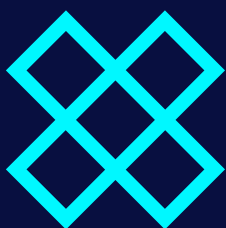
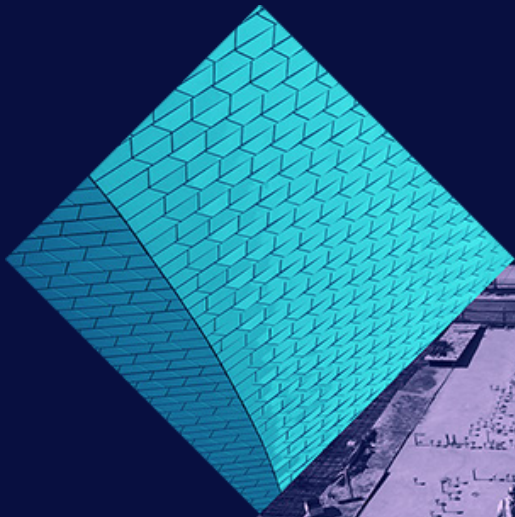


Financial Report 2022

ABN: 49 001 443 303



Australian
Institute
of Project
Management



Australian Institute of Project Management

Directors' report

30 June 2022

Your Directors present this report together with the financial report of the Australian Institute of Project Management ("AIPM" or "the Company") for the financial year ended 30 June 2022.

PRINCIPAL ACTIVITIES, OBJECTIVES AND STRATEGIES

The principal activities of the Company during the financial year were to deliver its value proposition through a combination of information and networking events, certification, workshops, course endorsement and research. These principal activities assist in the achievement of the AIPM's principal objectives. The Company aims to be recognised by business, industry, and government, as the key promoter, developer, and leader in defining project management professionalism. Providing our members and organisational partners with local resources and talent, we work harmoniously together to provide beneficial outcomes to projects in business and the community, of diverse nature and scale.

There was no significant change in the nature of the activities during the year and the operations are in accordance with the constitution. The Company's financial report has been prepared in accordance with the *Corporations Act 2001*, Corporate Regulations 2001 and Australian Accounting Standards.

To meet its long-term objectives, the Company officially launched its Strategic Plan 2022-2025 at the 2021 Annual General Meeting.

The Company's Vision is to drive professional excellence and thought leadership in the project arena and bring people and ideas together for Australia's success.

The Company's Purpose is to lead and represent the project profession by creating a community and ecosystem that enables project success and the professional advancement of our members.

The principal objectives of the Company are:

- Professional Excellence and Advancement – Create compelling products and services that drive professional excellence and advancement of members, delivered through a high-quality customer experience with a digital-first approach.
- Ecosystem for the Project Arena – Bring people and ideas together, through membership, organisation partnerships and the engagement of enterprises that touch the profession. Ensure that Chapters and volunteers are at the heart of the ecosystem, providing thought leadership, personal connection with members and local engagement with government and industry.
- Member Insights and Engagement – Ensure a primary focus on members and organisation partners (AIPM customers) and build capabilities that enable a deep understanding of how to acquire, retain and engage customers.
- Voice of the Profession – Build credibility as a voice for the profession, strive for professional excellence in project management, improve understanding of the profession and advocate for reforms conducive to project investment and success.

FINANCIAL RESULTS

A surplus before income tax of \$792,305 was achieved for the 2022 financial year, compared to a surplus before income tax of \$349,189 in the 2021 financial year. Total Members' Funds at year end was a positive \$991,217 (2021: positive \$198,912). Income tax payable for the 2022 year is \$nil (2021: \$nil).

DIVIDENDS

Being limited by guarantee, Australian Institute of Project Management does not pay dividends.

REVIEW AND RESULT OF OPERATIONS

The Company's performance is assessed by the AIPM Board at its scheduled Board meetings held during the year. Forecast reviews are presented and discussed as to the progress between budget and actual results achieved. The Audit and Risk Committee also reviews the financial results of operations prior to recommendations made to the AIPM Board for its consideration.

Total revenue from operating activities for the year amounted to \$5,518,563 primarily from individual and corporate member fees 55%, certification 23%, National Conference and Project Management Achievement Awards 11%, sponsorship 2%, seminars and forums 4%, endorsement and licence fees 3% and other income 2%.

Total expenditure from operating activities for the year amounted to \$4,704,670 was primarily on employee expenses 56%, direct cost of provision of services and administration 44%.

