THE INSTITUTE OF CERTIFIED BOOKKEEPERS LTD

Financial Statements

31 December 2023

Move forward

THE INSTITUTE OF CERTIFIED BOOKKEEPERS LTD.

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

The Directors present their report on the Institute of Certified Bookkeepers for the financial year ended 31 December 2023.

Directors

The names of the directors in office at any time during, or since the end of, the year are:

- Matthew Addison - appointed 02/02/2006
- Amanda Linton - appointed 15/10/2010
- Melissa Foote - appointed 16/04/2019
- Robert Marshall - appointed 16/04/2019
- Margaret Whitfield – appointed 07/05/2020, retired 20/4/2023
- Colin Walker - appointed 16/08/2020
- Pamela Taylor - appointed 22/04/2021
- Darren McMahon - appointed 21/04/2022
- Roslyn van Welie - appointed 20/04/2023

Principal Activities

The principal activity of the Company during the financial year was member based professional association of bookkeepers for bookkeepers.

Review of Operations

The net profit/(loss) for the year amounted to ($231,703) 2022: ($455,916).

Significant Changes in the State of Affairs

No significant changes in the Company's state of affairs occurred during the financial year.

Events Subsequent to the End of the Reporting Period

No matters or circumstances have arisen since the end of the financial year that significantly affect or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

Proceedings on Behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Matthew James Addison	Deputy Chair
Qualifications	B Ec., ACA, FICB, MYOB Certified Consultant
Experience	Partner in Accounting Practice & Bookkeeping Business 1993-2008, Bookkeeping Consultant since 1992 and trainer since 1999.
Special Responsibilities	*Complaints Committee, Governance/Compliance Committee, Finance, Audit & Risk Committee.*
Amanda Jane Linton	Executive Director
Qualifications	Cert IV Financial Services (Accounting), Registered BAS Agent
Experience	Owner & Director multiple bookkeeping and consulting companies operating Australia wide 2004 to date. MYOB Certified Consultant since 2005. Administration manager and practicing bookkeeper in employment 1995-2004.
Special Responsibilities	*CEO ICB Australia, Trainer, Remuneration Committee, Secretary and Educations & Advisory Board, Complaints Committee, Admissions Board, Finance, Audit & Risk Committee*
Melissa Foote	Non-Executive Director
Qualifications	Diploma of Accounting, Cert IV TAE, Evernote Certified Consultant, Registered BAS Agent
Experience	Managing Director of Bloom 8 Global, MYOB Certified Consultant, QBO Advanced Pro Advisor and Xero Training Partner/Xero Certified Partner.
Special Responsibilities	*Complaints Committee, Finance, Audit & Risk Committee*
Rob Marshall	Executive Director
Qualifications	Associate Diploma in Business Studies (Accounting), Cert IV in Financial Services (Bookkeeping) and Registered BAS Agent
Experience	Owner and Director of Ebiz Solutions (WA) Pty Ltd.
Special Responsibilities	*ICB Australia Support and Resources Manager, Finance, Audit & Risk Committee*

Colin Walker	Non-Executive Director
Qualifications	(BSc) Bachelor of Science, with various further studies in public administration, management, tax & corporate law, accounting & design.
Experience	Formerly with the Australian Taxation Office from 2002 (and 8 years before that with the International Monetary Fund in various developing countries) as an Assistant Commissioner responsible for legislation interpretation, design and implementation of new legislation including 6 years supporting tax and BAS agents and leading digital services for agents. Colin also has extensive experience in public administration, leading major projects and relationship management.
Special Responsibilities	*Chair of Board, Directors Renumeration Committee, Complaints Committee, Governance, Finance, Audit & Risk Committee*
Pamela Taylor	Non-Executive Director
Qualifications	Registered BAS Agent, Cert IV Financial Services (Bookkeeping)
Experience	Owner & Director multiple bookkeeping and consulting companies operating Australia wide 2007 to date. Administration manager and practicing bookkeeper in employment 1998-2007.
Special Responsibilities	*Remuneration Committee, Advisory Board, Chair, Software Advisory Committee Member*
Darren McMahon	Non-Executive Director
Qualifications	Registered BAS Agent, Bachelor of Commerce (Accounting)
Experience	Owner & Director multiple bookkeeping and consulting companies 2010 to date. Administration Manager/CFO in employment 2004-2009, multiple public practice roles from 1990-2003.
Special Responsibilities	*Advisory Board member, Governance/Compliance Committee*
Roslyn Marie Van Welie	Non-Executive Director
Qualifications	Diploma of Accounting, Registered BAS Agent, Cert IV TAE
Experience	Owner and Director Curly Girl Numbers, MYOB Certified Consultant, Software Partner with MYOB and Xero. Over 25 years' experience in Bookkeeping, registered BAS Agent since 2010, Network Facilitator.
Special Responsibilities	*Governance Committee, Admissions Board, Complaints and Disciplinary Committee*

