8 July 2021

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

Dear Kim Teague,

Community Management Solutions
Financial Report for the year ended 31 December 2020 – (FR2020/339)

I acknowledge receipt of the financial report for the year ended 31 December 2020 for the Community Management Solutions (**the reporting unit**). The documents were lodged with the Registered Organisations Commission (**the ROC**) on 17 June 2021.

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 2021 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. The ROC will confirm these concerns have been addressed prior to filing next year's report.

Disclosure of grants expenditure

A loans, grants and donations statement for reporting unit was lodged with the ROC under subsection 237(1) of the RO Act on 29 March 2021. A figure for grants that exceeded $1,000 of $8,000 was also disclosed in Note 4(e) *Grants or donations* of the financial report, however the loans, grants and donations statement disclosed $NIL figure for grants exceeding $1,000.

The reporting unit's Chief Financial Officer advised the ROC on 7 July 2021 that the figure of $8,000 in the financial report was in relation to the spending of the Government's grant income for the enhancement of the reporting unit's website.

Please ensure in the next financial year that this figure is reallocated to a correct expense account and the comparative figure of grants expenditure is updated accordingly.

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 s.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 s.253 reporting guidelines and Australian Accounting Standards. Access to this information is available via this link.

If you have any queries regarding this letter, please contact me on (03) 9603 0764 or via email at kylie.ngo@roc.gov.au.

Yours sincerely,

Kylie Ngo
Registered Organisations Commission

Community Management Solutions
GUIDANCE • ADVICE • SUPPORT

PO Box 3252, Newmarket Qld 4051
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 20th May 2021; and

- That the full report was presented to a general meeting of members of the reporting unit 16th June 2021; in accordance with section 266 of the *Fair Work (Registered Organisations) Act* 2009.

Kim Teague
16th June 2021

COMMUNITY MANAGEMENT SOLUTIONS
ABN: 68 150 310 815

Annual Financial Statements
for the year ended 31 December 2020

Presented at the Annual General Meeting

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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 2020

The Committee of Management presents its operating report on the Association for the financial year ended 31 December 2020.

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. The Association changed its name from Australian Community Services Employers Association, Union of Employers to Community Management Solutions effective from 17 November 2020.

Significant changes in financial affairs
There were no significant changes in the financial affairs of the Association during 2020.

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
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 462.

Number of employees
The number of full time equivalent employees as at 31 December 2020 was 6.59 employees (2019: 10.89).

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: 14 May 2021

COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020

On the 14th May 2021 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 2020:

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:

Treasurer - Lyanna George

REPORT REQUIRED UNDER SUBSECTION 255(2A)
FOR THE YEAR ENDED 31 DECEMBER 2020

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Association for the year ended 31 December 2020.

Descriptive form

	2020 $	2019 $
Categories of expenditures		
Remuneration and other employment-related costs and expenses - employees	848,942	895,427
Advertising	-	-
Operating costs	452,948	320,595
Donations to political parties	-	-
Legal costs	-	-

Signature of designated officer: D E Ponting

Name of designated officer: Deborah Ponting

Title of designated officer: President

Dated: 14 May 2021

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020	2019
		$	$
REVENUE FROM CONTRACTS WITH CUSTOMERS			
Membership revenue		441,512	504,260
Capitation fees and other revenue from another reporting unit	3a	-	-
Levies	3b	-	-
Services rendered income		676,475	683,124
Manuals and awards sales income		8,907	10,647
TOTAL REVENUE FROM CONTRACTS WITH CUSTOMERS		**1,126,894**	1,198,031
INCOME FOR FURTHERING OBJECTIVES			
Grants and donations	3d	313,203	-
TOTAL INCOME FOR FURTHERING OBJECTIVES		**313,203**	-
OTHER INCOME			
Investment income	3c	18,185	35,618
Net gains from sale of assets	3e	-	-
Revenue from recovery of wages activity	3f	-	-
Rental and facilities income	3g	9,000	-
Recovery of funds from insurance		-	25,655
Sundry income		-	792
Net gain/(loss) on disposal of investments		(37,697)	41,026
Unrealised profit on financial assets held for trading		5,373	102,076
Other revenue		800	800
TOTAL OTHER INCOME		**(4,339)**	**205,967**
TOTAL INCOME		**1,435,758**	**1,403,998**
EXPENSES			
Employee expenses	4a	848,942	895,427
Capitation fees and other expense to another reporting unit	4b	-	-
Affiliation fees	4c	-	-
Administration expenses	4d	280,477	239,747
Grants or donations	4e	8,000	-
Depreciation expense	4f	61,537	59,322
Finance costs	4g	9,997	12,795
Legal costs	4h	-	-
Other expenses	4i	-	-
Audit fees	14	13,905	13,650
Brokerage & stamp duty		12,280	13,234
Insurance expense		14,536	14,732
Loss/(profit) from scrapping of asset		(40)	1,082
Membership, subscriptions & member seminars		12,615	12,920
Project & recoverable costs		39,641	55,189
TOTAL EXPENSES		**1,301,890**	1,318,098
SURPLUS FOR THE YEAR		**133,868**	85,900
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**133,868**	85,900