ENVIRONMENTAL ISSUES

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

EVENTS AFTER THE REPORTING PERIOD



No matter or circumstance has arisen since the end of the financial year that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in subsequent financial years.

Continuing members of the AIPM Board at the date of this report are Connie Beck, Paul Clark, Darius Danesh, Nigel Hennessy, Rob Loader, Mary Ramsay, Peter Tilley and Elena Zagorenko.




AUDITOR'S INDEMNIFICATION

AIPM has not, during or since the end of the financial year, in respect of any person who is or has been an auditor of the Company indemnified or made any relevant agreement for indemnifying against a liability incurred as an auditor, including costs and expenses in successfully defending legal proceedings, or paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an auditor for the costs or expenses to defend legal proceedings.




DIRECTORS' QUALIFICATIONS, EXPERIENCE AND SPECIAL RESPONSIBILITIES

Name	Qualifications	Experience	Special Responsibilities
 James Bawtree Resigned 24 November 2021	FAIPM CPPD FAPM ChPP, IPMA Level-A® AdvDipPM	<p>James is a Chartered Project Professional, the co-author of The Strategy Implementation Gap, globally certified, award winning and experienced strategy implementation professional, CEO of PMLogic Pre-Eminent/Strategic advisor, coach, program and PMO director and Master of Project Management lecturer at UTS and Sydney University.</p> <p>Fellow and National Board Director AIPM, Fellow APM UK, business transformation, agile, program, project, PMO coach & advisor. Gateway Reviewer, approved Prosci organisational change, Axelos trainer in MSP®, P3O®, PRINCE2 Agile® and named contributor to AgileShift®, MSP®, P3M3®.</p> <p>People centric, results driven, strategic thinker with 20 years proven experience in planning, reviewing, and delivering in Australia, NZ, UK, France, Spain, US to successfully achieve strategic goals in projects ranging from AU\$2.5m to >AU\$40b across Defence, Government, Banking, Finance, Insurance, Construction, Infrastructure and NFP.</p>	<ul style="list-style-type: none"> Governance, Ethics and Diversity Committee
 Connie Beck	FAIPM CPPD GAICD	<p>Connie joined AIPM in 1999 as a Member. Having worked for 20+ years in IT, Connie is an Executive with deep experience working with global organisations to adopt technology transformations exploiting the opportunity in the digital arena.</p> <p>With a background in consultancy, managed services and IT strategy, Connie has advised Boards and Executive Teams on improved efficiencies in IT through Transformation. Career highlights - managed \$200m+ Outsourcing portfolio and Project Pipeline for Getronics Asia Pacific, delivered Coles/Wesfarmers largest Digital Transformation, currently Chief Digital Officer at Incitec Pivot Limited running a digital transformation.</p> <p>Having held the roles of Victorian Chapter Councillor and President, Connie is passionate about Project Management excellence. Connie holds AIPM's Reg PM certification and is a Certified Practising Program Director (CPPD).</p> <p>Connie is a Fellow of the Australian Institute of Project Management & Graduate of the Australian Institute of Company Directors.</p>	<ul style="list-style-type: none"> Audit and Risk Committee Nominations and Remunerations Committee Governance, Ethics and Diversity Committee