THE INSTITUTE OF CERTIFIED BOOKKEEPERS LTD.

DIRECTOR’S REPORT (Continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

Directors’ Meetings

During the financial year, 5 meetings of directors (plus committees of directors) were held. Attendances by each director during the year were as follows:

Name of Director	Number Eligible to attend	Number attended
Matthew James Addison	5	4
Amanda Jane Linton	5	5
Melissa Foote	5	4
Rob Marshall	5	5
Margaret Whitfield	1	1
Colin Walker	5	4
Pamela Taylor	5	5
Darren McMahon	5	5
Roslyn van Welie	4	4

Auditor’s Independence Declaration

A copy of the auditor’s independence declaration as required under s 307C of the *Corporations Act 2001* is set out on page 5.

No officer of the Company is or has been a partner/director of any auditor of the Company.

This directors’ report is signed in accordance with a resolution of the Board of Directors:

Director:

Name: Colin Walker

Date: 9 April 2024

Auditor's Independence Declaration to the members of the Institute of Certified Bookkeepers Ltd.

In relation to our audit of the financial report of the Institute of Certified Bookkeepers Ltd. for the financial year ended 31 December 2023, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of any applicable code of professional conduct.

Wise Lord & Ferguson

WISE LORD & FERGUSON

REBECCA MEREDITH
Partner
Date: 9 April 2024

THE INSTITUTE OF CERTIFIED BOOKKEEPERS LTD.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 $	2022 $
Revenue and other income	2	2,682,897	2,554,245
Employee benefits expense	3	(1,827,502)	(1,834,597)
Depreciation and amortisation expense	3	(43,566)	(97,814)
Utilities expense		(2,887)	(2,032)
Audit, legal and consultancy fees		(23,476)	(45,410)
Marketing expenses		(59,640)	(3,456)
Bank charges		(52,104)	(54,871)
Office expenses		(51,406)	(56,012)
Membership based direct costs		(55,455)	(179,744)
Registration and subscription		(8,429)	(7,731)
Travel expenses		(19,234)	(18,099)
Insurance		(13,258)	(14,907)
Network meeting costs		(86,146)	(76,296)
Technology		(116,765)	(184,039)
Membership renewal costs		-	(6,706)
Events direct costs		(539,001)	(421,598)
Sundry expenses		(13,716)	(7,128)
Profit/(loss) on disposal of assets		(2,015)	279
Current year surplus before income tax		(231,703)	(455,916)
Income tax expense		-	-
Surplus/ (deficit) attributable to members of the entity		(231,703)	(455,196)
Other comprehensive income		-	-
Total comprehensive income attributable to members of the entity		(231,703)	(455,196)

The accompanying notes form part of these financial statements.

THE INSTITUTE OF CERTIFIED BOOKKEEPERS LTD.

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 $	2022 $
Assets			
Current assets			
Cash and cash equivalents	4	756,164	956,056
Trade and other receivables	5	25,098	81,323
Other assets	6	358,858	415,634
Total current assets		1,140,120	1,453,013
Non-current assets			
Financial assets	7	8,536	6,800
Plant and equipment	8	18,084	21,440
Right-of-use assets	9	125,666	119,085
Total non-current assets		152,286	147,325
Total assets		1,292,406	1,600,338
Liabilities			
Current liabilities			
Trade and other payables	10	184,907	280,075
Provisions	11	342,822	279,729
Lease liabilities	12	39,441	26,901
Total current liabilities		567,170	586,705
Non-current liabilities			
Provisions	11	40,823	94,990
Lease liabilities	12	90,627	93,154
Total non-current liabilities		131,450	188,144
Total liabilities		698,620	774,849
Net assets		593,786	825,489
Equity			
Reserves		1,018,200	1,227,200
Retained surplus		(424,414)	(401,711)
Total equity		593,786	825,489

The accompanying notes form part of these financial statements.