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

STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 $	2019 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5a	924,200	635,047
Trade and other receivables	5b	88,810	83,759
Financial assets	5c	755,646	721,540
Other current assets	5d	-	3,220
TOTAL CURRENT ASSETS		1,768,656	1,443,566
NON-CURRENT ASSETS			
Furniture and equipment	6a	5,809	8,095
Computer equipment	6b	12,170	22,221
Strata title office	6c	575,519	601,768
Right of use asset	6d	54,190	69,721
TOTAL NON-CURRENT ASSETS		647,688	701,805
TOTAL ASSETS		**2,416,344**	2,145,371
LIABILITIES			
CURRENT LIABILITIES			
Trade payables	7a	20,196	17,828
Other payables	7b	587,616	445,420
Employee provisions	8	79,658	79,904
Lease liability	6d	15,286	14,554
Other current liabilities	9	339,927	277,268
TOTAL CURRENT LIABILITIES		1,042,683	834,974
NON-CURRENT LIABILITIES			
Employee provisions	8	22,882	39,267
Lease liability	6d	40,435	55,875
Other non-current liabilities	9	140,581	179,360
TOTAL NON-CURRENT LIABILITIES		203,898	274,502
TOTAL LIABILITIES		**1,246,581**	1,109,476
NET ASSETS		**1,169,763**	1,035,895
EQUITY			
Accumulated funds	10	1,169,763	1,035,895
TOTAL EQUITY		**1,169,763**	1,035,895

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

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	Accumulated funds	Total equity
		$	$
Balance as at 1 January 2019		**949,995**	**949,995**
Surplus		85,900	85,900
Other comprehensive income		-	-
Closing balance as at 31 December 2019	10	**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**

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 $	2019 $
OPERATING ACTIVITIES			
Cash received			
Receipts from members and customers		1,247,212	1,367,338
Receipts from grants and donations		312,000	-
Dividends		17,370	33,292
Interest		815	2,326
Cash used			
Suppliers		(213,830)	(465,295)
Employees		(865,572)	(872,866)
Lease payments for leases of low-value assets	6e	(5,238)	(13,207)
Finance costs		(8,134)	(11,855)
GST		(69,113)	(85,530)
Net cash from/(used by) operating activities	11a	415,510	(45,797)
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of assets		-	-
Proceeds from sale of investments		329,921	593,375
Cash used			
Purchase of plant & equipment		(7,969)	(39,549)
Payments for investments		(396,351)	(333,220)
Net cash from/(used by) investing activities		(74,399)	220,606
FINANCING ACTIVITIES			
Cash used			
Repayment of borrowings		(37,250)	(31,303)
Repayment of right of use asset		(14,708)	(7,058)
Net cash from/(used by) financing activities		(51,958)	(38,361)
Net (decrease)/increase in cash & cash equivalents held		289,153	136,448
Cash & cash equivalents at the beginning of the reporting period		635,047	498,600
Cash & cash equivalents at the end of the reporting period	5a	924,200	635,047

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 2020

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 have been prepared on an accrual basis and in accordance with the historical cost, 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 standard and amendments which have been adopted for the first time this financial year.

AASB 2018-7 *Amendments to Australian Accounting Standards – Definition of Material*

Impact on adoption of AASB 2018-7 *Amendments to Australian Accounting Standards - Definition of Material*

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.
These amendments had no impact on the financial statements of the Association, nor is there expected to be any future impact to the Association.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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 will be recognised as income upon receipt.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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.

