THE INSTITUTE OF CERTIFIED BOOKKEEPERS LTD

ABN: 20115901945

Financial Report For The Year Ended 31 December 2018

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THE INSTITUTE OF CERTIFIED BOOKKEEPERS LTD
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DIRECTORS' REPORT

Your directors present this report on the company for the financial year ended 31 December 2018.

Directors

The names of each person who has been a director during the year and to the date of this report are:

Matthew James Addison appointed (2/02/2006)
Garry Peter Carter appointed (23/08/2005)
James Carter retired (26/10/2018)
John David Birse appointed (22/12/2006)
Amanda Jane Linton appointed (15/10/2010)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal Activities

The principal activity of the company during the financial year was:

• member based professional association of bookkeepers for bookkeepers.

Objectives

The company's objectives are to:

• facilitate forms of information, experience and education exchange
• provide resources and guidance for the best practice of bookkeeping
• provide support for Certified Bookkeepers including technical assistance
* promote Certified Bookkeepers
* develop the professionalism of Certified Bookkeepers
* provide commercial benefit from being a member of this network
* embrace, support and promote the BAS Agent regime
* provide opportunities for the gaining of experience under supervision
* ensure Government and key stakeholders listen to, consider and promote Certified Bookkeepers and their reality

Key Performance Measures

The company measures its own performance through the use of both quantitative and qualitative benchmarks. The benchmarks are used by the directors to assess the financial sustainability of the company and whether the company's short-term and long-term objectives are being achieved.

Information on Directors

Matthew James Addison	—	Executive Director
Qualifications	—	B Ec., ACA, FICB, MYOB Certified Consultant
Experience	—	Partner in Accounting Practice & Bookkeeping Business
Special Responsibilities	—	Executive Chairman, Remuneration Committee
Garry Peter Carter	—	Director
Qualifications	—	FCI., FICB(Hon)., FBMA
Experience	—	Founder and Chairman of ICB Global and ICB UK, Chief
Directorships held in other listed entities	—	Director of ICB Global and related enitties, Director of The
James Carter	—	Director
Qualifications	—	FCI, FCITP, FICB(Hon), all UK
Experience	—	10 years+ involvement in ICB UK
Directorships held in other listed entities	—	Operations consulting in ICB Australia, ICB Global
John David Birse	—	Director
Qualifications	—	B.Ec., Dip Ed., MBA(Subs), Registered BAS Agent
Experience	—	Regional Franchisor of Jims Bookkeeping, Chairman FBAA,
Special Responsibilities	—	Advisory Board member, Educational consultant,
Amanda Jane Linton	—	Director
Qualifications	—	Cert IV Financial Services(Accounting). Registered BAS
Experience	—	Owner & Director Bookkeeping and consulting companies

Special Responsibilities — CEO ICB Australia, Trainer, Remuneration Committee

Meetings of Directors

During the financial year, four meetings of directors were held. Attendances by each director were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Matthew James Addison	4	4
Garry Peter Carter	4	1
James Carter	4	-
John David Birse	4	4
Amanda Jane Linton	4	4

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 31 December 2018 has been received and can be found on page 3 of the financial report.

This directors' report is signed in accordance with a resolution of the Board of Directors.

Director ....

Matthew James Addison

Dated this 15th day of March 2019

Director ....

John David Birse

Dated this 15th day of March 2019

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF THE INSTITUTE OF CERTIFIED BOOKKEEPERS LTD
ABN 20 115 901 945

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2018 there have been:

(i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Wayne Durdin

Name of firm: E. F. McPHAIL AND PARTNERS
Partner: WAYNE C. DURDIN
Address: 38 Ellingworth Parade, Box Hill VIC 3128
Dated this 15TH day of March 2019