**Australian Institute of Project Management
Directors' report
30 June 2022**

Name	Qualifications	Experience	Special Responsibilities
<p>Paul Clark</p>  <p>Appointed 24 November 2021</p>	<p>MAIPM CPPE ChPP</p>	<p>Paul is an experienced leader and executive manager having led teams of project and program professionals in the delivery of various portfolios of complex and multi-discipline projects and programs for numerous sectors and clients.</p> <p>His career has provided him opportunities across the design, construction, contract, risk, stakeholder, program and project management, facilities, operations and maintenance as well as in the executive general management, project, program and operations fields.</p> <p>Paul enjoys maintaining relevance in the industry as an active professional having had experience in government, industry and large multinational consulting firms. This has provided him with a unique understanding of the many challenges the industry may have in the fluid professional environment of project and program management.</p>	<ul style="list-style-type: none"> Governance, Ethics and Diversity Committee
<p>Darius Danesh</p> 	<p>PhD, MEngSc, BEng, AdvDipPM, DipPM, DipGovt, FAIPM CPPE, FIEAust CPPEng EngExec NER APEC Engineer IntPE(Aus)</p>	<p>Darius is a leader in project portfolio management and data analytics, and a decision-making advisor working across many industries in the public and private sectors.</p> <p>He has led and advised on a range of subject matters including Project, Program and Portfolio Management, PMO Development, Governance, Change Management, Digital Transformation, Data Analytics, Artificial Intelligence, Modelling & Decision Support, Infrastructure Development, and Defence Capability Programs.</p> <p>He has been a Company Director, Chair and a Board member at various organisations. He is a Director of the Australian Institute of Project Management Board and a board member of the Canberra Division Committee of the Engineers Australia. He is a Fellow Certified Practising Portfolio Executive and a Fellow Chartered Professional Engineering Executive.</p> <p>He holds a Bachelor's and a Master's degrees in Engineering Science and a PhD in Strategic Project Portfolio Management from the University of New South Wales; and a Diploma and an Advanced Diploma in Project Management.</p>	<ul style="list-style-type: none"> Nominations and Remunerations Committee
<p>Nigel Hennessy</p> 	<p>BSc (Hons) Dip FP FAICD GAICD</p>	<p>Nigel has over 30 years at Senior Executive, Board and Advisory Board experience. Founder of a successful project management business which over 5 years grew to 140 staff. He has managed large teams including 3,000 engineers at BAE Systems and 9,000 staff and contractors at CCN/A2B Australia Limited. He has extensive experience at board level, including ASX listed, public and private companies in Australia and the USA.</p> <p>His current roles include Deputy Chair at Farnanco Group; Chair at Spatial Hub Analytics Pty Ltd; Board member at Regional Development Australia (RDA) – Sydney; NED at Australian Institute of Music; director at Project Alpha Plus and on the Advisory Board for the Global Advisory Board Centre.</p> <p>Nigel is a Fellow and graduate of the Australian Institute of Company Directors. He writes and presents frequently on Leadership, Governance and Commercialisation at Universities and for professional bodies.</p>	<ul style="list-style-type: none"> Chair Governance, Ethics and Diversity Committee

Australian Institute of Project Management
Directors' report
30 June 2022

Name	Qualifications	Experience	Special Responsibilities
<p>Rob Loader</p> 	<p>Bachelor of Business FAIPM FAPM GAICD CPPE ChPP Masters Project Management PMP FFin Cert IV training</p>	<p>Rob has worked 30+ years in operational, strategy consulting, project and portfolio management and business development roles leading project change and transformations spanning retail banking, wealth management, insurance, utilities, health and telecommunications throughout Australia, New Zealand, Asia & UK.</p> <p>Rob is a Fellow of Australian Institute of Project Management and Association for Project Management. He is a Certified Practising Portfolio Executive (CPPE), Project Management Professional (PMP), Chartered Project Professional (ChPP) and Graduate of AICD. Rob was a past Victorian AIPM chapter councillor and Vice President and is a regular expert presenter at national and international project management conferences.</p>	<ul style="list-style-type: none"> • Chair Nominations and Remunerations Committee • Audit and Risk Committee • Governance Ethics and Diversity Committee
<p>Mary Ramsay</p> 	<p>GAICD Bachelor Economics (Accounting/Commercial Law) Master of Commerce (Marketing Strategy) AGILE Practitioner PRINCE2 Practitioner</p>	<p>Mary is an experienced non-executive director and senior leader with deep expertise across financial services, innovation, marketing, education, training, skills development, technology, and innovation in not-for-profit, government, large and fast-growing companies.</p> <p>Her non-executive director roles include Buddy Pet, BBM (+Chair of the Risk and Governance Committee), AIPM (+Chair the Audit & Risk Committee), board/advisory member of Waverley College's Foundation and social enterprise marketplace, GGM. Mary is also a consultant to Hanley Energy, a global energy-tech.</p> <p>Mary was previously GM, Partnerships, and Innovation at Stone & Chalk, Head of Digital at ASX Limited and held senior commercial, digital, and strategic transformation roles with AMP, BT, Tourism Australia, Western Sydney University, Coopers & Lybrand and American Express.</p> <p>Mary holds a Bachelor of Economics from the University of Sydney, a Master of Commerce from the UNSW and is a Graduate of AICD.</p>	<ul style="list-style-type: none"> • Chair Audit and Risk Committee
<p>Peter Tilley</p> 	<p>MAIPM Bachelor of Science Bachelor of Architecture</p>	<p>Peter is a Principal Project Manager who has over 40 years' experience as an architect/project manager in both the private and public sectors, including positions within the Western Australian Government responsible for the delivery of public works building projects. Peter has previously held positions as Principal Policy Advisor to the Minister for Works and Services, Executive Director of Business Strategies, Director Capital Works procurement, Manager Evaluation and Risk Management, Client Service Manager, Senior Project Manager and spent time working in the Middle East (Dubai).</p> <p>In 1993 Peter joined the Western Australian Government Department of Building Management as a senior architect and quickly rose to managerial and eventually Executive Director positions. As a member of several State Government Taskforce teams, Peter co-authored the Strategic Asset Management Framework and was a key member of the Department of Education Functional Review Taskforce addressing asset creation, utilisation, and rationalisation.</p>	<ul style="list-style-type: none"> • Board Member • Nominations and Remuneration Committee • Governance Ethics and Diversity Committee