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

Gains and losses from disposal of assets are recognised when control of the asset has passed to the buyer.

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).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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.

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

	2020	**2019**
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.

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 expemption to leases of assets that are below $5,000. 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

Note 1: Summary of significant accounting policies (continued)

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

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 (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

Note 1: Summary of significant accounting policies (continued)

1.12 Financial assets (continued)

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.

Impairment

(i) Trade receivables

For trade receivables that do not have a significant financing component, the Association applies a simplified approach in calculating expected credit losses (ECLs) which requires lifetime expected credit losses 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

Note 1: Summary of significant accounting policies (continued)

1.12 Financial assets (continued)

Impairment (continued)

(i) Trade receivables (continued)

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 expected credit losses 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.

Subsequent measurement

Financial liabilities at fair value through profit or loss

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 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

Note 1: Summary of significant accounting policies (continued)

1.13 Financial Liabilities (continued)

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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	2020	2019
Furniture and equipment	4 to 10 years	4 to 10 years
Computer equipment	3 years	1 to 4 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 its 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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).

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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.

		2020 $	2019 $
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	1,126,894	1,198,031
	Other parties	-	-
	Total revenue from contracts with customers	1,126,894	1,198,031
	Disaggregation of income for further 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	313,203	-
	Other parties	-	-
	Total income for further activities	-	-
3(a)	**Capitation fees and other revenue from another reporting unit**		
	The Association	-	-
3(b)	**Levies**		
	Compulsory or voluntary levy or appeal	-	-
3(c)	**Investment income**		
	Interest		
	Deposits	815	2,326
	Loans	-	-
	Debt instruments at fair value through OCI	-	-
	Dividends	17,370	33,292
	Total investment income	18,185	35,618

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

		2020 $	2019 $
Note 3:	**Revenue and other income (continued)**		
3(d)	**Grants or donations**		
	Grants		-
	Government grants	313,203	-
	Donations	-	-
	Total grants or donations	313,203	-
3(e)	**Net gains from sale of assets**		
	Plant and equipment	-	-
3(f)	**Revenue from recovery of wages activity**		
	Amounts recovered from employees in respect of wages	-	-
	Interest received on recovered money	-	-
		-	-
3(g)	**Rental income**		
	Office rental	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	781,666	767,752
	Superannuation	67,160	76,351
	Leave and other entitlements	(16,630)	22,561
	Separation and redundancies	-	-
	Other employee expenses	16,746	28,763
	Subtotal employee expenses other than office holders	848,942	895,427
	Total employee expenses	848,942	895,427
4(b)	**Capitation fees and other expenses to another reporting unit**		
	The Association	-	-
4(c)	**Affiliation fees**		
	The Association	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

		2020	2019
		$	$
Note 4:	**Expenses (continued)**		
4(d)	**Administration expenses**		
	Total paid to employers for payroll deductions of membership subscriptions	-	-
	Compulsory levies	-	-
	Fees/allowances- meeting and conferences	-	-
	Conference and meeting expenses	2,720	3,907
	Contractors/consultants	170,549	102,187
	Property expenses	23,818	23,591
	Office expenses	44,466	64,532
	Information communications technology	27,503	27,414
	Other	6,183	4,909
	Subtotal administration expense	275,239	226,540
	Operating lease rentals:		
	Short term, low value lease payments	5,238	13,207
		5,238	13,207
	Total administration expenses	280,477	239,747
4(e)	**Grants or donations**		
	Grants:		
	Total expensed that were $1,000 or less	-	-
	Total expensed that exceeded $1,000	8,000	-
	Donations:		
	Total expensed that were $1,000 or less	-	-
	Total expensed that exceeded $1,000	-	-
	Total grants or donations	8,000	-
4(f)	**Depreciation**		
	Strata title office	26,249	25,544
	Right of use asset	15,531	7,766
	Property, plant and equipment	19,756	26,012
	Total depreciation	61,537	59,322
4(g)	**Finance costs**		
	Finance charges	7,549	11,273
	Lease interest	2,448	1,522
	Total finance costs	9,997	12,795
4(h)	**Legal costs**		
	Litigation	-	-
	Other legal costs	-	-
	Total legal costs	-	-
4(i)	**Other expenses**		
	Penalties - via RO Act or the *Fair Work Act 2009*	-	-
	Total other expenses	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

		2020	2019
		$	$
Note 5:	**Current assets**		
5(a)	**Cash and cash equivalents**		
	Cash at bank	455,109	287,102
	Cash at bank - held in trust	468,591	347,445
	Cash on hand	500	500
	Total cash and cash equivalents	924,200	635,047

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.