THE INSTITUTE OF CERTIFIED BOOKKEEPERS LTD
ABN: 20115901945
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 $	2017 $
Revenue	2	2,401,126	2,230,790
Other income	2	-	-
Employee benefits expense		(1,076,948)	(1,032,528)
Depreciation and amortisation expense	3	(21,773)	(12,748)
Fuel, light and power expense		(12,628)	(8,277)
Rental expense	3	(106,313)	(93,106)
Audit, legal and consultancy fees		(16,177)	(12,256)
Marketing expenses		(7,345)	(5,996)
Bank charges		(49,165)	(42,433)
Office expenses		(44,494)	(52,524)
Membership based direct costs		(98,819)	(117,830)
Professional costs		(2,959)	(3,777)
Travel expenses		(26,149)	(19,607)
Insurance		(12,289)	(7,251)
Network meeting costs		(119,794)	(112,793)
Technology		(19,036)	(36,671)
Membership renewal costs		(15,186)	(24,936)
Events direct costs		(621,468)	(592,238)
Current year surplus before income tax		150,583	55,820
Income tax expense		-	-
Net current year surplus		150,583	55,820
Total comprehensive income for the year		150,583	55,820
Profit attributable to members of the entity		150,583	55,820
Total comprehensive income attributable to members of the entity		150,583	55,820

The accompanying notes form part of these financial statements.

THE INSTITUTE OF CERTIFIED BOOKKEEPERS LTD
ABN: 20115901945
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

	Note	2018 $	2017 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	885,418	683,970
Accounts receivable and other debtors	5	18,560	41,304
Other current assets	6	393,978	376,389
TOTAL CURRENT ASSETS		1,297,956	1,101,663
NON-CURRENT ASSETS			
Financial assets	7	31,364	31,360
Property, plant and equipment	8	69,763	88,363
TOTAL NON-CURRENT ASSETS		101,127	119,723
TOTAL ASSETS		1,399,083	1,221,386
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and other payables	9	223,763	230,103
Employee provisions	10	110,104	90,383
TOTAL CURRENT LIABILITIES		333,867	320,486
NON-CURRENT LIABILITIES			
Employee provisions	10	100,892	87,159
TOTAL NON-CURRENT LIABILITIES		100,892	87,159
TOTAL LIABILITIES		434,759	407,645
NET ASSETS		964,324	813,741
EQUITY			
Retained surplus		964,324	813,741
TOTAL EQUITY		964,324	813,741

The accompanying notes form part of these financial statements.

THE INSTITUTE OF CERTIFIED BOOKKEEPERS LTD
ABN: 20115901945
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	Financial Assets Reserve	Total
		$	$
Balance at 1 January 2017		757,921	757,921
Comprehensive Income			
Surplus for the year attributable to members of the entity		55,820	55,820
Total comprehensive income attributable to members of the entity		55,820	55,820
Balance at 31 December 2017		813,741	813,741
Balance at 1 January 2018		813,741	813,741
Comprehensive Income			
Surplus for the year attributable to members of the entity		150,583	150,583
Total comprehensive income for the year		150,583	150,583
Balance at 31 December 2018		964,324	964,324

The accompanying notes form part of these financial statements.

THE INSTITUTE OF CERTIFIED BOOKKEEPERS LTD
ABN: 20115901945
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018	2017
		$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from donations, bequests and raffles		2,416,086	2,243,327
Payments to suppliers and employees		(2,214,438)	(2,077,616)
Interest received		2,976	6,043
Net cash generated from operating activities	14	204,624	171,754
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		(3,172)	(84,031)
Payment for held-to-maturity investments		(4)	-
		-	(7,380)
Net cash used in investing activities		(3,176)	(91,411)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net increase in cash held		201,448	80,343
Cash on hand at beginning of the financial year		683,970	603,627
Cash on hand at end of the financial year	4	885,418	683,970

The accompanying notes form part of these financial statements.

Note 1 Summary of Significant Accounting Policies

Basis of Preparation

The Institute of Certified Bookkeepers Ltd applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on by the directors of the company.

Accounting Policies

(a) Revenue

The Institute of Certified Bookkeepers Ltd receives membership revenue which is recognised immediately upon receipt of membership or renewal fees. Membership fees are non-refundable.

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

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

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

(b) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated, less, where applicable, accumulated depreciation and any impairment losses.

Plant and Equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(f) for details of impairment).

Plant and equipment that have been contributed at no cost, or for nominal cost, are valued and recognised at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Fixed Asset	**Depreciation Rate**
Plant and equipment	20%

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(c) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses on a straight-line basis over the lease term.

