

COUNCILBIZ

Financial Report for the Financial
Year Ended 30 June 2011

CouncilBIZ

Table of Contents

	Page
Independent Auditor's Report	3-4
Executive Officer's Statement	5
General Purpose Financial Report	
▪ Statement of Comprehensive Income	6
▪ Statement of Financial Position	7
▪ Statement of Working Capital	8
▪ Statement of Changes in Equity	9
▪ Statement of Cash Flows	10
Notes to the Financial Statements	
Note 1 Summary of accounting policies	11 – 17
Note 2a Components of functions	18
Note 2b Components of functions	19
Note 3 Operating revenues	19
Note 4 Operating expenses	20 – 21
Note 5 Cash and cash equivalents	22
Note 6 Trade and other receivables	23
Note 7 Other assets	24
Note 8 Property, plant and equipment and Intangibles	25
Note 9 Trade and other payables and provisions	26
Note 10 Contributed equity	27
Note 11 Statement of Cash Flows	28
Note 12 Commitments for expenditure	29
Note 13 Conditions over grants and contributions	30
Note 14 Financial instruments	31 – 32
Note 15 Employee benefits	32
Note 16 Additional CouncilBIZ information	32
Note 17 Special schedules	33

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 2011, 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 as set out on pages 11 to 33.

Board's Responsibility for the Financial Report

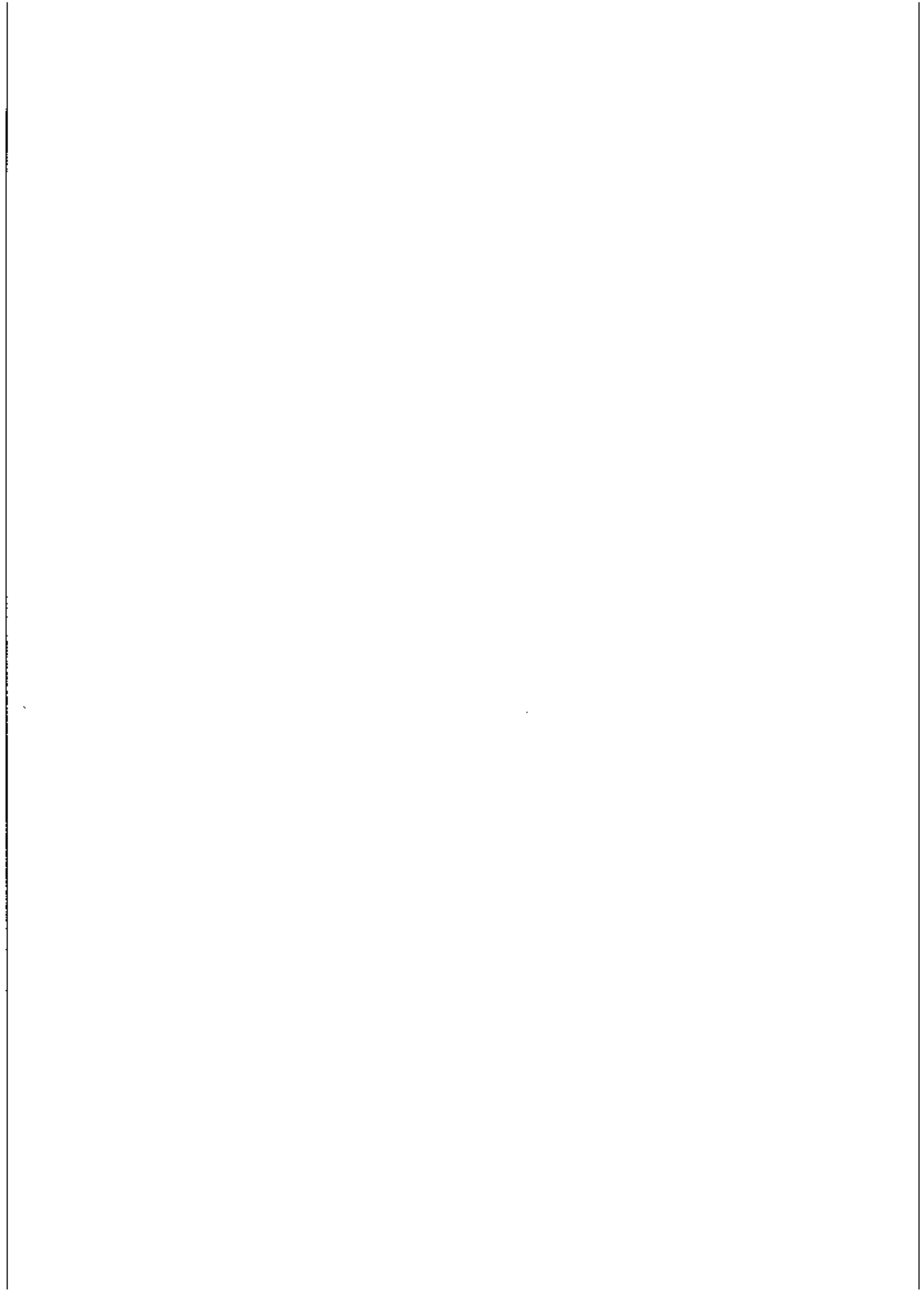
The Board of CouncilBIZ is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the Local Government Act 2008, Local Government (Accounting) Regulations and the CouncilBIZ Constitution, and for such internal control as the Board determine is necessary to enable the preparation 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 of CouncilBIZ, 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 2011 and its financial performance for the year then ended in accordance with Australian Accounting Standards, the Local Government Act 2008, Local Government (Accounting) Regulations and the CouncilBIZ Constitution.