		2020	2019
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	58,620	55,889
	Less: Allowance	-	-
		58,620	55,889
	Other debtors	30,190	27,870
	Total trade and other receivables- net	88,810	83,759
	The movement in the allowance of trade and other receivables is as follows:		
	At 1 January	-	(2,818)
	Provision for expected credit losses	-	2,818
	Write-off	-	-
	At 31 December	-	-

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

		2020 $	2019 $
Note 5:	**Current assets (continued)**		
5(c)	**Financial assets**		
	Financial assets held for trading:		
	- shares in listed corporations at market value	755,646	721,540
	Total financial assets	755,646	721,540
5(d)	**Other current assets**		
	Prepayments	-	3,220
	Total other current assets	-	3,220
Note 6:	**Non-current assets**		
6(a)	**Furniture and equipment**		
	At cost	32,217	34,265
	Accumulated depreciation	(26,408)	(26,170)
	Total furniture and equipment	5,809	8,095
	Reconciliation of opening and closing balances of furniture and equipment		
	As at 1 January		
	Gross book value	34,265	34,246
	Accumulated depreciation and impairment	(26,170)	(21,417)
	Net book value 1 January	8,095	12,829
	Additions:		
	By purchase	1,988	-
	Depreciation expense	(4,275)	(4,753)
	Disposals:		
	Other - Write offs and scrapping of assets	-	19
	Net book value 31 December	**5,809**	8,095

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

		2020 $	2019 $
Note 6:	**Non-current assets (continued)**		
6(a)	**Furniture and equipment (continued)**		
	Net book value as at 31 December represented by:		
	Gross book value	32,217	34,265
	Accumulated depreciation and impairment	(26,408)	(26,170)
	Net book value 31 December	**5,809**	8,095
6(b)	**Computer equipment**		
	At cost	43,310	38,146
	Accumulated depreciation	(31,140)	(15,925)
	Total computer equipment	12,170	22,221
	Reconciliation of opening and closing balances of computer equipment		
	As at 1 January		
	Gross book value	38,146	47,059
	Accumulated depreciation and impairment	(15,925)	(35,690)
	Net book value 1 January	22,221	11,369
	Additions:		
	By purchase	5,980	33,194
	Depreciation expense	(15,482)	(21,259)
	Disposals:		
	Other - Write offs and scrapping of assets	(550)	(1,082)
	Net book value 31 December	12,170	22,221
	Net book value as at 31 December represented by:		
	Gross book value	43,310	38,146
	Accumulated depreciation and impairment	(31,140)	(15,925)
	Net book value 31 December	**12,170**	22,221
6(c)	**Strata Title Office**		
	At cost	697,735	697,735
	Accumulated depreciation	(122,216)	(95,967)
	Total strata title office	575,519	601,768
	Reconciliation of the Opening and Closing balances of Strata Title Office		
	As at 1 January		
	Gross book value	697,735	691,380
	Accumulated depreciation and impairment	(95,967)	(70,423)
	Net book value 1 January	601,768	620,957
	Additions:		
	By purchase	-	6,355
	Depreciation expense	(26,249)	(25,544)
	Net book value 31 December	575,519	601,768
	Net book value as at 31 December represented by:		
	Gross book value	697,735	697,735
	Accumulated depreciation and impairment	(122,216)	(95,967)
	Net book value 31 December	**575,519**	601,768

