies	-	-
	Other	-	-
	Subtotal employee provisions- employees other than office holders	122,111	102,540
	Total employee provisions	122,111	102,540
	Current	100,276	79,658
	Non current	21,835	22,882
	Total employee provisions	122,111	102,540

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

		2021 $	2020 $
Note 9:	**Other current and non-current liabilities**		
	Current		
	Membership fees received in advance	293,126	320,037
	Deferred revenue	1,098	1,098
	Loan	18,792	18,792
		313,016	339,927
	Non current		
	Deferred revenue	1,726	2,926
	Loan	73,086	137,655
		74,812	140,581

The loan is secured by mortgage on the office premises at 5/321 Kelvin Grove Rd, Kelvin Grove . The loan term expires in January 2024 with a repayment term of principal and interest on a monthly basis.

		2021 $	2020 $
Note 10:	**Equity**		
10(a)	**Accumulated funds**		
	Balance as at start of year	1,169,763	1,035,895
	Surplus attributable to members	71,138	133,868
	Balance as at end of year	1,240,901	1,169,763
10(b)	**Other funds**		
	Compulsory levy/voluntary contribution fund	-	-
	Other fund(s) required by rules		
	Balance as at start of year	-	-
	Transferred to reserve	-	-
	Transferred out of reserve	-	-
	Balance as at end of year	-	-

		2021	2020
		$	$
Note 11:	**Cash flow**		
11(a)	**Cash flow reconciliation**		
	Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement:		
	Cash and cash equivalents as per:		
	Cash flow statement	755,786	924,200
	Balance sheet	755,786	924,200
	Difference	-	-
	Reconciliation of surplus to net cash from operating activities:		
	Surplus for the year	71,138	133,868
	Adjustments for non-cash items		
	Depreciation	53,626	61,537
	Loss/(gain) on sale of investments	(46,448)	37,697
	Loss/(gain) on scrapping of asset	-	(40)
	Gain on sale of PPE	-	-
	Unrealised (profit)/loss on financial assets held for trading	(65,185)	(5,373)
	Changes in assets and liabilities		
	(Increase)/decrease in trade and other receivables	(67,495)	(1,831)
	Increase/(decrease) in trade and other payables	72,372	206,283
	Increase/(decrease) in provisions	19,571	(16,631)
	Net cash (used by) /from operating activities	**37,579**	415,510
11(b)	**Cash flow information**		
	Cash inflows		
	The Association	1,827,735	1,907,318
	Total cash inflows	1,827,735	1,907,318
	Cash outflows		
	The Association	1,996,149	1,618,165
	Total cash outflows	1,996,149	1,618,165

Note 12: Contingent liabilities, assets and commitments

12(a) Commitments and contingencies

Operating lease commitments- as lessee

The operating leases are for office related equipment including a photocopier, printers, phone messages service and postal franking machine with lease terms ranging from 2 to 5 years.

	2021 $	2020 $
Future minimum rentals payable under non-cancellable operating leases as at 31 December are:		
- within one year	25,774	26,789
- After one year but not more than five years	28,847	54,574
	54,621	81,363

Other contingent assets or liabilities

There are no contingent assets or contingent liabilities at the date of this report.

Note 13: Related party disclosures

13(a) Key Management Personnel Remuneration for the reporting period

	2021 $	2020 $
Short-term employee benefits		
Salary (including annual leave taken)	220,609	230,944
Annual leave accrued	35,334	27,164
Performance bonus	-	-
Total short-term employee benefits	255,943	258,108
Post-employment benefits:		
Superannuation	22,929	21,585
Total post-employment benefits	22,929	21,585
Other long-term benefits:		
Long service leave	27,770	23,827
Total other long-term benefits	27,770	23,827
Termination benefits	-	-
Total	306,642	303,520

Note 14: Remuneration of Auditors

	2021	2020
	$	$
Value of the services provided		
Financial statement audit services	13,260	13,005
Other services	900	900
Total remuneration of auditors	14,160	13,905

Other services performed by the auditors is the preparation and lodgement of the annual Fringe Benefits Tax return.

Note 15: Financial instruments

Financial risk management

The Association's financial instruments consist of deposits with banks, accounts receivables and payable, external borrowings and investments in shares in companies listed on the Australian Stock Exchange.

The Association does not have any derivative instruments at 31 December 2021.

Significant accounting policies

Details of significant accounting policies and methods adopted, including the criteria for recognition, the basis for measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 1 to the financial statements.