Deloitte Touche Tohmatsu
DELOITTE TOUCHE TOHMATSU

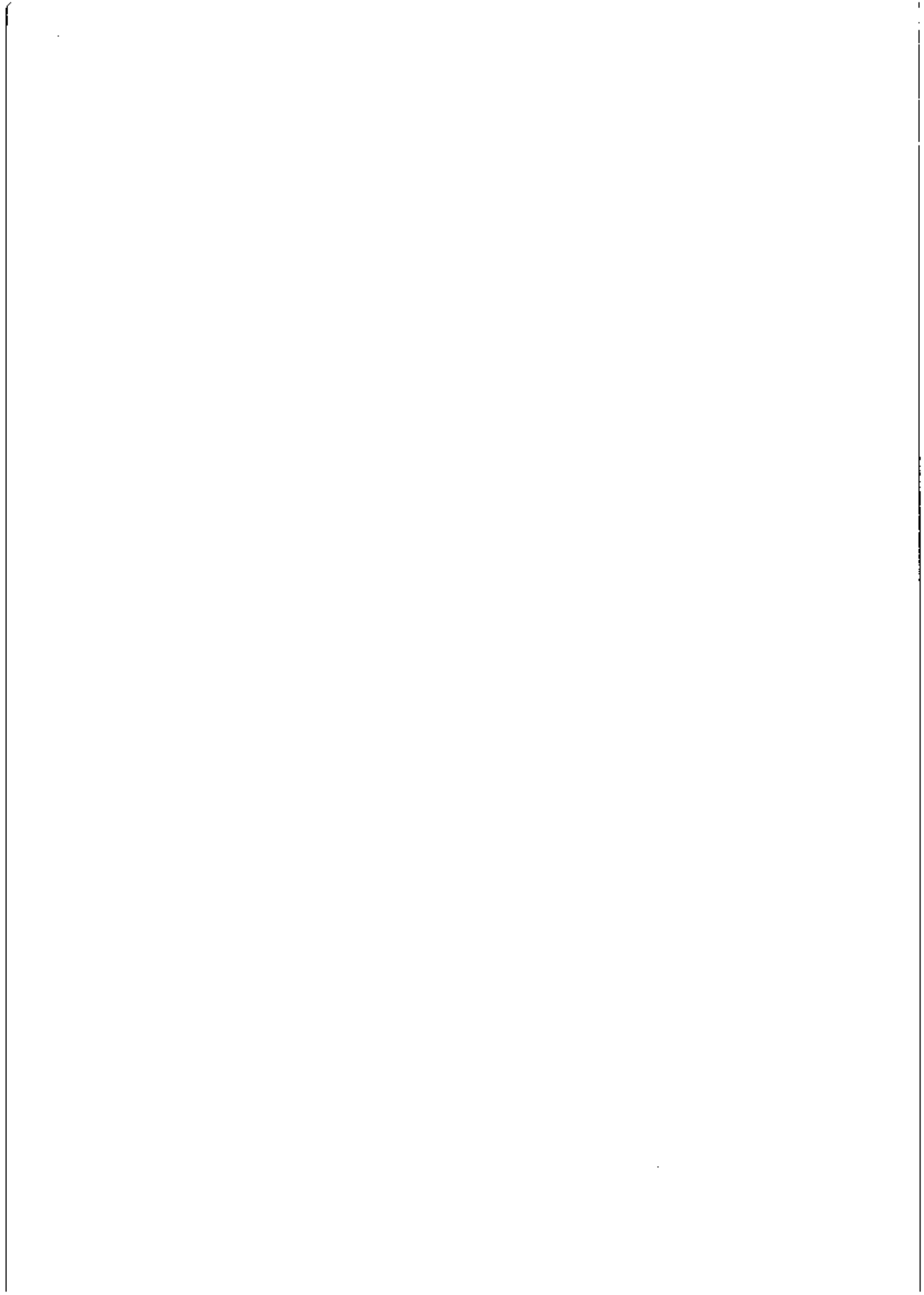


Julie Crisp

Partner

Chartered Accountants

Darwin, 21 September 2011

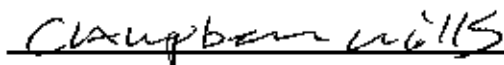


CouncilBIZ

Executive Officer's Statement

I, Campbell Mills, 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 2008, 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 2011; and
- (b) are in accordance with the accounting and other records of CouncilBIZ.



IT Director

Darwin, 21st September 2011

CouncilBIZ

Statement of Comprehensive Income for the year ended 30 June 2011

	Note	2011 \$	2010 \$
OPERATING REVENUES			
Investment Revenue	3(a)	42,369	3,341
Service fee and other operating revenues	3(b)	5,214,504	9,650,596
Grants	3(c)	157,500	231,712
TOTAL OPERATING REVENUES		5,414,373	9,885,649
OPERATING EXPENSES			
Employee costs	4(a)	1,080,727	3,720,516
Finance costs	4(b)	282	9,319
Depreciation and amortisation expenses	4(c)	78,299	61,838
Contract expenditure	4(d)	2,790,429	4,354,627
Other operating expenses	4(e)	655,164	1,606,151
TOTAL OPERATING EXPENSES		4,604,901	9,752,451