**Australian Institute of Project Management
Directors' report
30 June 2022**

Name	Qualifications	Experience	Special Responsibilities
<p>Elena Zagorenko</p> 	<p>MAIPM CPPE MAICD Masters in Linguistics Masters International Marketing</p>	<p>Elena is an Executive Manager with 15+ years' experience in managing large-scale portfolios and successfully delivering and governing programs and projects in Banking, IT, Civil Construction, Mining and HV Electricity Transmission. Her career as an award-winning Project Manager has been further enhanced by holding senior roles in Project Controls and Portfolio Management across multibillion-dollar portfolios.</p> <p>Elena is currently a Head of Program Management Office for Minerals Australia Projects with BHP where she leads a multi-functional division that assist the business in resolving complex problems while retaining a strategic viewpoint of business priorities and accelerating returns across \$15B project portfolio. She uses her deep expertise in investment case development, financial and business planning and stakeholder engagement to govern delivery and bridge the gaps between the business vision and execution.</p> <p>Elena joined the AIPM Board in 2018 and was appointed the Chair of the Board in February 2021.</p>	<ul style="list-style-type: none"> Chair of Board

**Australian Institute of Project Management
Directors' report
30 June 2022**

DIRECTORS' INTERESTS AND BENEFITS

As AIPM is company limited by guarantee, none of the Directors holds an interest in the Company but where they are a member of the Company, is liable to the extent of their undertaking under the AIPM Constitution.

During or since the end of the financial year, AIPM has paid premiums to insure the Directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director of AIPM other than conduct involving a wilful breach of duty in relation to AIPM. The insurance contract entered into by AIPM prohibits disclosure of the nature of the liabilities insured by the insurance contract and the amount of the premiums.

AIPM's constitution allows for the inclusion of indemnities in favour of persons who are or have been a Director or officer of AIPM. To the extent permitted by law, AIPM indemnifies every person who is or has been a Director or officer against any liability to any person incurred while acting in that capacity in good faith, and against costs and expenses incurred by that person in that capacity in successfully defending legal proceedings and ancillary matters and operates to the extent that the loss or liability is not covered by a valid and current insurance policy.

Payment to the Directors, and to entities from which the Directors may benefit for services by the Directors or entities, are disclosed in Notes 18 and 19 to the Financial Statements. No other Directors of AIPM, during or since the end of the financial year, received or have become entitled to receive, a benefit (other than the benefit included in the aggregate amount of emoluments received or due and receivable by the Directors disclosed in Notes 18 and 19 to the Financial Statements) by reason of a contract made by AIPM or of a related body corporate with one of the Directors or with a firm of which they are a member or with a company in which they have a substantial financial interest.

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.

DIRECTORS' ATTENDANCE AT BOARD AND COMMITTEE MEETINGS

Name	Date Appointed / Date of Cessation	Board		Audit & Risk Committee		Governance Ethics & Diversity Committee		Nominations & Remuneration Committee	
		A	B	A	B	A	B	A	B
James Bawtree - Retired	24 November 2021	3	3	-	-	2	2	-	-
Connie Beck	20 January 2020	6	6	5	6	1	2	3	5
Paul Clark	24 November 2021	1	2	-	-	1	1	-	-
Darius Danesh	17 December 2020	5	6	-	-	-	-	5	5
Nigel Hennessy	7 October 2018	5	6	-	-	2	3	-	-
Rob Loader	20 January 2020	6	6	5	6	2	3	4	5
Mary Ramsay	29 May 2020	6	6	6	6	-	-	-	-
Peter Tilley	17 December 2020	5	6	-	-	1	1	2	2
Elena Zagorenko	23 November 2018	6	6	-	-	-	-	1	1

A – Number of meetings attended.

B – Number of meetings held during the time the Director held office during the year.

C

LIABILITY OF MEMBERS ON WINDING UP

The liability of members (or within one year after ceasing to be a member) on winding up is limited to an amount not exceeding \$50. The maximum amount that members of the Company are liable to contribute if the Company is wound up is \$431,500 (2021: \$410,950).