(d) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are recognised immediately as expenses in profit or loss.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

(i) Financial assets at fair value through profit or loss

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment

At the end of each reporting period, the company assesses whether there is objective evidence that a financial asset has been impaired. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance accounts.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability, which is extinguished or transferred to another party, and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(e) Impairment of Assets

At the end of each reporting period, the entity assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives

(f) Employee Benefits

Short-term employee benefits

Provision is made for the Company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

The company classifies employees' long service leave and annual leave entitlements as other long-term employee benefits as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for the company's obligation for other long-term employee benefits, which are measured at the present value of the expected future payments to be made to employees.

The Company's obligations for long-term employee benefits are presented as non-current liabilities in its statement of financial position, except where the Company does not have an unconditional right to defer settlement for at least twelve months after the reporting date, in which case the obligations are presented as current liabilities.

(g) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(h) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(i) Income Tax

No provision for income tax has been raised as the entity is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

(j) Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of reporting period.

(k) Comparative Figures

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

(l) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the company during the reporting period that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(m) Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

Key Estimates

Impairment

"The company assessess impairment at the end of each reporting period by evaluation of conditions and events specific to the company that my be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions."

Key Judgements

Employee benefits

For the purpose of measurement, AASB 119: *Employee Benefits* defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related services. As the Company expects that most employees will not use all of their annual leave entitlements in the same year in which they are earned or during the 12 month period that follows (despite an informal Company policy that requires annual leave to be used within 18 months), the Directors believe that obligations for annual leave entitlements satisfy the definition of other long-term employee benefits and, therefore, are required to be measured at the present value of the expected future payments to be made to employees.

(n) Economic Dependence

The Institute of Certified Bookkeepers Ltd is dependent on the members for the majority of its revenue used to operate the business. At the date of this report the Board of Directors has no reason to believe the members will not continue to support The Institute of Certified Bookkeepers Ltd.

(o) New and amended Accounting Standards

The entity has assessed all new and amended accounting standards issued and effective for financial reporting periods beginning on or after 1 January 2017, and determined there to be no effect on the current or prior period financial statements.

— AASB 2016-7: Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities

This Standard amends the mandatory effective date (application date) of AASB 15: Revenue from Contracts with Customers for not-for-profit entities so that AASB 15 is required to be applied by such entities for annual reporting periods beginning on or after 1 January 2019 instead of 1 January 2018.

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Apart from a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

The transitional provisions of this Standard permit an entity to either:

- restate the contracts that existed in each prior period presented per AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors (subject to certain practical expedients in AASB 15); or
- recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application.

There are also enhanced disclosure requirements regarding revenue.

Note 2 Revenue and Other Income

	2018	2017
Revenue	$	$
Revenue from member based fees and activities		
— Membership fees	1,477,961	1,455,867
— Examination fees	461	657
— Training centres	-	14,091
— Regional conferences	777,353	653,781
— Strategic partnerships	141,634	98,630
— Sale of products	741	1,721
	2,398,150	2,224,747
Other revenue		
— Interest received on investments in government and fixed interest securities	2,976	6,043
	2,976	6,043
Total revenue	2,401,126	2,230,790

Total revenue	2,401,126	2,230,790

Note 3 Profit for the year

	2018 $	2017 $
(a) Expenses		
Employee benefits expense:		
— contributions to defined contribution superannuation funds	97,635	67,163
— Wages and employment costs	979,313	965,365
Total employee benefits expense	1,076,948	1,032,528
Depreciation and amortisation:		
— furniture and equipment	21,773	12,748
Total depreciation and amortisation	21,773	12,748
Rental expense on operating leases:		
— minimum lease payments	106,313	93,106
Total Rental Expense	106,313	93,106
Audit fees		
— audit services	6,842	5,154
Total Audit Remuneration	6,842	5,154

Note 4 Cash and Cash Equivalents

	2018 $	2017 $
CURRENT		
Cash at bank	169,457	120,982
Investment Account	715,961	562,988
	885,418	683,970
	885,419	683,970

Note 5 Trade and Other Receivables

	Note	2018 $	2017 $
CURRENT			
Accounts receivable		310	22,058
Other Receivables		18,250	19,246
Total current accounts receivable and other debtors		18,560	41,304

(a) Credit risk

The entity has no significant concentration of credit risk with respect to any single counter party or group of counter parties other than those receivables specifically provided for and mentioned within Note 5. The class of assets described as Trade and Other Receivables is considered to be the main source of credit risk related to the entity.