SURPLUS FOR THE YEAR		809,472	133,198
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME		809,472	133,198

Notes to the financial statements are included on pages 11 to 33

CouncilBIZ

Statement of Financial Position as at 30 June 2011

	Note	2011 \$	2010 \$
CURRENT ASSETS			
Cash and cash equivalents	5	1,326,314	796,267
Trade and other receivables	6	326,587	890,282
Accrued revenue	7	949,464	1,325,982
Prepayments	7	71,384	19,344
TOTAL CURRENT ASSETS		2,673,749	3,031,875
NON-CURRENT ASSETS			
Property, plant and equipment	8	269,494	183,988
Intangibles	8	104,219	110,036
Other	7	5,530	17,197
TOTAL NON-CURRENT ASSETS		379,243	311,221
TOTAL ASSETS		3,052,992	3,343,096
CURRENT LIABILITIES			
Trade and other payables	9	1,507,109	2,544,657
Provisions	9	39,370	108,081
TOTAL CURRENT LIABILITIES		1,546,479	2,652,738
NON-CURRENT LIABILITIES			
Provisions	9	6,684	-
TOTAL NON-CURRENT LIABILITIES		6,684	-
TOTAL LIABILITIES		1,553,163	2,652,738
NET ASSETS		1,499,829	690,358
EQUITY			
Contributed equity	10	400,000	400,000
Accumulated surplus		1,099,829	290,358
TOTAL EQUITY		1,499,829	690,358