THE INSTITUTE OF CERTIFIED BOOKKEEPERS LTD.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

	Retained Surplus $	Member Guarantee Reserve $	Working Capital Reserve $	Total $
Balance at 1 January 2022	80,905	500,500	700,000	1,281,405
Comprehensive income				
Surplus for the year attributable to members of the entity	(455,916)	-	-	(455,916)
Transfers from retained surplus to reserves	(26,700)	(34,300)	61,000	-
Total comprehensive income attributable to owners of the entity for the year	(482,616)	(34,300)	61,000	(455,916)
Balance at 31 December 2022	(401,711)	466,200	761,000	825,489
Balance at 1 January 2023	(401,711)	466,200	761,000	825,489
Comprehensive income				
Surplus for the year attributable to members of the entity	(231,703)	-	-	(231,703)
Transfers from retained surplus to reserves	209,000	(3,000)	(206,000)	-
Total comprehensive income attributable to owners of the entity for the year	(22,703)	(3,000)	(206,000)	(231,703)
Balance at 31 December 2023	(424,414)	463,200	555,000	593,786

The accompanying notes form part of these financial statements.

THE INSTITUTE OF CERTIFIED BOOKKEEPERS LTD.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 $	2022 $
Cash flow from operating activities			
Receipts from members, regional conferences, and strategic partnerships		2,671,025	2,539,141
Payments to suppliers and employees		(2,835,330)	(2,921,430)
Interest received		9,100	1,949
Interest paid		(4,158)	(2,143)
Net cash flows from/(used in) operating activities		(159,363)	(382,483)
Cash flow from investing activities			
Payment for property, plant, and equipment		(7,180)	(5,481)
Proceeds from sale of property, plant and equipment		662	400
Net cash flows from/(used in) investing activities		(6,518)	(5,081)
Cash flow from financing activities			
Increase/(decrease) in security deposits		(1,736)	24,510
Payment of leases		(32,275)	(80,212)
Net cash flows from/(used in) financing activities		(34,011)	(55,702)
Net increase/(decrease) in cash held		(199,892)	(443,266)
Cash on hand at beginning of the financial year		956,056	1,399,322
Closing cash carried forward		756,164	956,056

The accompanying notes form part of these financial statements.

1. Summary of accounting policies

Basis of accounting

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The Company is a not-for-profit Company 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 cash flow information, have been prepared on an accruals 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 off to the nearest dollar unless stated otherwise.

Accounting Policies

(a) Revenue recognition

Membership fees received by the Company are recognised immediately upon commencement or renewal of membership. Membership fees are non-refundable.

When the Company receives operating grant revenue, donations or bequests, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance to AASB15: *Revenue from Contracts with Customers*.

When both these conditions are satisfied, the Company:

- identifies each performance obligation relating to the grant; and
- recognises a contract liability for its obligations under the agreement; and
- recognises revenue as it satisfies its performance obligations.

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the Company:

- recognises the asset received in accordance with the recognition requirements of other applicable accounting standards.
- recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer); and
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

If a contract liability is recognised as a related amount above, the Company recognises income in profit or loss when or as it satisfies its obligations under the contract.

Interest revenue is recognised using the effective interest method.

1. Summary of accounting policies (continued)

(a) Revenue recognition cont.

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 customer.

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

(b) Cash and 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 as borrowings in current liabilities on the statement of financial position.