On a geographic basis, the entity has significant credit risk exposures in Australia and the United Kingdom given the substantial operations in those regions. The entity's exposure to credit risk for receivables at the end of the reporting period in those regions is as follows:

AUD	2018 $	2017 $
Australia	310	22,058
United Kingdom		
	310	22,058

The entity always measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The entity writes off a trade receivable when there is available information that the debtor is in severe financial difficulty and there is no realistic likelihood of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier. None of the trade receivables that have been written off are subject to enforcement activities.

Note 6 Other Assets

	2018	2017
	$	$
Prepayments	80,188	69,261
Receivables from other Related Parties	313,790	307,128
	393,978	376,389

Note 7 Financial Assets

	Note	2018	2017
		$	$
NON-CURRENT			
Financial assets at amortised cost	15	31,364	31,360
Total non-current assets		31,364	31,360

Note 8 Property, Plant and Equipment

	2018	2017
	$	$
LAND AND BUILDINGS		
PLANT AND EQUIPMENT		
Plant and equipment:		
At cost	125,235	122,062
Less accumulated depreciation	(55,472)	(33,699)
Total plant and equipment	69,763	88,363

Movements in Carrying Amounts

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

	Plant and Equipment	Total
	$	$
2017		
Balance at the beginning of the year	17,081	17,081
Additions at cost	84,030	84,030
Depreciation expense	(12,748)	(12,748)
Carrying amount at the end of the year	88,363	88,363
2018		
Balance at the beginning of the year	88,363	88,363
Additions at cost	3,173	3,173
Depreciation expense	(21,773)	(21,773)
Carrying amount at the end of the year	69,763	69,763

Note 9 Trade and Other Payables

	Note	2018	2017
		$	$
CURRENT			
Accounts payable		48,451	13,431
Deferred income		-	26,913
Other current payables		54,422	36,346
GST payable		41,310	60,121
Amounts due under contract of sales		79,580	93,250
Other related parties - Credit Cards		-	42
	9a	223,763	230,103

			2018	2017
			$	$
a	**Financial liabilities at amortised cost classified as accounts payable and other payables**			
	Accounts payable and other payables:			
	— Total current		223,763	230,103
	— Total non-current		-	-
			223,763	230,103
	less conference receipts in advance		79,580	93,250
	Less other payables (net amount of GST payable)		(41,310)	(60,121)
	Financial liabilities as accounts payable and other payables	15	262,033	263,232

The average credit period on accounts payable and other payables (excluding GST payable) is one month. No interest is payable on outstanding payables during this period.

Note 10 Provisions

	2018	2017
CURRENT	$	$
Provision for employee benefits: annual leave	110,104	90,383
Provision for employee benefits: long service leave	-	-
	110,104	90,383
NON-CURRENT		
Provision for employee benefits: long service leave	100,892	87,159
	100,892	87,159
	210,996	177,542

Analysis of total provisions:	Employee Benefits	Total
Opening balance at 1 January 2018	177,542	177,542
Additional provisions raised during the year	86,789	86,789
Amounts used	(53,335)	(53,335)
Balance at 31 December 2018	210,996	210,996

Employee Provisions

Employee provisions represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the company does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

Note 11 Capital and Leasing Commitments

(a) Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements

	2018	2017
Payable – minimum lease payments	$	$
— not later than 12 months	120,452	48,125
— between 12 months and five years	336,394	533,867
— later than five years		
	456,846	581,992

The property lease commitments are non-cancellable operating leases contracted for but not recognised in the financial statements with a five-year term. Increases in lease commitments may occur in line with the consumer price index (CPI).

Note 12 Events After the Reporting Period

The directors are not aware of any significant events since the end of the reporting period.

Note 13 Key Management Personnel Compensation

Key Management Personnel

a. Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity directly or indirectly, including any director (whether executive or otherwise) is considered key management personnel (KMP).

