

COUNCILBIZ

Financial Report for the Financial
Year Ended 30 June 2013

CouncilBIZ

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Independent Auditor's Report to the Board Members of CouncilBIZ

We have audited the accompanying financial report of CouncilBIZ, which comprises the statement of financial position as at 30 June 2013, the statement of comprehensive income, the statement of cash flows, the statement of changes in equity and the statement of working capital for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Executive Officer's Statement as set out on pages 6 to 30.

Board's Responsibility for the Financial Report

The Board of CouncilBIZ is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the Northern Territory Local Government Act 2012, the Northern Territory Local Government Regulations 2012 and the CouncilBIZ Constitution, and for such internal control as the Board determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board, as well as evaluating the overall presentation of the financial report.

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

Opinion

In our opinion, the financial report of CouncilBIZ presents fairly, in all material respects, the entity's financial position as at 30 June 2013 and its financial performance for the year then ended in accordance with Australian Accounting Standards, the Local Government Act 2012 and the CouncilBIZ Constitution.

Deloitte Touche Tohmatsu
DELOITTE TOUCHE TOHMATSU

Julie Crisp

Julie Crisp
Partner

Chartered Accountants
Darwin, 24 October 2013

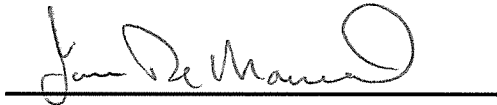
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CouncilBIZ

Executive Officer's Statement

I, the Executive Officer of CouncilBIZ, certify that the Annual Financial Statements:

- (a) have been, to the best of my knowledge, information and belief, properly drawn up in accordance with all applicable Australian Accounting Standards, the Local Government Act 2012, Local Government (Accounting) Regulations and the CouncilBIZ Constitution so as to present fairly the financial position of CouncilBIZ and its results for the year ended 30 June 2013; and
- (b) are in accordance with the accounting and other records of CouncilBIZ.



Jason De Mamiel

IT Director

Darwin, 24th October 2013

CouncilBIZ

Statement of Comprehensive Income for the year ended 30 June 2013

	Note	2013 \$	2012 \$
OPERATING REVENUES			
Investment Revenue	3(a)	10,416	30,961
Service fee and other operating revenues	3(b)	2,884,829	3,262,276
TOTAL OPERATING REVENUES		2,895,245	3,293,237
OPERATING EXPENSES			
Employee costs	4(a)	1,182,835	1,124,825
Finance costs	4(b)	-	20
Depreciation and amortisation expenses	4(c)	128,855	99,232
Contract expenditure	4(d)	1,219,384	1,055,751
Other operating expenses	4(e)	255,267	1,086,714
TOTAL OPERATING EXPENSES		2,786,341	3,366,542
Gain on disposal of property, plant and equipment	3(c)	24,768	-
(DEFICIT)/SURPLUS FOR THE YEAR		133,672	(73,305)
OTHER COMPREHENSIVE INCOME			
		-	-
TOTAL COMPREHENSIVE INCOME		133,672	(73,305)

Notes to the financial statements are included on pages 11 to 30

CouncilBIZ

Statement of Financial Position as at 30 June 2013

	Note	2013 \$	2012 \$
CURRENT ASSETS			
Cash and cash equivalents	5	937,329	808,955
Trade and other receivables	6	370,746	1,069,593
Accrued revenue	7	1,450	111,152
Prepayments	7	85,792	122,929
TOTAL CURRENT ASSETS		1,395,317	2,112,629
NON-CURRENT ASSETS			
Property, plant and equipment	8	350,203	219,853
Intangibles	8	158,035	142,246
Other	7	8,799	5,410
TOTAL NON-CURRENT ASSETS		517,037	367,509
TOTAL ASSETS		1,912,354	2,480,138
CURRENT LIABILITIES			
Trade and other payables	9	276,248	986,726
Provisions	9	64,084	56,090
TOTAL CURRENT LIABILITIES		340,332	1,042,816
NON-CURRENT LIABILITIES			
Provisions	9	11,826	10,798
TOTAL NON-CURRENT LIABILITIES		11,826	10,798
TOTAL LIABILITIES		352,158	1,053,614
NET ASSETS		1,560,196	1,426,524
EQUITY			
Contributed equity	10	400,000	400,000
Accumulated surplus		1,160,196	1,026,524
TOTAL EQUITY		1,560,196	1,426,524