Notes to the financial statements are included on pages 11 to 33

CouncilBIZ

Statement of Working Capital for the year ended 30 June 2011

	Note	2011 \$	2010 \$
CURRENT ASSETS			
Cash and cash equivalents	5	1,326,314	796,267
Trade and other receivables	6	326,587	890,282
Accrued revenue	7	949,464	1,325,982
Prepayments	7	71,384	19,344
TOTAL CURRENT ASSETS		2,673,749	3,031,875
LESS CURRENT LIABILITIES			
Trade and other payables	9	1,507,109	2,544,657
Provisions	9	39,370	108,081
TOTAL CURRENT LIABILITIES		1,546,479	2,652,738
NET CURRENT ASSETS (working capital)		1,127,270	379,137
CURRENT RATIO (this is the ratio of current assets to current liabilities)		1.73	1.14

Notes to the financial statements are included on pages 11 to 33

CouncilBIZ

Statement of Changes in Equity for the year ended 30 June 2011

	Note	2011 \$	2010 \$
ACCUMULATED SURPLUS			
Balance at beginning of reporting year		290,357	157,160
Surplus for the year		809,472	133,198
Other comprehensive income for the year		-	-
Total comprehensive income for the year		809,472	133,198
Balance at end of the reporting year		1,099,829	290,358
CONTRIBUTED EQUITY			
Balance at beginning of reporting year		400,000	400,000
Contributions made during the year		-	-
Balance at end of reporting year	10	400,000	400,000
TOTAL EQUITY AT END OF THE REPORTING YEAR		1,499,829	690,358

Notes to the financial statements are included on pages 11 to 33

CouncilBIZ

Statement of Cash Flows for the year ended 30 June 2011

	Note	2011 \$	2010 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
<u>Receipts:</u>			
Receipts from user charges and fees		6,536,439	10,047,507
Interest received		42,369	3,341
Grants		-	252,500
<u>Payments:</u>			
Payments to employees		1,061,146	3,744,836
Payments for materials and contracts		4,829,344	4,354,627
Payment of interest		283	9,319
Other operating payments		-	1,748,569
Net cash provided by operating activities	11(b)	<u>688,035</u>	<u>445,997</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
<u>Payments:</u>			
Purchase of assets		157,988	74,314
Other payments		-	-
Net cash used in investing activities		<u>(157,988)</u>	<u>(74,314)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
<u>Receipts:</u>			
Contributions received		-	-
Net cash provided by financing activities		-	-
Net increase in cash held		<u>530,047</u>	<u>371,683</u>
Cash at beginning of reporting year		<u>796,267</u>	<u>424,584</u>
Cash at end of reporting year	11(a)	<u><u>1,326,314</u></u>	<u><u>796,267</u></u>

Notes to the financial statements are included on pages 11 to 33

**Notes to the Financial Statements
for the year ended 30 June 2011**

1. Summary of accounting policies

This note sets out the principal accounting policies adopted in the preparation of the financial statements by CouncilBIZ, 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 2008.

Its members are made up of

- 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

CouncilBIZ principal activities are to provide support to the Northern Territory Shire Councils in information technology.

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.