CORPORATE GOVERNANCE

The company has undertaken a total review of all underpinning Governance documents for the Board, and the Board Committees. Copies of the AIPM Constitution, Board Charter and Board Committee Charters are available on the AIPM website – www.aipm.com.au. The AIPM Chapter By-Laws are in addition to the Constitution, which govern, regulate and affect the proceedings, powers and affairs of Members and Chapter Councils.

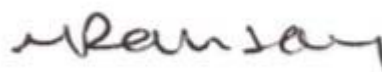
AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's independence declaration, as required under Section 307C of the Corporations Act 2001, given to the Directors by the lead auditor of the audit undertaken by HLB Mann Judd Assurance (NSW) Pty Ltd, is set out on page 8 and forms part of the Directors' Report for the financial year ended 30 June 2022.



Elena Zagorenko

Chair: Board of Directors



Mary Ramsay

Chair: Audit & Risk Committee

On behalf of the Board by resolution of the Directors, as signed above.

NORTH SYDNEY, NSW

29 September 2022

Auditor's Independence Declaration

To the directors of Australian Institute of Project Management:

As lead auditor for the audit of the financial report of Australian Institute of Project Management for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (b) any applicable code of professional conduct in relation to the audit.



Sydney, NSW
29 September 2022

K L Luong
Director

hlb.com.au

HLB Mann Judd Assurance (NSW) Pty Ltd ABN 96 153 077 215

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Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd is a member of HLB International, the global advisory and accounting network.

Australian Institute of Project Management

Contents

30 June 2022

Statement of comprehensive income	10
Statement of financial position	11
Statement of changes in equity	12
Statement of cash flows	13
Notes to the financial statements	14
Directors' declaration	28
Independent auditor's report to the members of Australian Institute of Project Management	29

General information

The financial statements cover Australian Institute of Project Management ("the Company") at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Australian Institute of Project Management 's functional and presentation currency.

Australian Institute of Project Management is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Suite 2
Level 23
100 Miller Street
NORTH SYDNEY NSW 2060

A description of the nature of the Company's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

Australian Institute of Project Management
Statement of comprehensive income
For the year ended 30 June 2022

	Note	2022 \$	2021 \$
Revenue	4	5,518,563	5,024,386
Expenses			
Events and conference expenses		(397,745)	(226,320)
Employee expenses		(2,635,423)	(2,574,833)
Promotion and advertising expenses		(156,542)	(121,568)
Certification expenses		(560,146)	(730,686)
Occupancy expenses		(17,565)	(23,756)
Administration expenses		(193,203)	(209,455)
IT and telecommunications expenses		(345,500)	(348,823)
Travel and accommodation expenses		(9,802)	(10,945)
Consultants expenses		(73,299)	(66,367)
Printing, postage and stationery expenses		(2,129)	(4,148)
Depreciation and amortisation expenses		(313,316)	(325,519)
Operating result		813,893	381,966
Interest income		1,724	877
Finance costs		(23,312)	(33,654)
Surplus before income tax expense		792,305	349,189
Income tax expense	5	-	-
Surplus after income tax expense for the year		792,305	349,189
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		<u>792,305</u>	<u>349,189</u>

The above statement of comprehensive income should be read in conjunction with the accompanying notes

Australian Institute of Project Management
Statement of financial position
As at 30 June 2022

	Note	2022 \$	2021 \$
Assets			
Current assets			
Cash and cash equivalents	6	3,580,156	2,781,294
Trade and other receivables	7	81,544	111,938
Prepayments		233,851	127,521
Total current assets		<u>3,895,551</u>	<u>3,020,753</u>
Non-current assets			
Other financial assets	9	126,475	126,475
Property, plant and equipment	10	80,690	103,722
Right-of-use assets	8	262,909	464,163
Intangible assets	11	124,123	185,151
Other non-current assets		87,338	14,448
Total non-current assets		<u>681,535</u>	<u>893,959</u>
Total assets		<u>4,577,086</u>	<u>3,914,712</u>
Liabilities			
Current liabilities			
Trade and other payables	12	543,629	528,338
Contract liabilities	13	2,476,310	2,477,044
Employee provisions	14	122,618	93,546
Lease liabilities	16	215,365	210,208
Total current liabilities		<u>3,357,922</u>	<u>3,309,136</u>
Non-current liabilities			
Contract liabilities	13	43,797	14,792
Employee provisions	14	10,810	5,919
Other provisions	15	90,451	87,698
Lease liabilities	16	82,889	298,255
Total non-current liabilities		<u>227,947</u>	<u>406,664</u>
Total liabilities		<u>3,585,869</u>	<u>3,715,800</u>
Net Assets		<u>991,217</u>	<u>198,912</u>
Equity			
Accumulated surplus		<u>991,217</u>	<u>198,912</u>
Total equity		<u>991,217</u>	<u>198,912</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Australian Institute of Project Management
Statement of changes in equity
For the year ended 30 June 2022