Notes to the financial statements are included on pages 11 to 30

CouncilBIZ

Statement of Working Capital for the year ended 30 June 2013

	Note	2013 \$	2012 \$
CURRENT ASSETS			
Cash and cash equivalents	5	937,329	808,955
Trade and other receivables	6	370,746	1,069,593
Accrued revenue	7	1,450	111,152
Prepayments	7	85,792	122,929
TOTAL CURRENT ASSETS		1,395,317	2,112,629
LESS CURRENT LIABILITIES			
Trade and other payables	9	276,248	986,726
Provisions	9	64,084	56,090
TOTAL CURRENT LIABILITIES		340,332	1,042,816
NET CURRENT ASSETS (working capital)		1,054,985	1,069,813
CURRENT RATIO (this is the ratio of current assets to current liabilities)		4.10	2.03

Notes to the financial statements are included on pages 11 to 30

CouncilBIZ

Statement of Changes in Equity for the year ended 30 June 2013

	Note	2013 \$	2012 \$
ACCUMULATED SURPLUS			
Balance at beginning of reporting year		1,026,524	1,099,829
(Deficit)/Surplus for the year		133,672	(73,305)
Other comprehensive income for the year		-	-
Total comprehensive income for the year		133,672	(73,305)
Balance at end of the reporting year		1,160,196	1,026,524
CONTRIBUTED EQUITY			
Balance at beginning of reporting year		400,000	400,000
Contributions made during the year		-	-
Balance at end of reporting year		400,000	400,000
TOTAL EQUITY AT END OF THE REPORTING YEAR		1,560,196	1,426,524

Notes to the financial statements are included on pages 11 to 30

CouncilBIZ

Statement of Cash Flows for the year ended 30 June 2013

	Note	2013 \$	2012 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
<u>Receipts:</u>			
Receipts from user charges and fees		3,734,528	3,694,347
Interest received		10,416	30,961
Grants		-	-
<u>Payments:</u>			
Payments to employees		(1,113,337)	(1,081,698)
Payments for materials and contracts		(2,253,007)	(3,073,331)
Payment of interest		-	(20)
Other operating payments		-	-
Net cash provided by operating activities	11(b)	378,600	(429,741)
CASH FLOWS FROM INVESTING ACTIVITIES			
<u>Receipts:</u>			
Proceeds from sale of property, plant and equipment		42,227	-
Proceeds from investments		-	-
<u>Payments:</u>			
Purchase of assets		(292,453)	(87,618)
Other payments		-	-
Net cash used in investing activities		(250,226)	(87,618)
CASH FLOWS FROM FINANCING ACTIVITIES			
<u>Receipts:</u>			
Contributions received		-	-
<u>Payments</u>			
Repayment of Borrowings		-	-
Net cash provided by financing activities		-	-
Net increase in cash held		128,374	(517,359)
Cash at beginning of reporting year		808,955	1,326,314
Cash at end of reporting year	11(a)	937,329	808,955

Notes to the financial statements are included on pages 11 to 30

Notes to the Financial Statements for the year ended 30 June 2013

1. Summary of accounting policies

This note sets out the principal accounting policies adopted in the preparation of the financial statements by CouncilBIZ, a not-for-profit-entity, as set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The Local Government Reporting Entity

The consolidated fund through which CouncilBIZ controls resources to carry on its functions has been included in the financial statements forming part of this report.

In the process of reporting on CouncilBIZ as a single unit, all transactions and balances between functional areas have been eliminated. A summary of contributions to the operating result and net assets by function is provided at note 2(a).

General Information

CouncilBIZ is a Local Government Subsidiary established under the Local Government Act.

Its members are:

- Local Government Association of the Northern Territory
- Barkly Shire Council
- Central Desert Shire Council
- East Arnhem Shire Council
- MacDonnell Shire Council
- Roper Gulf Shire Council
- Tiwi Islands Shire Council
- Victoria Daly Shire Council
- West Arnhem Shire Council

The principal activity of CouncilBIZ is to provide information technology support to the Northern Territory Shire Councils.

Basis of preparation

The financial statements have been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

Notes to the Financial Statements for the year ended 30 June 2013

1. Summary of accounting policies (cont.)

Critical accounting judgements and key sources of estimation uncertainty

In the application of CouncilBIZ's accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Key sources of estimation uncertainty include general economic factors.