(c) Financial instruments

Initial recognition and measurement

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

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified “at fair value through profit or loss”, in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15: *Revenue from Contracts with Customers.*

Classification and subsequent measurement

Financial assets

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

1. Summary of accounting policies (continued)

(c) Financial instruments cont.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
- the business model for managing the financial assets comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The Company initially designates a financial instrument as measured at fair value through profit or loss if it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

The initial designation of the financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Classification and subsequent measurement

Financial liabilities

Financial instruments are subsequently measured at:

- amortised cost; or
- fair value through profit or loss.

A financial liability is measured at fair value through profit and/or loss if the financial liability is:

- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period. The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

1. Summary of accounting policies (continued)

(c) Financial instruments cont.

A financial liability is held for trading if it is:

- incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit taking; or

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability. If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset of financial liability from the statement of financial position.

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All of the following criteria need to be satisfied for derecognition of financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Company no longer controls the asset (i.e., the Company has no practical ability to make a unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of an investment in equity which was elected to be classified under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss but is transferred to retained earnings.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (i.e., when the obligation in the contract is discharged, cancelled, or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

1. Summary of accounting policies (continued)

(c) Financial instruments cont.

General approach

Under the general approach, at each reporting period, the Company assesses whether the financial instruments are credit-impaired, and if:

- the credit risk of the financial instrument has increased significantly since initial recognition, the Company measures the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; or
- there is no significant increase in credit risk since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

(d) Impairment of assets

At the end of each reporting period, the Company assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information. 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: *Property, Plant and Equipment.*

Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

(e) Employee entitlements

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 before 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. The Company's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

1. Summary of accounting policies (continued)

(e) Employee entitlements cont.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements 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. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur. The Company's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

(f) Plant and equipment

Plant and equipment are measured on a 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 in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(d) for details of impairment).

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal.

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 Company 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.

1. Summary of accounting policies (continued)

(f) Plant and equipment cont.

These gains or losses are recognised in profit or loss when the item is derecognised. Gains are not classified as revenue. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(g) Leases (the Company as lessee)

At inception of a contract, the Company assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Company where the Company is a lessee. However, all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Company uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options if the lessee is reasonably certain to exercise the options;
- lease payments under extension options if lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

1. Summary of accounting policies (continued)

(h) Fair Value of assets and liabilities

The Company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

"Fair value" is the price the Company would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e., unforced) transaction between independent, knowledgeable, and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. To the extent possible, market information is extracted from the principal market for the asset or liability (i.e., the market with the greatest volume and level of activity for the asset or liability).

In the absence of such a market, market information is extracted from the most advantageous market available to the Company at the end of the reporting period (i.e., the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets.

Where this information is not available, other valuation techniques are adopted and where significant, are detailed in the respective note to the financial statements.

(i) Provisions

Provisions are recognised when the Company 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 are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(j) Trade and other receivables

Trade and other receivables include amounts due from members as well as customers for goods sold and services performed in the ordinary course of business.

1. Summary of accounting policies (continued)

(j) Trade and other receivables

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(d) for further discussion on the determination of impairment losses.

(k) Trade and other payables

Trade and other payables represent the liabilities for goods and services received by the Company 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.

(l) Goods and services tax

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 as part of 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 financing and investing 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.

(m) Comparative figures

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

(n) Income tax

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

(o) 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.

1. Summary of accounting policies (continued)

Key estimates

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. Although the Company expects that employees will not use all their leave in a 12-month period it has recognised annual leave as current. Long Service Leave has been calculated based on the probability of an employee reaching a payment threshold. The probability factors are estimates.

Lease term and option to extend under AASB 16

The lease term is defined as the non-cancellable period of a lease together with both periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and also, periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. The options that are reasonably going to be exercised is a key management judgement that the Company will make. The Company determines the likeliness to exercise the options on a lease-by-lease basis looking at various factors such as which assets are strategic, and which are key to future strategy of the Company.

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.

(p) New and Amended Accounting Standards Adopted by the Company

Initial adoption of AASB 2020-3: Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments

The company adopted AASB 2020-3 which makes small amendments to a number of standards including the following: AASB 1, AASB 3, AASB 9, AASB 16, AASB 137, and AASB 141. The adoption of the amendments did not have a material impact on the financial statements.