The totals of remuneration paid to KMP of the company during the year are as follows:

	2018	2017
	$	$
KMP compensation:		
— short-term employee benefits	530,316	424,575
— post-employment benefits		
— other long-term benefits		
	530,316	424,575

Other Related Parties

b. Other related parties include close family members of KMP and entities that are controlled or jointly controlled by those KMP individually or collectively with their close family members. These amounts are also included in "a" above

	2018	2017
	$	$
Birse Investments Pty ltd for whom John Birse acts as director	11,048	8,793
Addisons Productivity Solutions (labour hire for Chris McComb & Matthew Addison)	211,324	220,166
Freedom Accouting Support Pty Ltd for whom Amanda Linton acts as director	-	18,393

Transactions between related parties are on normal comercial terms and conditions no more favourite than those available to other persons unless otherwise stated.

Note 14 Cash Flow Information

	2018	2017
	$	$
Reconciliation of Cash Flows from Operating Activities with Net Current Year Surplus		
Net current year surplus	150,583	55,820
Adjustment for:		
Depreciation and amortisation expense	21,773	12,748
(Increase)/decrease in accounts receivable and other debtors	16,088	(41,779)
Increase/(decrease) in accounts payable and other payables	(7,901)	41,285
(Increase)/decrease in conference receipts in advance	(13,670)	60,360
Increase/(decrease) in employee provisions	51,529	68,212
(Increase)/decrease in prepayments	(13,778)	(24,892)
	204,624	171,754

Note 15 Financial Risk Management

The entity's financial instruments consist mainly of deposits with banks, local money market instruments, short-term and long-term investments, accounts receivable and payable, and lease liabilities.

The totals for each category of financial instruments, measured in accordance with AASB 9: Financial Instruments as detailed in the accounting policies to these financial statements, are as follows:

	Note	2018	2017
		$	**$**
Financial assets			
Financial assets at fair value through profit or loss:			
Financial assets designated as at fair value through profit or loss:			
— held for trading Australian listed shares	7		
Financial assets at amortised cost:			
— cash and cash equivalents	4	885,418	683,970
— loan & receivables	5	18,560	41,304
— other	7	31,364	31,360
Total financial assets		935,342	756,634
Financial liabilities			
Financial liabilities at amortised cost:			
— accounts payable and other payables	9a	262,033	263,232
— lease liabilities	11	-	-
Total financial liabilities		262,033	263,232

Note 16 Entity Details

The registered office of the entity is:

The Institute of Certified Bookkeepers Ltd
Lvl 27, Rialto South Towers
525 Collins Street
Melbourne

The principal place of business is:

The Institute of Certified Bookkeepers Ltd
46 New Street
RINGWOOD VIC 3134

Note 17 Members' Guarantee

The entity is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of $100 towards meeting any outstanding obligations of the entity. At 31 December 2018 the number of members was 4085.

THE INSTITUTE OF CERTIFIED BOOKKEEPERS LTD
ABN: 20115901945
DIRECTORS' DECLARATION

In accordance with a resolution of the directors of The Institute of Certified Bookkeepers Ltd, the directors declare that:

1. The financial statements and notes, as set out on pages 4 to 16, are in accordance with the Corporations Act 2001 and:

   (a) comply with Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards; and

   (b) give a true and fair view of the financial position of the company as at 31 December 2018 and of its performance for the year ended on that date.

2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Director

Matthew James Addison

Dated this 15th day of March 2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE INSTITUTE OF CERTIFIED BOOKKEEPERS LTD ABN 20 115 901 945

Opinion

We have audited the financial report of The Institute of Certified Bookkeepers Ltd (the company), which comprises the statement of financial position as at 31 December 2018, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of The Institute of Certified Bookkeepers Ltd is in accordance with the *Corporations Act 2001*, including:

i. giving a true and fair view of the company's financial position as at 31 December 2018 and of its financial performance for the year then ended; and

ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001.*

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 auditor independence requirements of the *Corporations Act 2001* and 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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of The Institute of Certified Bookkeepers Ltd, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information included in the report. The other information comprises the information included in the company's annual report for the year ended 31 December 2018, 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 Directors for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors 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 directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors 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 directors.

- Conclude on the appropriateness of the directors' 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 directors 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 our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Wayne Durdin

Name of firm: E. F. McPHAIL AND PARTNERS
Partner: WAYNE C. DURDIN
Address: 38 Ellingworth Parade, Box Hill VIC 3128
Dated this 15TH day of March 2019