Financial risk exposures and management

The main risks the Association is exposed to through its financial assets and liabilities are interest rate risk, liquidity risk and credit risk. The Association's risk management program focuses on the unpredictability of the financial markets and seeks to minimise the potential adverse effects of the financial performance of the Association, by way of various measures detailed below. There have been no changes in the Financial Risk Management Strategies from 2020.

The Board of the Association analyses interest rate exposure and evaluates treasury management strategies in the context of the most recent economic conditions and forecasts.

Risk management is carried out by the board and key management personnel.

		2021 $	2020 $
Note 15:	**Financial instruments (Continued)**		
15(a)	**Categories of Financial Instruments**		
	Financial assets		
	Fair value through profit or loss:		
	- Shares in listed corporations	985,031	755,646
	Loans and receivables:		
	- Trade and other receivables	156,305	88,810
	- Cash and cash equivalents	755,786	924,200
	Total	912,091	1,013,010
	Carrying amount of financial assets	1,897,122	1,768,656
	Financial liabilities		
	Other Financial liabilities:		
	- Trade and other payables	708,295	607,812
	- Lease liability	40,435	55,721
	- Loan	91,878	156,447
	Carrying amount of financial liabilities	840,608	819,980
15(b)	**Net income and expense from financial assets**		
	Financial assets at fair value through profit and loss		
	Held for trading:		
	Change in fair value	65,185	5,373
	Dividend revenue	38,799	17,370
	Net gain at fair value through profit and loss	103,984	22,743
	Loans and receivables		
	Interest revenue	886	815
	Net gain from loans and receivable	886	815
	Net gain from financial assets	104,870	23,558
15(c)	**Net income and expense from financial liabilities**		
	At amortised cost		
	Interest expense	6,866	9,997
	Net gain/(loss) from financial liabilities	6,866	9,997

All investments held are level one investments (quoted securities). The fair value is measured through the quoted price of the investment in the active market.

Note 15: Financial instruments (Continued)

15(d) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Association. The Association does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Association's maximum exposure to credit risk without taking account of the value of any collateral obtained.

The following table illustrates the entity's gross exposure to credit risk, excluding any collateral or credit enhancements.

	2021	2020
	$	$
Financial assets		
Trade and other receivables	131,833	58,620
Total	131,833	58,620
Financial liabilities		
Trade and other payables	711,119	607,812
Loan	91,878	156,447
Total	802,997	764,259

Collateral held as security

No collateral is held as security for any of the trade and other receivables balance.

Set out below is the information about the credit risk exposure on financial assets using a provision matrix:

31 December 2021	**Trade and other receivables**				
	Days past due				
	Current	**<30 days**	**30 - 60 days**	**61 - 90 days**	**Total**
	$	**$**	**$**	**$**	**$**
Expected credit loss rate	0%	0%	0%	0%	
Estimate total gross carrying amount at default	115,990	6,185	2,932	6,726	131,833
Expected credit loss	-	-	-	-	-

31 December 2020	**Trade and other receivables**				
	Days past due				
	Current	**<30 days**	**30 - 60 days**	**61 - 90 days**	**Total**
	$	**$**	**$**	**$**	**$**
Expected credit loss rate	0%	0%	0%	0%	
Estimate total gross carrying amount at default	37,555	7,616	1,675	11,774	58,620
Expected credit loss	-	-	-	-	-

The Association's maximum exposure to credit risk for the components of the statement of financial position at 31 December 2021 and 2020 is the carrying amounts as illustrated above.

Note 15: Financial instruments (Continued)

15(e) Liquidity risk

The Association manages liquidity risk by monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities and ensuring that adequate funds are maintained.

Trade payables are short-term in nature.

The Association is not exposed to any significant liquidity risk.

The table below analyses the Association's trade and other payables and borrowings into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash-flows.

Contractual maturities for financial liabilities- As at 31 December 2021

	On demand	<1 year	1-2 years	2-5 years	>5 years	Total
	$	$	$	$	$	$
Trade and other payables	-	709,393	1,200	526	-	711,119
Loan	-	18,792	18,792	54,294	-	91,878
Total	-	728,185	19,992	54,820	-	802,997

Contractual maturities for financial liabilities- As at 31 December 2020

	On demand	<1 year	1-2 years	2-5 years	>5 years	Total
	$	$	$	$	$	$
Trade and other payables	-	604,886	1,200	1,726	-	607,812
Loan	-	18,792	18,792	118,863	-	156,447
Total	-	623,678	19,992	120,589	-	764,259

Lease liability maturities- As at 31 December 2021

	On demand	<1 year	1-2 years	2-5 years	>5 years	Total
Plant & equipment	-	15,884	16,505	8,047	-	40,435

Lease liability maturities- As at 31 December 2020

	On demand	<1 year	1-2 years	2-5 years	>5 years	Total
Plant & equipment	-	15,286	15,884	24,551	-	55,721

Note 15: Financial instruments (Continued)

15(f) Market risk

Interest rate risk

The Association is exposed to interest rate risk through its variable rate borrowings and through its cash and cash equivalents.