	Notes	2023 $	2022 $
2. Revenue and other income			
Revenue			
Membership fees		1,748,330	1,646,281
Regional conferences		817,522	804,094
Strategic partnerships		106,002	100,565
Sale of products		1,167	355
Total revenue		2,673,021	2,551,295
Other income			
Interest received on fixed interest securities		9,100	1,949
Other		776	1,001
Total other income		9,876	2,950
Total revenue and other income		2,682,897	2,554,245
3. Expenses			
Superannuation expense		167,394	153,739
Wages and employment costs		1,660,108	1,680,858
Total employee benefits expense		1,827,502	1,834,597
Depreciation and amortisation			
Furniture and equipment		7,859	18,766
Office lease amortisation		31,823	75,988
Printer lease amortisation		3,884	3,060
Total depreciation and amortisation		43,566	97,814
Audit fees			
Audit services		11,505	8,255
Total audit remuneration		11,505	8,255
4. Cash and cash equivalents			
Cash at bank		76,469	235,460
Investment Account		679,695	720,596
Total Cash and cash equivalents		756,164	956,056

The cash and investment accounts are restricted to the extent of the Board’s decision to create reserves. The Member Guarantee Reserve and the Working Capital Reserve equal to $1,018,200 (2022: $1,227,200).

	Notes	2023 $	2022 $
5. Trade and Other Receivables			
Trade receivables		22,326	62,123
Other receivables		2,772	19,200
Total Trade and Other Receivables		25,098	81,323
6. Other Assets			
Prepayments		64,848	182,636
Receivables from memberships		294,010	232,998
Total Other assets		358,858	415,634
7. Financial Assets			
Security Deposits		8,536	6,800
Total Financial Assets		8,536	6,800
8. Plant and Equipment			
At cost		50,031	44,197
Less accumulated depreciation		(31,947)	(22,757)
Total Plant and Equipment		18,084	21,440

(a) Reconciliations

Reconciliations of the carrying amounts of, plant and equipment at the beginning and end of the current financial year.

Plant and Equipment	2023	2022
Balance at the beginning of the year	21,440	34,846
Additions at cost	6,487	5,481
Disposals at cost	(1,984)	(121)
Depreciation expense	(7,859)	(18,766)
Carrying amount at the end of the year	18,084	21,440

	Notes	2023 $	2022 $
9. Right-Of-Use Assets			
Leased building - Ringwood		127,195	122,849
Leased building – Port Rd		38,305	-
Accumulated depreciation		(42,423)	(10,238)
Net carrying amount – leased building		123,077	112,611
Leased equipment		8,092	8,092
Accumulated depreciation		(5,503)	(1,618)
Net carrying amount – leased equipment		2,589	6,474
Total right-of-use asset		125,666	119,085

ii. AASB 16 related amounts recognised in the statement of profit and loss			
Amortisation charge related to right-of-use assets		35,707	79,048
Interest expense on lease liabilities		4,158	2,143

The Company's lease portfolio includes equipment and buildings with an average of 5 years as their lease term. The option to extend or terminate are contained within the leases of the Company.

10. Trade and Other Payables			
Trade payables		2,686	70,904
Accrued expenses		32,809	31,531
Other current payables		78,698	76,909
GST payable		70,714	43,179
Income in advance		-	57,552
Total Trade and Other Payables		184,907	280,075

11. Provisions			
Current			
Provision for annual leave		179,549	199,811
Provision for long service leave		163,273	79,918
Total current provisions		342,822	279,729
Non-current			
Provision for long service leave		40,823	94,990
Total non-current provisions		40,823	94,990
Total provisions		383,645	374,719

	Notes	2023 $	2022 $
11. Provisions cont.			
Analysis of total provisions			
Opening balance at 1 January 2022		374,719	335,268
Additional provisions raised during the year		153,766	194,542
Amounts used		(144,840)	(155,091)
Balance at 31 December 2023		383,645	374,719

Provision for employee benefits

Provision for employee benefits 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 entity 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 entity 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.