CouncilBIZ

Notes to the Financial Statements for the year ended 30 June 2011

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 21st of September 2011

CouncilBIZ

Notes to the Financial Statements for the year ended 30 June 2011

1. Summary of accounting policies (cont.)

Standards and Interpretations issued 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 fully applied in the financial year ending
• AASB 9: Financial Instruments	1 January 2013	30 June 2014
• AASB 2009-11: Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12]	1 January 2013	30 June 2014
• AASB 124 (Revised): Related Party Disclosures (December 2009)	1 January 2011	30 June 2012
• AASB 2009-12: Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052]	1 January 2011	30 June 2012
• AASB 2009-14: Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement	1 January 2011	30 June 2012
• AASB 1053: Application of Tiers of Australian Accounting Standards	1 July 2013	30 June 2014
• AASB 2010-2: Amendments to Australian Accounting Standards arising from reduced disclosure requirements	1 July 2013	30 June 2014
• AASB 2010-4: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, AASB 7, AASB 101, AASB 134 and Interpretation 13]	1 January 2011	30 June 2012

CouncilBIZ

Notes to the Financial Statements for the year ended 30 June 2011

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 2011**

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 assets' 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.

CouncilBIZ

Notes to the Financial Statements for the year ended 30 June 2011

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
--	---------------

(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 separately 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 2011

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 2011

2(a) Components of functions
2011 – 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		2011	2010
		\$	\$
OPERATING REVENUES	User charges and fees	5,182,502	9,645,909
	Investment revenue	42,369	3,341
	Other operating revenues	32,002	4,687
	Grants - NT recurrent	157,500	95,000
	Grants - Commonwealth recurrent	-	136,712
TOTAL REVENUES		5,414,373	9,885,649
OPERATING EXPENSES	Employee costs	1,080,727	3,720,516
	Materials and contracts	2,790,429	4,354,627
	Finance costs	282	9,319
	Depreciation and amortisation expenses	78,299	61,838
	Other operating expenses	655,164	1,606,151
TOTAL EXPENSES		4,604,901	9,752,451
TOTAL		809,472	133,198
ASSETS (Non-current)		373,713	294,024

CouncilBIZ

Notes to the Financial Statements for the year ended 30 June 2011

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.

	2011 \$	2010 \$
3. Operating revenues		
(a) Investment revenue		
Interest on bank deposits	42,369	3,341
Total interest on bank deposits	42,369	3,341
(b) Service fee and other operating revenues		
Service fee income	5,182,502	9,645,909
Other	32,002	4,687
Total service fee and other operating revenue	5,214,504	9,650,596
(c) Grants		
<u>Northern Territory current grants</u>		
Special purpose grant – ICT Modelling	-	95,000
Special purpose grant – NT Government	157,500	-
Total Northern Territory current grants	157,500	95,000
<u>Commonwealth current grants</u>		
Specific purpose grant – FAIICSIA grant	-	136,712
Total Commonwealth current grants	-	136,712
Total grants	157,500	231,712

**Notes to the Financial Statements
for the year ended 30 June 2011**

2011	2010	\$	\$
4. Operating expenses			
(a) Employee costs			
Salaries and wages	748,271	1,894,373	1,063,535
Contract labour	33,022	181,863	388,204
Employee leave benefits	181,863	77,685	197,438
Superannuation	77,685	448	10,302
Fringe benefits tax	448	12,024	26,445
Training costs (excluding salaries)	12,024	27,414	140,219
Other	27,414	1,080,727	3,720,516
Total operating employee costs	1,080,727	3,720,516	
(b) Finance costs			
Interest on ATO payables	282	9,319	9,319
Total finance costs	282	9,319	
(c) Depreciation and amortisation expenses			
Infrastructure	7,273	9	
Plant and equipment	12,233	11,560	
Furniture and fittings	15,168	7,840	
Motor vehicles	15,043	15,043	
Intangibles	28,582	27,386	
Total depreciation and amortisation expenses	78,299	61,838	