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

		2020	2019
		$	$
Note 6:	**Non-current assets (continued)**		
6(d)	**Right of use asset**		
	Cost	77,487	77,487
	Accumulated depreciation	(23,297)	(7,766)
	Total right of use asset	**54,190**	69,721
	Reconciliation of the Opening and Closing balances of right of use asset		
	As at 1 January		
	Gross book value	77,487	-
	Accumulated depreciation and impairment	(7,766)	-
	Net book value 1 January	69,721	-
	Additions:		
	By lease addition	-	77,487
	Depreciation expense	(15,531)	(7,766)
	Net book value 31 December	54,190	69,721
	Net book value as at 31 December represented by:		
	Gross book value	77,487	77,487
	Accumulated depreciation and impairment	(23,297)	(7,766)
	Net book value 31 December	**54,190**	69,721
	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	70,429	-
	Additions	-	77,487
	Accretion of interest	2,448	1,522
	Payments	(17,156)	(8,580)
	As at 31 December	55,721	70,429
	Current	15,286	14,554
	Non current	40,435	55,875
	The maturity analysis of lease liabilities is disclosed in note 15(e).		
	The following are the amounts recognised in profit or loss:		
	Depreciation expense of right-of-use asset	15,531	7,766
	Interest expense on lease liabilities	2,448	1,522
	Expense relating to leases of low-value assets (included in administrative expenses)	5,238	13,207
	Total amount recognised in profit or loss	23,217	22,495

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

		2020 $	2019 $
Note 7:	**Current liabilities**		
7(a)	**Trade payables**		
	Unsecured liabilities:		
	Trade creditors	20,196	17,828
	Subtotal trade creditors	20,196	17,828
	Payables to other reporting unit(s)	-	-
	Total trade payables	20,196	17,828
	Settlement is usually made within 30 days.		
7(b)	**Other payables**		
	Liability - Funds held in trust	468,089	346,971
	Other payables	119,527	98,449
	Payable to employers for making payroll deductions of membership subscriptions		
	Legal costs		
	Litigation	-	-
	Other legal costs	-	-
	Total other payables	587,616	445,420
	Total other payables are expected to be settled in:		
	No more than 12 months	587,616	445,420
	More than 12 months	-	-
	Total other payables	587,616	445,420
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	54,423	72,102
	Long service leave	48,117	47,069
	Separations and redundancies	-	-
	Other	-	-
	Subtotal employee provisions- employees other than office holders	102,540	119,171
	Total employee provisions	102,540	119,171
	Current	79,658	79,904
	Non current	22,882	39,267
	Total employee provisions	102,540	119,171

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

Note 9: Other current and non-current liabilities

	2020 $	2019 $
Current		
Membership fees received in advance	320,037	257,704
Deferred revenue	1,098	772
Loan	18,792	18,792
	339,927	277,268
Non current		
Deferred revenue	2,926	4,455
Loan	137,655	174,905
	140,581	179,360

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.

Note 10: Equity

		2020 $	2019 $
10(a)	**Accumulated funds**		
	Balance as at start of year	1,035,895	949,995
	Surplus attributable to members	133,868	85,900
	Balance as at end of year	1,169,763	1,035,895
10(b)	**Other specific disclosures- funds**		
	Compulsory levy/voluntary contribution fund- if invested in assets	-	-
	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	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

		2020	2019
		$	$
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	924,200	635,047
	Balance sheet	924,200	635,047
	Difference	-	-
	Reconciliation of surplus to net cash from operating activities:		
	Surplus for the year	133,868	85,900
	Adjustments for non-cash items		
	Depreciation & amortisation	61,537	59,322
	Loss/(gain) on sale of investments	37,697	(41,026)
	Loss/(gain) on scrapping of asset	(40)	1,096
	Gain on sale of PPE		-
	Unrealised (profit)/loss on financial assets held for trading	(5,373)	(102,076)
	Changes in assets and liabilities		
	(Increase)/decrease in trade and other receivables	(2,731)	(24,993)
	(Increase)/decrease in other current assets	900	46,149
	Increase/(decrease) in trade and other payables	206,283	(87,686)
	GST clearing	-	(4,788)
	Increase/(decrease) in provisions	(16,631)	22,305
	Net cash (used by) /from operating activities	**415,510**	(45,797)
11(b)	**Cash flow information**		
	Cash inflows		
	The Association	1,595,318	1,996,331
	Total cash inflows	1,595,318	1,996,331
	Cash outflows		
	The Association	1,618,165	1,859,883
	Total cash outflows	1,618,165	1,859,883

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	$	$

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.