	2023	2022
12. Lease Liabilities		
Current		
Lease liabilities	39,441	26,901
Total current lease liabilities	**39,441**	**26,901**
Non-current		
Lease liabilities	90,627	93,154
Total non-current lease liabilities	**90,627**	**93,154**
Total Lease liabilities	**130,068**	**120,055**

	2023	2022
Presented below is a maturity analysis of future lease payments:		
No later than 1 year	44,350	30,345
Later than 1 year and no later than 5 years	96,962	98,641
Later than 5 years	-	-
	141,312	128,986

The amount of expense relating to short-term leases and leases of low-value assets recognised in profit or loss during the year ended 31 December 2023 was $1,400 (2022: nil).

13. Events after the reporting period

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

14. Key Management Personnel Compensation

Key Management Personnel

Any person(s) having authority and responsibility for planning, directing, and controlling the activities of the Company 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:

	Notes	2023 $	2022 $
KMP compensation			
Short-term employee benefits		735,747	730,753
Post-employment benefits		-	-
Other long-term benefits		-	-
Total KMP Compensation		735,747	730,753

15. Other Related Party Transactions

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel individually or collectively with their close family members.

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

	2023	2022
Dardee Pty Ltd (network facilitation for Darren McMahon)	1,080	690
Melissa Foote (reimbursements re: the Accountex Event)	822	-
Nat Marshall (podcast production fee for son of Robert Marshall)	1,833	1,350
The Trustee For The Foote Family Trust (network Facilitation Fees for Melissa Foote)	400	450

	Notes	2023 $	2022 $
16. Financial Risk Management			
Financial liabilities			
Financial liabilities at amortised cost			
Trade and other payables	10	184,907	278,324
Lease liabilities		130,068	120,055
Total financial liabilities		314,975	398,379
Cash on hand	4	756,164	956,056
Less lease liabilities		(130,068)	(120,055)
Net cash/ (debt)		626,096	836,001
Total equity (retained surplus and reserves)		593,786	825,489

The Company'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:

	Notes	2023 $	2022 $
Financial assets			
Financial assets at amortised cost			
Cash and cash equivalents	4	756,164	956,056
Trade and other receivables	5	25,098	81,323
Total financial assets		781,262	1,037,379

17. Reserves

During the 2019 financial year two reserves were set up from funds that were part of retained earnings. The member guarantee reserve is based on ICB's constitution and is based on the number of voting members having a member guarantee of $100 each. The working capital reserve is based on a retention of four month's operating costs. ICB have always provisioned this within retained earnings, however, have elected to show it in a separate reserve.

18. Company Details

Registered Office

The Institute of Certified Bookkeepers Ltd
Level 17, 31 Queen Street
MELBOURNE VIC 3000

Principal place of business

The Institute of Certified Bookkeepers Ltd
12/45 Ringwood Street
RINGWOOD VIC 3134

19. Members' Guarantee

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of $100 towards meeting any outstanding obligations of the Company. At 31 December 2023, the number of members was 4,632.

THE INSTITUTE OF CERTIFIED BOOKKEEPERS LTD.

DIRECTOR'S DECLARATION

AS AT 31 DECEMBER 2023

In the opinion of the Board of The Institute of Certified Bookkeepers Ltd we state that:

(a) The accompanying financial statements and notes of The Institute of Certified Bookkeepers Ltd satisfy the requirements of *the Corporations Act 2001* and

(i) give a true and fair view of the Company's financial position as at 31 December 2023 and of its performance for the year ended on that date; and

(ii) are prepared in accordance with the Australian Accounting Standards – Simplified Disclosures requirements applicable to the entity.

(b) At the date of this statement there are reasonable grounds to believe that The Institute of Certified Bookkeepers Ltd will be able to pay its debts as and when they become due and payable.

On behalf of the Board

Director:

Name: Colin Walker

Date: 9 April 2024

Independent Auditor's Report to the Members of Institute of Certified Bookkeepers

Opinion

We have audited the financial report of Institute of Certified Bookkeepers, which comprises the statement of financial position as at 31 December 2023, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of Institute of Certified Bookkeepers, 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 2023 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 & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, 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.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 31 December 2023, 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 Entity'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 Entity 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 those charged with governance 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.

Wise Lord & Ferguson

WISE LORD & FERGUSON

REBECCA MEREDITH
Partner
Date: 9 April 2024