CouncilBIZ

Notes to the Financial Statements for the year ended 30 June 2011

	2011	2010
	\$	\$
4. Operating expenses (cont.)		
(d) Contract expenditure		
Network communication and internet service	575,906	280,389
Operating lease expense computing	(10,850)	2,482,116
Operating lease expense vehicles	(361)	5,048
Operating lease expense property	69,344	202,235
Software license maintenance and development	2,156,390	437,947
Server maintenance	-	946,892
Total contract expenditure	2,790,429	4,354,627
(e) Other operating expenses		
Accounting fees	1,400	23,605
Audit fees	11,364	22,270
Advertising expense	556	16,646
Allowance for doubtful debts	-	13,972
Travel, accommodation and airfares	58,472	147,713
Consulting fees	(6,508)	503,232
Legal expenses	9,328	37,921
Material expenses	48,853	298,943
Insurance	25,983	395,801
Electricity and heating	4,437	18,852
Telephone	140,304	64,315
Motor vehicle costs	9,191	8,137
Other	351,784	54,744
Total other operating expenses	655,164	1,606,151

CouncilBIZ

Notes to the Financial Statements for the year ended 30 June 2011

	2011	2010
	\$	\$
5. Cash and cash equivalents		
Cash		
Cash at bank – Operational general	1,311,120	781,074
Cash at bank – Trust general	14,744	14,743
Petty cash	450	450
Total cash	<u>1,326,314</u>	<u>796,267</u>
Restricted cash and cash equivalents		
<u>Purpose</u>		
External restrictions		
- Included in revenue		
Special purpose unexpended grant	92,927	-
- Included in liabilities		
Special purpose unexpended grant	-	157,500
Total external restrictions	<u>92,927</u>	<u>157,500</u>
Internal restrictions		
- Included in liabilities		
Employee leave benefits	46,054	108,081
Total internal restrictions	<u>46,054</u>	<u>108,081</u>
Total unrestricted	<u>1,187,333</u>	<u>530,686</u>
Total cash and cash equivalents available	<u>1,326,314</u>	<u>796,267</u>

**Notes to the Financial Statements
for the year ended 30 June 2011**

2011	2010	\$	\$
2011	2010	\$	\$
6. Trade and other receivables			
Purpose			
User charges and fees	308,180	799,830	
Goods and services tax receivable	18,407	104,424	
Total	326,587	904,254	
Less: Allowance for doubtful debts	-	13,972	
Total unrestricted trade and other receivables	326,587	890,282	
Allowance for doubtful debt			
Opening balance	13,972	-	
Add: Additional doubtful debts recognised	-	13,972	
Less: Doubtful debts reversed	13,972	-	
Less: Bad debts written off	-	-	
Closing balance	-	13,972	
Total trade and other receivables			
Total trade and other receivables consist of:	326,587	890,282	
Current trade and other receivables	326,587	890,282	
Total trade and other receivables	326,587	890,282	
(i) The average credit period on user charges and fees is 30 days. No interest is charged on receivables.			
Ageing of past due but not impaired			
31 – 90 days	68,548	33,251	
91 + days	15,327	40,875	
Total ageing of past due but not impaired	83,875	74,126	

In determining the recoverability of a trade receivable, CouncilBIZ considers any change in the credit quality of the trade receivable from the date credit was initially granted up to reporting date.

CouncilBIZ

Notes to the Financial Statements for the year ended 30 June 2011

	2011	2010
	\$	\$
7. Other assets		
Unrestricted other assets		
<i>Other:</i>		
Accrued revenue	949,464	1,325,982
Prepayments	71,384	19,344
Other	5,530	17,197
Total unrestricted other assets	<u>1,026,378</u>	<u>1,362,523</u>
Total other assets	<u>1,026,378</u>	<u>1,362,523</u>
<i>Total other assets consist of:</i>		
Other assets current	1,020,848	1,345,326
Other assets non-current	5,530	17,197
Total other assets	<u>1,026,378</u>	<u>1,362,523</u>