Basis of accounting

Statement of compliance

The financial statements are general purpose financial statements, which have been prepared to comply with applicable Australian Accounting Standards and Interpretations, the requirements of the Local Government Act and Regulations and other mandatory professional reporting requirements.

Accounting Standards include Australian equivalents to International Financial Reporting Standards ('A-IFRS').

The financial statements were authorised for issue by the Executive Officer on the 24th of October 2013.

Notes to the Financial Statements for the year ended 30 June 2013

1. Summary of accounting policies (cont.)

Standards and Interpretations in issue, not yet effective

At the date of authorisation of the financial report, the Standards and Interpretations listed below were in issue but not yet effective.

Initial application of the following Standards will not affect any of the amounts recognised in the financial report, but will change the disclosures presently made in relation to the CouncilBIZ financial report:

Standard	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
• AASB 9: Financial Instruments, AASB 2010-7 Amendments to Australian Accountings Standards arising from AASB 9	1 January 2013	30 June 2014
• AASB 12: Disclosure of Interests in Other Entities	1 January 2013	30 June 2014
• AASB 13: Fair Value Measurements, AASB 2011-8 Amendments to Australian Accountings Standards Arising from AASB 13 and AASB 2012-1 Amendments to Australian Accountings Standards – Fair Value Measurement - Reduced Disclosure Requirements	1 January 2013	30 June 2014
• AASB 119 (2011): Employee Benefits, AASB 2011-10 Amendments to Australian Accountings Standards arising from AASB 119 and AASB 2010-7 Amendments to Australian Accountings Standards arising Reduced Disclosure Requirements	1 January 2013	30 June 2014
• AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from reduced disclosure requirements	1 July 2013	30 June 2014

Notes to the Financial Statements for the year ended 30 June 2013

1. Summary of accounting policies (cont.)

Significant accounting policies

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

The following significant accounting policies have been adopted in the preparation and presentation of the financial statements:

(a) Revenue recognition

Revenue is measured at the fair value of consideration received or receivable. Revenue is measured on major income categories as follows:

(i) Grants, donations and other contributions

Grants, donations and other contributions are recognised as revenue when CouncilBIZ obtains control over, or the right to receive, the assets; it is probable that future economic benefits comprising the asset will flow to CouncilBIZ; and the amount can be reliably measured.

Control over granted and contributed assets is normally obtained upon their receipt (or acquittal) or upon notification that a grant has been secured, and is valued at their fair value at the date of transfer.

Where grants, contributions and donations recognised as revenue during the reporting period were obtained on the condition that they be expended in a particular manner, or used over a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in these notes.

(ii) Sale of property, plant and equipment

The profit or loss on sale of an asset is determined when control of the asset has passed from CouncilBIZ.

(iii) Interest revenue

Interest is recognised as it accrues when it is probable that the future economic benefits will flow to CouncilBIZ and it can be measured reliably.

(iv) Service fee revenue

Service fee revenue is recognised when the outcome of such transactions can be measured reliably.

(b) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

Notes to the Financial Statements for the year ended 30 June 2013

1. Summary of accounting policies (cont.)

(c) *Financial assets*

CouncilBIZ classifies financial assets in the following categories: loans and receivables. The classification depends on the purpose for which the financial asset was acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at each reporting date.

(i) *Loans and receivables*

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loan and receivables'. Loans and receivables are measured at amortised cost using the effective interest rate method less impairment. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

(ii) *Impairment of financial assets*

Financial assets are assessed for indicators for impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the original effective interest rate. The carrying amount of financial assets including uncollectible trade receivables is reduced by the impairment loss through the use of an allowance account. Subsequent recoveries of amounts previously written off are credited as other income. Changes in the carrying amount of the allowance account are recognised in profit and loss.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

(iii) *Derecognition of financial assets*

CouncilBIZ derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If CouncilBIZ neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, CouncilBIZ recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If CouncilBIZ retains substantially all the risks and rewards of ownership of a transferred financial asset, CouncilBIZ continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

(d) *Property, plant and equipment*

(i) *Recognition of property, plant and equipment (including structural assets)*

Property, plant and equipment is recognised at cost when control of the asset passes to CouncilBIZ. Cost includes expenditure that is directly attributable to the acquisition. Cost related to property, plant and equipment gifted, donated or granted to CouncilBIZ is the fair value of the asset, plus costs directly attributable to the acquisition.