Future minimum rentals payable under non-cancellable operating leases as at 31 December are:	2020 $	2019 $
- within one year	26,789	24,866
- After one year but not more than five years	54,574	72,591
	81,363	97,457

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

	2020 $	2019 $
Short-term employee benefits		
Salary (including annual leave taken)	230,944	215,596
Annual leave accrued	27,164	30,877
Performance bonus	-	-
Total short-term employee benefits	258,108	246,473
Post-employment benefits:		
Superannuation	21,585	21,863
Total post-employment benefits	21,585	21,863
Other long-term benefits:		
Long service leave	28,171	23,827
Total other long-term benefits	28,171	23,827
Termination benefits	-	-
Total	307,864	292,163

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

Note 14: Remuneration of Auditors

	2020	2019
	$	$
Value of the services provided		
Financial statement audit services	13,005	12,750
Other services	900	900
Total remuneration of auditors	13,905	13,650

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 2020.

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 2019.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

		2020	2019
		$	$
Note 15:	**Financial instruments (Continued)**		
15(a)	**Categories of Financial Instruments**		
	Financial assets		
	Fair value through profit or loss:		
	- Shares in listed corporations	755,646	721,540
	Loans and receivables:		
	- Trade and other receivables	88,810	83,759
	- Cash and cash equivalents	924,200	635,047
	Total	1,013,010	718,806
	Carrying amount of financial assets	1,768,656	1,440,346
	Financial liabilities		
	Other Financial liabilities:		
	- Trade and other payables	607,812	463,248
	- Lease liability	55,721	70,429
	- Loan	156,447	193,697
	Carrying amount of financial liabilities	819,980	727,374
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	5,373	102,076
	Dividend revenue	17,370	33,292
	Net gain/(loss) at fair value through profit and loss	22,743	135,368
	Loans and receivables		
	Interest revenue	815	2,326
	Net gain from loans and receivable	815	2,326
	Net gain/(loss) from financial assets	23,558	137,694
15(c)	**Net income and expense from financial liabilities**		
	At amortised cost		
	Interest expense	9,997	12,795
	Net gain/(loss) from financial liabilities	9,997	12,795

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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.

	2020	2019
	$	$
Financial assets		
Trade and other receivables	58,620	55,889
Total	58,620	55,889

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 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	-	-	-	-	-

31 December 2019	**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	48,030	6,158	1,702	-	55,889
Expected credit loss	-	-	-	-	-

The Association's maximum exposure to credit risk for the components of the statement of financial position at 31 December 2020 and 2019 is the carrying amounts as illustrated in Note 16(d).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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 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

Contractual maturities for financial liabilities- As at 31 December 2019

	On demand	<1 year	1-2 years	2-5 years	>5 years	Total
	$	$	$	$	$	$
Trade and other payables	-	464,020	1,200	3,255	-	468,475
Loan	-	18,792	18,792	156,113		193,697
Total	-	482,812	19,992	159,368	-	662,172

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

Lease liability maturities- As at 31 December 2019

	On demand	<1 year	1-2 years	2-5 years	>5 years	Total
Plant & equipment	-	14,554	15,286	32,110	8,479	70,429

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

Note 15: Financial instruments (Continued)

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 2019.

Note 16: Fair value measurement

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 2020 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 2020 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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)

Note 18: Disclosure under Reporting Guidelines, Section 253

The Organisation declares that the following activities did not occur during the reporting period ending 31 December 2020:

The reporting unit 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 general fund), 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

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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 'Association'), which comprises the statement of financial position as at 31 December 2020, 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, the Committee of Management Statement, and the subsection 255(2A) report.

In our opinion, the accompanying financial report gives a true and fair view of the financial position of the Association as at 31 December 2020, and of its financial performance and its cash flows for the year ended on that date in accordance with:

(a) The Australian Accounting Standards; and

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

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

Other Information

The Committee are responsible for the other information. The other information comprises the information contained in the Association's Operating Report for the year ended 31 December 2020 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 Committee for the Financial Report

The Committee of the Association are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the reporting requirements of *Fair Work (Registered Organisations) Act 2009* and for such internal control as the Committee 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 Committee are responsible for assessing the ability of the Association to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee either intend to liquidate the Association 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee.
- Conclude on the appropriateness of the Committee 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 Association'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 Association 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 Committee 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.

We declare that the signing partner, Wicus Wessels is:

a) an approved auditor;
b) a member of the Institute of Chartered Accountants in Australia;
c) holds a current public practice certificate.

Crowe Audit Australia

Crowe Audit Australia

Wicus Wessels

Wicus Wessels
Associate Partner

19 May 2021
Brisbane

Registration number (as registered by the Commissioner under the RO Act): AA2021/1