	2022	2021
	\$	\$
Total equity/(deficiency) at the beginning of the financial year	198,912	(150,277)
Surplus after income tax expense for the year	792,305	349,189
Other comprehensive income for the year, net of tax	<u>-</u>	<u>-</u>
Total comprehensive income for the year	<u>792,305</u>	<u>349,189</u>
Total equity at the end of the financial year	<u>991,217</u>	<u>198,912</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Australian Institute of Project Management
Statement of cash flows
For the year ended 30 June 2022

	Note	2022 \$	2021 \$
Cash flows from operating activities			
Receipts from members, customers and sponsors		6,162,196	5,625,890
Payments to suppliers and employees		<u>(5,093,875)</u>	<u>(4,775,331)</u>
Interest received		1,068,321	850,559
Interest paid		<u>1,724</u>	<u>877</u>
		<u>(23,312)</u>	<u>(33,654)</u>
Net cash flows from operating activities		<u>1,046,733</u>	<u>817,782</u>
Cash flows from investing activities			
Payments for property, plant and equipment		(17,584)	(58,097)
Payments for intangibles		<u>(20,078)</u>	<u>(17,289)</u>
Net cash flows used in investing activities		<u>(37,662)</u>	<u>(75,386)</u>
Cash flows from financing activities			
Repayment of lease liabilities		<u>(210,209)</u>	<u>(219,145)</u>
Net cash flows used in financing activities		<u>(210,209)</u>	<u>(219,145)</u>
Net increase in cash and cash equivalents		798,862	523,251
Cash and cash equivalents at the beginning of the financial year		<u>2,781,294</u>	<u>2,258,043</u>
Cash and cash equivalents at the end of the financial year	6	<u><u>3,580,156</u></u>	<u><u>2,781,294</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Australian Institute of Project Management
Notes to the financial statements
30 June 2022

Note 1. Corporate Information

The financial statements for the year ended 30 June 2022 of Australian Institute of Project Management ("the Company") were authorised for issue in accordance with a resolution of directors on 29 September 2022. The Directors have the power to amend and reissue the financial statements.

Note 2. Basis of preparation

Statement of Compliance

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001*, as appropriate for not-for-profit oriented entities.

Basis of Measurement

The financial statements have been prepared on the basis of historical cost, except for certain financial instruments that are measured at fair value. Historical cost is generally based on the fair values of the consideration given in exchange for goods and services.

Use of Estimates and Judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Functional and Presentation Currency

These financial statements are presented in Australian dollars, which is the Company's functional currency.

Note 3. Statement of significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Adoption of New or Amended Accounting Standards and Interpretations

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Plant and Equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

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

Depreciation

The depreciable amount of all fixed assets is depreciated over their estimated useful lives 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 and methods used for each class of depreciable assets are:

Class	Depreciation Rate	Depreciation Method
Leasehold improvements	16.7%	Straight-line
Computer equipment	50.0%	Diminishing value
Office equipment	20.0%	Straight-line
Office furniture	20.0%	Diminishing value

Note 3. Statement of significant accounting policies (continued)

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains or losses on disposals are determined by comparing proceeds with carrying amounts. These gains or losses are recognised in the Statement of Surplus or Deficit in the period in which they arise.

Intangible Assets

Software

Expenditure on software has been capitalised when the software was operational and able to derive future economic benefits and when these benefits are reliably measured. Software is amortised using straight-line method over its estimated useful life of 5 years.

Website

Expenditure on major website development has been capitalised when the website was operational and able to derive future economic benefits and when these benefits can be reliably measured. Website costs are amortised using straight-line method over its estimated useful life of 5 years.

AIPM Standards

Legal expenditure incurred during the initial phase of revising the AIPM Standards is recognised as an expense when incurred. Legal costs are amortised only when standards have been implemented across all members and there is a certainty that the standards will deliver future economic benefits and these benefits can be measured reliably. Legal costs on AIPM Standards have a finite life and are amortised on a systematic basis matched to the future economic benefits over the 5 year useful life of their implementation.