Notes to the Financial Statements for the year ended 30 June 2013

1. Summary of accounting policies (cont.)

(d) *Property, plant and equipment (cont.)*

(ii) Depreciation

All property, plant and equipment is systematically depreciated over its useful life in a manner which reflects the consumption of the service potential embodied in those assets from the time that the item of property plant and equipment is available for use.

Depreciation is provided for on a straight line method using lives which are reviewed each reporting period. Major depreciation periods are:

Plant and equipment / Motor vehicles / Furniture and fittings / Infrastructure	3 to 11 years
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(iii) Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested for impairment annually. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

(e) *Intangible assets*

Intangible assets acquired are recorded at cost less accumulated amortisation and impairment. Amortisation is charged on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period, with any changes in these accounting estimates being accounted for on a prospective basis.

(f) *Financial liabilities*

Other financial liabilities

Other financial liabilities including trade and other payables are measured at fair value net of transaction costs.

(g) *Employee benefits*

Provision is made for benefits accruing to employees in respect of wages and salaries and annual leave when it is probable that settlement will be required and they are capable of being measured reliably.

Employee benefits expected to be settled within 12 months

Provisions in respect of employee benefits expected to be settled within 12 months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Defined contribution plans

Contributions to defined contribution superannuation plans are expensed when employees have rendered service entitling them to the contributions.

Employee benefits not expected to be settled within 12 months

Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured at the present value of the estimated future cash flows to be made by CouncilBIZ in respect of services provided by the employees up to reporting date.

CouncilBIZ

Notes to the Financial Statements for the year ended 30 June 2013

1. Summary of accounting policies (cont.)

(g) *Employee benefits (cont.)*

Superannuation

CouncilBIZ contributes in respect of its employees to a defined contribution superannuation plan (Local Government Superannuation Scheme) established in respect of certain municipalities in South Australia and the Northern Territory.

(h) *Components of functions*

Note 2(a) provides information of revenues and expenditure of each of the major functions of CouncilBIZ.

(i) *Taxation*

CouncilBIZ is tax exempt under Sec 50-25 of the Income Tax Assessment Act 1997, being a local governing body.

(j) *Provisions*

Provisions are recognised when CouncilBIZ has a present obligation (legal or constructive) as a result of a past event; it is probable that CouncilBIZ will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, the carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(k) *Goods and services tax*

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- i) where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii) for receivables and payables which are recognised inclusive of GST, the net amount recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

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

(l) *Rounding of amounts*

Unless otherwise indicated, amounts in the financial statements have not been rounded and are presented in Australian dollars.

CouncilBIZ

Notes to the Financial Statements for the year ended 30 June 2013

2(a) Components of functions

Revenues, expenses and assets have been attributed to the following functions/activities. Details of those functions/activities are provided at Note 2(b)

	GENERAL PUBLIC SERVICES	
	2013 \$	2012 \$
OPERATING REVENUES		
User charges and fees	2,884,829	3,249,149
Investment revenue	10,416	30,961
Other operating revenues	-	13,127
Grants – NT recurrent	-	-
Grants – Commonwealth recurrent	-	-
Gain on disposal of property, plant and equipment	24,768	
TOTAL REVENUES	2,920,013	3,293,237
OPERATING EXPENSES		
Employee costs	1,182,835	1,124,825
Materials and contracts	1,219,384	1,055,751
Finance costs	-	20
Depreciation and amortisation expenses	128,855	99,232
Other operating expenses	255,267	1,086,714
TOTAL EXPENSES	2,786,341	3,366,542
TOTAL	133,672	(73,305)
ASSETS (Non-current)	508,238	362,099

CouncilBIZ

Notes to the Financial Statements for the year ended 30 June 2013

2(b) Components of functions

The activities relating to CouncilBIZ functions reported on in Note 2(a) are as follows:

General public services

Administrative, legislative and executive affairs, financial and fiscal affairs, general research and general services.