CouncilBIZ

Notes to the Financial Statements for the year ended 30 June 2011

8. Property, plant and equipment and Intangibles

	2010			CARRYING AMOUNT MOVEMENTS DURING THE YEAR				2011		
	At Cost	\$ Accumulated Depreciation / Amortisation	Carrying Amount	Asset Purchase	Asset Disposal (cost)	Asset Disposal (depreciation / amortisation)	Depreciation / Amortisation Expense	At Cost	\$ Accumulated Depreciation / Amortisation	Carrying Amount
UNRESTRICTED										
Infrastructure	16,445	(9)	16,436	99,136	-	-	(7,273)	115,581	(7,282)	108,299
Furniture and Fittings	75,840	(9,691)	66,149	-	-	-	(15,168)	75,840	(24,859)	50,981
Plant and Equipment	61,165	(14,702)	46,463	-	-	-	(12,233)	61,165	(26,935)	34,230
Motor Vehicles	75,214	(20,274)	54,940	-	-	-	(15,043)	75,214	(35,317)	39,897
Work in progress	-	-	-	36,087	-	-	-	36,087	-	36,087
Total property, plant and equipment	228,664	(44,676)	183,988	135,223	-	-	(49,717)	363,887	(94,393)	269,494
Intangibles	142,909	(32,873)	110,036	-	-	-	(28,582)	142,909	(61,455)	81,454
Work in progress	-	-	-	22,765	-	-	-	22,765	-	22,765
Total intangibles	142,909	(32,873)	110,036	22,765	-	-	(28,582)	165,674	(61,455)	104,219
TOTAL UNRESTRICTED	371,573	(77,549)	294,024	157,988	-	-	(78,299)	529,561	(155,848)	373,713

CouncilBIZ

Notes to the Financial Statements for the year ended 30 June 2011

9. Trade and other payables and provisions	2011	2010
	\$	\$
<u>Trade and other payables:</u>		
Goods and services	172,983	1,071,723
Goods and services tax payable	58,765	113,838
PAYG Withholding	22,223	49,124
Income received in advance	311,216	395,617
Accrued expenses	931,326	749,443
Accrued wages	8,700	-
Unexpended grant liability	-	157,500
Other	1,896	7,412
Total trade and other payables	1,507,109	2,544,657
<i>Total trade and other payables consist of:</i>		
Current trade and other payables	1,507,109	2,544,657
Total trade and other payables	1,507,109	2,544,657
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.		
<u>Provisions:</u>		
Annual leave – current	39,370	108,081
Long service leave – non-current	6,684	-
Total provisions	46,054	108,081
<i>Total provisions consist of:</i>		
Current provisions	39,370	108,081
Non-current provisions	6,684	-
Total provisions	46,054	108,081

CouncilBIZ

Notes to the Financial Statements for the year ended 30 June 2011

10. Contributed equity

	2011	2010
	\$	\$
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
	<u>400,000</u>	<u>400,000</u>

CouncilBIZ

Notes to the Financial Statements for the year ended 30 June 2011

11. Statement of Cash Flows

	2011	2010
	\$	\$
(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	1,326,314	796,267
Balance per Statement of Cash Flows	1,326,314	796,267
(b) Reconciliation of surplus for the year to net cash flows provided by operating activities		
Surplus for the year	809,472	133,197
Add back non-cash items:		
Depreciation and amortisation expense	78,299	61,839
Allowance for doubtful debts	-	13,972
Net cash provided by operating activities before change in assets and liabilities	887,771	209,008
Change in assets and liabilities during the reporting year:		
(Increase)/Decrease in trade and other receivables	563,695	1,326,476
(Increase)/Decrease in other assets	336,145	(939,826)
Increase/(Decrease) in trade and other payables	(953,814)	(494,895)
Increase/(Decrease) in provisions	(62,027)	(24,320)
Increase/(Decrease) in other liabilities	(83,735)	369,554
Net cash provided by operating activities	688,035	445,997

(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.