Trademarks

Trademarks with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives of 10 years. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

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 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. The recoverable amount is the value in use of the asset. As the Company is a not-for-profit entity the future economic benefits of an asset are not primarily dependent on the asset's ability to generate net cash inflows. Therefore, the value in use is the depreciated replacement cost of the asset. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Surplus or Deficit.

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

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

Note 3. Statement of significant accounting policies (continued)

Employee Provisions

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Provisions include the associated on-costs. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on Milliman corporate discount rates with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

Other 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.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

Other Financial Assets

Other financial assets comprise of bank term deposits with an original maturity greater than three months or where it is considered unlikely that the Company will have access to withdraw from the facility within the next twelve months.

Revenue and Other Income

The Company recognises revenue as follows:

Revenue from Contracts with Customers

Revenue is recognised at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Membership Fees

Annual membership subscriptions are recognised as revenue pro rata over the period of the membership. The date of payment of the initial annual membership subscriptions runs from the date of joining for 12 to 36 months and is not refundable. Subscriptions relating to periods beyond the current financial year are shown in the statement of financial position as fees in advance.

Organisational Partner Package

Organisational partner package revenue is recognised when (or as) the entity satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset. Each benefit in the package is assessed to determine the performance obligation and recognised either at a point in time or over time.

Programs and Events

Program revenue is recognised as associated performance obligations are satisfied. Payments are received in advance except in a small number of cases where customers are invoiced, and payment is due within 7 days. Revenue that relates to future periods is shown in the statement of financial position as fees in advance.

Membership Services and Other Services

Revenue from rendering of a service is recognised upon delivery of the service to the members when performance obligations are satisfied.

Note 3. Statement of significant accounting policies (continued)

Finance income

Finance income comprises interest income on funds invested with financial institutions that are recognised in surplus or deficit. Interest income is recognised as it accrues in surplus or deficit, using the effective interest method.

Trade and Other Receivables

Trade and other receivables include amounts due from customers for services performed in the ordinary course of business. 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.

Trade and other receivables are initially recognised when they are originated and initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped on days overdue.

Prepayments

Prepayments for goods and services which are to be provided in future years are recognised as prepayments.

Trade and Other Payables

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

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

Cash flows are presented in the Statement of Cash Flows on a gross basis, except for the GST components of investing and financing activities, which are disclosed as operating cash flows.

Comparative Figures

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

Income Tax

The Company is assessed for income tax purposes on the Principle of Mutuality, whereby the income from members, less a proportion of expenses, is exempt from income tax.

The income tax expense or benefit for the year comprises current income tax expense and deferred tax expense.

Current income tax expense charged to the Statement of Comprehensive Income is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities/(assets) are therefore measured at the amounts expected to be paid to/(recovered from) the Australian Taxation Office.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year, as well as unused tax losses.

Current and deferred income tax expense/(income) is charged or credited directly outside Statement of Profit or Loss and Other Comprehensive Income when the tax relates to items that are recognised outside surplus or deficit.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable surplus or deficit.

Note 3. Statement of significant accounting policies (continued)

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Leases

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to surplus or deficit if the carrying amount of the Right-of-use asset is fully written down.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Company has elected not to recognise a Right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to surplus or deficit as incurred.

Critical Accounting Estimates and Judgments

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.

(i) Provision for Income Tax and Deferred Tax Assets

The Company is assessed for income tax purposes under the Principle of Mutuality whereby, the income from members, less a proportion of expenses, is exempt from income tax. Refer note 3.

Note 3. Statement of significant accounting policies (continued)

(ii) Deferred Revenue

For income received in advance, it is the policy of the Company to bring income received to account within the period in which the associated performance obligations are satisfied, rather than the period within which it is received. Where contracts include multiple performance obligations, the revenue is allocated to each performance obligation based on the stand-alone price on a proportionate basis.

(iii) Useful lives of Intangible Assets

As described in note 3 above, the Company reviews the estimated useful lives of intangible assets at the end of each reporting period.

(iv) Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the Company estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment. The Company used an incremental borrowing rate of 5.22% (2021: 5.22%).

(v) Allowance for Expected Credit Losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience, historical collection rates, the impact of the Coronavirus (COVID-19) pandemic and forward-looking information that is available. The allowance for expected credit losses is calculated based on the information available at the time of preparation. The actual credit losses in future years may be higher or lower.