	2013 \$	2012 \$
3. Operating revenues		
(a) Investment revenue		
Interest on bank deposits	10,416	30,961
Total interest on bank deposits	10,416	30,961
(b) Service fee and other operating revenues		
Service fee income	2,871,356	3,249,149
Other	13,473	13,127
Total service fee and other operating revenue	2,884,829	3,262,276
(c) Gain on disposal of property, plant and equipment		
Gain on disposal of property, plant and equipment	24,768	-
	24,768	-

CouncilBIZ

Notes to the Financial Statements for the year ended 30 June 2013

	2013	2012
	\$	\$
4. Operating expenses		
(a) Employee costs		
Salaries and wages	888,081	893,656
Contract labour	6,336	1,035
Employee leave benefits	146,830	121,260
Superannuation	88,563	87,329
Fringe benefits tax	390	1,699
Training costs (excluding salaries)	26,782	8,322
Other	25,853	11,524
Total operating employee costs	1,182,835	1,124,825
(b) Finance costs		
Interest on ATO payables	-	20
Total finance costs	-	20
(c) Depreciation and amortisation expenses		
Infrastructure	34,494	27,999
Plant and equipment	19,463	12,233
Furniture and fittings	15,168	15,168
Motor vehicles	7,224	15,043
Intangibles	52,506	28,789
Total depreciation and amortisation expenses	128,855	99,232

CouncilBIZ

Notes to the Financial Statements for the year ended 30 June 2013

	2013	2012
	\$	\$
4. Operating expenses (cont.)		
(d) Contract expenditure		
Network communication and internet service	-	-
Operating lease expense computing	(672)	-
Operating lease expense vehicles	-	-
Operating lease expense property	83,382	70,891
Software license maintenance and development	798,739	638,146
Server management	337,935	346,714
Total contract expenditure	1,219,384	1,055,751
(e) Other operating expenses		
Accounting fees	-	-
Audit fees	17,487	13,654
Advertising expense	1,604	-
Allowance for doubtful debts	19,755	-
Travel, accommodation and airfares	21,923	60,785
Consulting fees	43,230	203,646
Legal expenses	1,200	-
Material expenses	31,200	36,790
Insurance	18,656	19,375
Utilities	6,208	4,468
Communication expenses *	(120,626)	446,282
Motor vehicle costs	5,427	8,678
Other	209,623	293,036
Total other operating expenses	255,267	1,086,714

* During 2013 CouncilBIZ have recovered amounts previously owing and paid to Telstra that were not valid.

CouncilBIZ

Notes to the Financial Statements for the year ended 30 June 2013

	2013	2012
	\$	\$
5. Cash and cash equivalents		
Cash		
Cash at bank – Operational general	922,428	793,709
Cash at bank – Trust general	14,847	14,796
Petty cash	54	450
Total cash	937,329	808,955
6. Trade and other receivables		
Trade and other receivables	346,962	1,057,412
Goods and services tax receivable	45,514	12,181
Less: Allowance for doubtful debts	(21,730)	-
Total unrestricted trade and other receivables	370,746	1,069,593
7. Other assets		
Accrued revenue	1,450	111,152
Prepayments	85,792	122,929
Other	8,799	5,410
Total other assets	96,041	239,491
8. Property, Plant and Equipment		
Infrastructure	246,545	137,189
Furniture and Fittings	20,645	21,997
Plant and Equipment	82,842	35,813
Motor Vehicles	171	24,854
Intangibles	158,035	142,246
Total Property, Plant and Equipment	508,238	362,099

CouncilBIZ

Notes to the Financial Statements for the year ended 30 June 2013

8. Property, plant and equipment and intangibles

	2012					CARRYING AMOUNT MOVEMENTS DURING THE YEAR					2013		
	At Cost	Accumulated Depreciation / Amortisation	Carrying Amount	Asset Purchase	Transfers	Asset Disposal (cost)	Asset Disposal (depreciation / amortisation)	Depreciation / Amortisation Expense	At Cost	Accumulated Depreciation / Amortisation	Carrying Amount		
UNRESTRICTED													
Infrastructure	172,470	(35,281)	137,189	-	-	-	-	(34,494)	172,470	(69,775)	102,695		
Furniture and Fittings	75,840	(40,027)	35,813	-	-	-	-	(15,168)	75,840	(55,195)	20,645		
Plant and Equipment	61,165	(39,168)	21,997	83,092	-	(8,467)	5,683	(19,463)	135,790	(52,948)	82,842		
Motor Vehicles	75,214	(50,360)	24,854	-	-	(51,142)	33,684	(7,224)	24,072	(23,900)	172		
Work in progress	-	-	-	143,850	-	-	-	-	143,850	-	143,850		
Total property, plant and equipment	384,689	(164,836)	219,853	226,942	-	(59,609)	39,367	(76,349)	552,022	(201,818)	350,204		
Intangibles	149,018	(90,244)	58,774	151,767	-	-	-	(52,506)	300,785	(142,750)	158,035		
Work in progress	-	-	-	-	-	-	-	-	-	-	-		
Total intangibles	149,018	(90,244)	58,774	151,767	-	-	-	(52,506)	300,785	(142,750)	158,035		
TOTAL UNRESTRICTED	533,707	(255,080)	278,627	378,709	-	(59,609)	39,367	(128,855)	852,807	(344,568)	508,239		