Cash flow sensitivity analysis for variable rate instruments

The Committee of Management have considered the impact of the disclosure requirements of AASB 7 "Financial Instruments Disclosures", most specifically paragraphs 40 – 41 and does not consider that these disclosures are necessary given the impact of any variations in the interest rates and the required disclosure thereof is not considered material.

Price risk

The Association is not exposed to any material commodity price risk.

Foreign currency risk

The Association does not have any exposures to foreign currencies at the reporting date.

15(g) Capital risk management

The Association manages its capital to ensure that it will be able to continue as a going concern and maximise the return to the Association to enable it to provide its ongoing services to its members. The maximisation of the return is achieved through the optimisation of its financial assets, debt and equity.

The capital structure consists of cash and cash equivalents, investments in companies listed on the Australian Stock Exchange and accumulated surplus. The Association's board reviews the composition of the capital structure on a regular basis to ensure that an optimal return is generated.

This strategy remains unchanged from 31 December 2020.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Note 16: Fair value measurements

16(a) Financial assets and liabilities

Management of the reporting unit assessed that cash, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

The fair value of financial assets and liabilities is included at the amount which the instrument could be exchanged in a current transaction between willing parties. The following methods and assumptions were used to estimate the fair values:

· Fair values of the Association's interest-bearing borrowings and loans are determined by using a discounted cash flow method. The discount rate used reflects the issuer's borrowing rate as at the end of the reporting period. The own performance risk as at 31 December 2021 was assessed to be insignificant.

· Fair value of available-for-sale financial assets is derived from quoted market prices in active markets.

· Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Association based on parameters such as interest rates and individual credit worthiness of the customer. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at 31 December 2021 the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the Statement of Financial Position and in the notes to the financial statements.

All fair value measurements have been categorised as Level 1 in the fair value hierarchy.

Note 17: Section 272 Fair Work (Registered Organisations) Act 2009

In accordance with the requirements of the *Fair Work (Registered Organisations) Act 2009* , the attention of members is drawn to the provisions of subsections (1) to (3) of section 272, which reads as follows:

Information to be provided to members or Commissioner:

1) A member of a reporting unit, or the Commissioner, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.

2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.

3) A reporting unit must comply with an application made under subsection (1)

OFFICER DECLARATION STATEMENT

I, Deborah Ponting, being the President of the Association, declare that the following activities did not occur during the reporting period ending 31 December 2021:

The Association did not:

- agree to receive financial support from another reporting unit to continue as a going concern
- agree to provide financial support to another reporting unit to ensure they continue as a going concern
- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- transfer to or withdraw from a fund (other than Accumulated funds), account, asset or controlled entity
- provide cash flows to another reporting unit and/or controlled entity
- receive cash flows from another reporting unit and/or controlled entity
-have another entity administer the financial affairs of the reporting unit
- make a payment to a former related party of the reporting unit

Signed:

Name of officer: Deborah Ponting

Title of officer: President

Dated: 24-May-22

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Independent Auditor's Report

To the Members of Community Management Solutions

Opinion

We have audited the financial report of Community Management Solutions (the Company), which comprises the statement of financial position as at 31 December 2021, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, Committee of Management Statement, and the subsection 255(2A) report.

In our opinion, the accompanying financial report of Community Management Solutions are:

(a) Giving a true and fair view of the Company's financial position as at 31 December 2021 and of its financial performance for the year then ended.

(b) Complying with Australian Accounting Standards report and any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act).

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 Company in accordance with the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other Information

The members are responsible for the other information. The other information comprises the information contained in the Company's Operating Report for the year ended 31 December 2021, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Members for the Financial Report

The members of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting and for such internal control as the members determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the members are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the members.
- Conclude on the appropriateness of the members' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

Crowe Audit Australia

Crowe Audit Australia

Wicus Wessels

Wicus Wessels
Associate Partner

ROC number: AA202/1

25 May 2022
Brisbane