**Notes to the Financial Statements
for the year ended 30 June 2011**

12. Commitments for expenditure

	2011	2010
	\$	\$
(a) Operating leases		
Commitments under non-cancellable operating leases	796,322	3,210,488
Leasing arrangements		
Operating leases relate to the provision of IT support services to CouncilBIZ and the Shire Councils and office accommodation of CouncilBIZ at 13 Sheppard Street, Darwin. The IT support services agreement is between CouncilBIZ and CSG Services Pty Ltd. The IT lease between the Northern Territory Government and Fujitsu was terminated in the 2009/10 financial year and is no longer disclosed as a commitment.		
Not longer than 1 year	399,849	2,961,046
Longer than 1 year and not longer than 5 years	396,473	249,402
Total commitments	796,322	3,210,448

CouncilBIZ

Notes to the Financial Statements for the year ended 30 June 2011

	2011 \$ Grants	2011 \$ Contributions
13. Conditions over grants and contributions		
Grants and contributions that were obtained on the condition that they be expended on specified purposes or in a future period but which are not yet expended in accordance with those conditions, are as follows:		
Unexpended at the close of the previous reporting period	157,500	-
<u>Less:</u>		-
Expended during the current reporting.	64,573	-
<u>Plus:</u>		-
Amounts recognised as revenues in current reporting period but not yet expended in accordance with the conditions.	-	-
Unexpended at the close of the current reporting period and held as restricted assets.	92,927	-
Net decrease in restricted assets in the current reporting period.	64,573	-

CouncilBIZ

Notes to the Financial Statements for the year ended 30 June 2011

14. 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:

	Actual 2011 Variable Interest rate current		Actual 2011 Non Interest bearing		Actual 2011 Total		Actual 2010 Non Interest bearing		Actual 2010 Total	
			1-5 years				1-5 years			
	\$	%	\$		\$		\$	%	\$	\$

Financial assets

Cash at bank	1,326,314	3.15	-	1,326,314	796,267	4.5	-	796,267
Receivables – other	-	-	326,587	326,587	-	4.5	890,282	890,282
TOTAL FINANCIAL ASSETS	1,326,314	-	326,587	1,652,901	796,267	-	890,282	1,686,549

Financial liabilities

Trade Payables	-	-	172,983	172,983	-	-	1,071,723	1,071,723
GST payable	-	-	58,765	58,765	113,838	4.5	-	113,838
PAYG Withholding	-	-	22,223	22,223	49,124	4.5	-	49,124
Accrued expenses	-	-	931,326	931,326	-	-	749,443	749,443
Other	-	-	313,112	313,112	-	-	560,529	560,529
TOTAL FINANCIAL LIABILITIES	-	-	1,498,409	1,498,409	162,962	-	2,381,695	2,544,657

CouncilBIZ

Notes to the Financial Statements for the year ended 30 June 2011

14. 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 provisions 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 from 2009. Capital structure consists entirely of the equity of CouncilBIZ (comprising contributions and retained earnings).

15. Employee benefits

	2011	2010
	\$	\$
The aggregate employee benefit liability recognised and included in the financial statements is as follows:		
Provision for employee benefits:		
Current provisions (note 9)	39,370	108,081
Non-current provisions (note 9)	6,684	-
Accrued wages and salaries	8,700	-
	<u>54,754</u>	<u>108,081</u>
Number of employees at the end of the financial year	14	25

16. 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

CouncilBIZ

Notes to the Financial Statements for the year ended 30 June 2011

17. Special schedules

1. Comparison of original estimates with actual

	Budget	Core	Difference	Other	Entity
	2011	Actual		Actual	Actual
		2011		2011	2011
Expenditure					
General public services	3,294,633	3,121,980	172,653	1,482,921	4,604,901
Total expenditure	3,294,633	3,121,980	172,633	1,482,921	4,604,901
Income					
General public services	3,761,580	3,835,951	(74,371)	1,578,422	5,414,373
Total Income	3,761,580	3,835,951	(74,371)	1,578,422	5,414,373
Capital expenditure					
General public services	316,944	157,988	158,956	0	157,988
Total capital expenditure	316,944	157,988	158,956	0	157,988