CouncilBIZ

Notes to the Financial Statements for the year ended 30 June 2013

9. Trade and other payables and provisions

	2013	2012
	\$	\$
<u>Trade and other payables:</u>		
Trade and other payables	132,123	472,158
PAYG Withholding	18,850	15,682
Income received in advance	-	250,157
Accrued expenses	87,779	239,439
Accrued wages	9,528	8,413
Unexpended grant liability	-	-
Other	27,968	877
Total trade and other payables	276,248	986,726

No interest is charged on the trade payables for the first 30 days from the date of the invoice. CouncilBIZ has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

Employee Related Provisions:

Annual leave (current)	64,084	56,090
Long service leave (non-current)	11,826	10,798
Total provisions	75,910	66,888

CouncilBIZ

Notes to the Financial Statements for the year ended 30 June 2013

10. Contributed equity

	2013	2012
	\$	\$
An initial funding contribution from members was made to CouncilBIZ on 1 July 2008. This initial funding contribution has been classified as contributed equity in the CouncilBIZ statement of financial position and statement of changes in equity.		
Barkly Shire Council	50,000	50,000
Central Desert Shire Council	50,000	50,000
East Arnhem Shire Council	50,000	50,000
MacDonnell Shire Council	50,000	50,000
Roper Gulf Shire Council	50,000	50,000
Tiwi Islands Shire Council	50,000	50,000
Victoria Daly Shire Council	50,000	50,000
West Arnhem Shire Council	50,000	50,000
	400,000	400,000

CouncilBIZ

Notes to the Financial Statements for the year ended 30 June 2013

11. Statement of cash flows reconciliation

	2013	2012
	\$	\$
(a) Reconciliation of cash		
For the purposes of the statement of cash flows, cash includes cash on hand and at bank, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:		
Cash on hand and at bank	937,329	808,955
Balance per Statement of Cash Flows	937,329	808,955
(b) Reconciliation of surplus for the year to net cash flows provided by operating activities		
(Deficit) / Surplus for the year	133,672	(73,305)
Add back non-cash items:		
Gain on disposal of property, plant and equipment	(24,768)	-
Depreciation and amortisation expense	128,855	99,232
Allowance for doubtful debts	21,730	-
Net cash provided by operating activities before change in assets and liabilities	259,489	25,927
Change in assets and liabilities during the reporting year:		
(Increase)/Decrease in trade and other receivables	677,117	(768,056)
(Increase)/Decrease in other assets	143,450	786,887
Increase/(Decrease) in trade and other payables	(340,035)	265,460
Increase/(Decrease) in provisions	9,022	20,834
Increase/(Decrease) in other liabilities	(370,443)	(760,793)
Net cash provided by operating activities	378,600	429,741

(c) Non-cash financing and investing activities

CouncilBIZ does not have any other non-cash financing and investing activities.

(d) Financing facilities

CouncilBIZ does not have in place any financing facilities or arrangements.

CouncilBIZ

Notes to the Financial Statements for the year ended 30 June 2013

12. Commitments for expenditure	2013	2012
	\$	\$
(a) Operating leases		
Commitments under non-cancellable operating leases	203,324	396,473
<u>Leasing arrangements</u>		
Operating leases relate to the provision of IT support services to CouncilBIZ and the Shire Councils and office accommodation of CouncilBIZ at 14 Shepherd Street, Darwin. The IT support services agreement is between CouncilBIZ and Area9 from January 2013 to January 2015..		
Not longer than 1 year	203,324	396,473
Longer than 1 year and not longer than 5 years	497,399	-
Total commitments	682,723	396,473

CouncilBIZ

Notes to the Financial Statements for the year ended 30 June 2013

13. Financial instruments

(a) Financial risk management objectives

CouncilBIZ has given the Executive Officer the power to invest funds of CouncilBIZ. CouncilBIZ's objective is to minimise financial risk by investing only in short term deposits at call deposits with local banks. Before any investments are made banks are contacted by the Finance Manager to obtain available rates, the Finance Manager will present the information to the Executive Officer, who will then approve the investment to be made. Monthly reports on investments are prepared and given out at CouncilBIZ meetings.

(b) Liquidity and interest rate risk

CouncilBIZ controls interest rate risk by only investing in short term deposits with local banks.

CouncilBIZ's exposure to interest rate risk consists of:

	<i>Actual 2013 Variable interest rate current</i>		<i>Actual 2013 Non interest bearing</i>	<i>Actual 2013 Total</i>	<i>Actual 2012 Variable interest rate current</i>		<i>Actual 2012 Non interest bearing</i>	<i>Actual 2012 Total</i>
			<i>1-5 years</i>				<i>1-5 years</i>	
	\$	%	\$	\$	\$	%	\$	\$

Financial assets

<i>Cash at bank</i>	937,329	1. 43	-	937,329	808,955	3. 15	-	808,955
<i>Receivables – other</i>		-	370,746	370,746		-	1,069,593	1,069,593
TOTAL FINANCIAL ASSETS	937,329	-	370,746	1,308,075	808,955	-	1,069,593	1,878,548

Financial liabilities

<i>Trade Payables</i>	-	-	132,123	132,123	-	-	472,158	472,158
<i>PAYG Withholding</i>	-	-	18,850	18,850	-	-	15,682	15,682
<i>Accrued expenses</i>	-	-	87,779	87,779	-	-	239,439	239,439
<i>Accrued wages</i>			9,528	9,528			8,413	8,413
<i>Other</i>	-	-	27,968	27,968	-	-	251,034	251,034
TOTAL FINANCIAL LIABILITIES	-	-	276,248	276,248	-	-	986,726	986,726

CouncilBIZ

Notes to the Financial Statements for the year ended 30 June 2013

13. Financial instruments (cont.)

(c) Credit risk

Credit risk represents the loss that would be recognised if counter parties fail to perform as contracted. The maximum credit risk on financial assets of CouncilBIZ is the carrying amount, net of any provision for doubtful debts.

CouncilBIZ does not have any significant credit risk exposure to any counter party or group of counter parties. CouncilBIZ does not have any interest bearing loans.

(d) Net fair value

The carrying amount of financial assets and liabilities recorded in the financial statements represent their respective net fair value.

(e) Market risk

CouncilBIZ's activities expose it primarily to risk of recoverability of outstanding trade debts. The risk is controlled by CouncilBIZ as it has legal authority to recover the outstanding debts of members through its constitution.

(f) Capital risk

CouncilBIZ manages its capital to ensure that it will be able to continue as a going concern. CouncilBIZ capital management strategy remains unchanged. Capital structure consists entirely of the equity of CouncilBIZ (comprising contributions and retained earnings).

14. Employee benefits

	2013 \$	2012 \$
The aggregate employee benefit liability recognised and included in the financial statements is as follows:		
Provision for employee benefits:		
Provisions (note 9)	75,910	66,888
Accrued wages and salaries	9,528	8,413
	<u>85,438</u>	<u>75,301</u>
Number of employees at the end of the financial year	13	14

15. Additional CouncilBIZ Information

Postal Address:

CouncilBIZ
GPO Box 4246
Darwin NT 0801

Principal Administration Office:

CouncilBIZ
Unit 3, 14 Shepherd Street
Darwin, NT 0800
Tel: (08) 8944 4444
Fax: (08) 8944 4400
Email: councilbiz@nt.gov.au

Notes to the Financial Statements for the year ended 30 June 2013

16. Special schedules

1. Comparison of original estimates with actual

	Budget	Core		Other	Entity
	2013	Actual	Difference	Actual	Actual
		2013		2013	2013
Expenditure					
General public services	1,659,880	1,845,080	(185,200)	53,587	1,898,666
Total expenditure	1,659,880	1,845,080	(185,200)	53,587	1,898,666
Income					
General public services	2,954,880	3,004,659	49,779	152,018	3,156,667
Total Income	2,954,880	3,004,659	49,779	152,018	3,156,667
Capital expenditure					
General public services	375,000	192,714	182,286	100,674	293,388
Total capital expenditure	375,000	192,714	182,286	100,674	293,388

17. Events subsequent to balance date

No events have arisen between the end of the financial year and the date of this report that require adjustment to, or disclosure in these financial statements.