Note 4. Revenue

	2022	2021
	\$	\$
Revenue	<u>5,518,563</u>	<u>5,024,386</u>

Australian Institute of Project Management
Notes to the financial statements
30 June 2022

Note 4. Revenue (continued)

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	2022	2021
	\$	\$
<i>Revenue recognised over time</i>		
Membership fees	2,386,707	2,278,612
Organisational Partner Package revenue	607,069	499,333
License fees	37,313	43,898
Self assessment tool (SAT) fees	17,118	14,898
	<u>3,048,207</u>	<u>2,836,741</u>
<i>Revenue recognised at a point in time</i>		
Seminars and forum fees (Hybrid of over time and at a point in time)	219,822	258,483
Project Management Achievement Awards (PMAA)	89,594	69,396
Sponsorship	110,358	78,850
Registered Project Manager (RegPM) program	1,132,121	1,328,923
Endorsement fees	149,323	108,836
PD Workshop fees	123,466	204,218
Certification fees	-	15,000
Conference registration fees	540,363	115,751
Other income	105,309	8,188
	<u>2,470,356</u>	<u>2,187,645</u>

Note 5. Income tax expense

	2022	2021
	\$	\$
(a) The components of income tax expense comprise		
Income tax expense	-	-
Aggregate income tax expense	<u>-</u>	<u>-</u>
(b) The prima facie tax on surplus before income tax is reconciled to the income tax expense as follows:		
Surplus before income tax expense	792,305	349,189
Tax at the statutory tax rate of 25% (2021: 26%)	198,076	90,789
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Effect of income that is non-assessable member income arising from principle of mutuality	(927,853)	(820,106)
Effect of expenses that are not deductible in determining taxable surplus	825,212	812,492
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	(95,435)	(83,175)
Income tax expense	<u>-</u>	<u>-</u>
(c) Unrecognised deferred tax assets		
Unused tax losses for which no deferred tax assets have been recognised	1,842,572	2,434,869

Note 6. Cash and cash equivalents

	2022	2021
	\$	\$
(a) Reconciliation of cash and cash equivalents to statement of cash flows		
Cash at bank and on hand	3,535,156	2,736,294
Secured term deposit with maturity of three months or less	<u>45,000</u>	<u>45,000</u>
	<u><u>3,580,156</u></u>	<u><u>2,781,294</u></u>

Cash at bank earns interest at floating rates based on daily bank deposit rates. Secured term deposit is a fixed term bank deposit that is used as security for the corporate credit card facility.

Note 7. Trade and other receivables

	2022	2021
	\$	\$
<i>Current assets</i>		
Trade receivables	38,345	34,684
Other receivables	<u>43,199</u>	<u>77,254</u>
	<u><u>81,544</u></u>	<u><u>111,938</u></u>

Note 8. Right-of-use assets

	2022	2021
	\$	\$
<i>Non-current assets</i>		
Office premises	804,260	804,260
Less: Accumulated depreciation	<u>(546,289)</u>	<u>(364,193)</u>
	<u>257,971</u>	<u>440,067</u>
Office equipment	49,384	62,411
Less: Accumulated depreciation	<u>(44,446)</u>	<u>(38,315)</u>
	<u>4,938</u>	<u>24,096</u>
	<u><u>262,909</u></u>	<u><u>464,163</u></u>

The Company leases office space at 23/100 Miller Street North Sydney and office equipment.

Reconciliations

Leases are in respect of office premises rental and office equipment rental in North Sydney. The lease for the North Sydney office premises is for fixed period of 6 years terminating 14 November 2023 with fixed rental payments and has fixed escalation clauses of 4.0% each year. There are no restrictions placed on the lessee by entering into these leases.

Extension options

The lease agreement with the landlord for 23/100 Miller Street does not contain an extension option. There are no potential future lease payments.

Australian Institute of Project Management
Notes to the financial statements
30 June 2022

Note 9. Other financial assets

	2022	2021
	\$	\$
<i>Non-current assets</i>		
Secured term deposit with maturity greater than three months	<u>126,475</u>	<u>126,475</u>

Secured term deposit is a fixed term bank deposit that is used as security for the leased office premises bank guarantee facility.

Note 10. Property, plant and equipment

	2022	2021
	\$	\$
<i>Non-current assets</i>		
Leasehold improvements - at cost	120,117	120,117
Less: Accumulated depreciation	<u>(75,064)</u>	<u>(55,012)</u>
	45,053	65,105
Office equipment and furniture - at cost	168,739	151,156
Less: Accumulated depreciation	<u>(133,102)</u>	<u>(112,539)</u>
	35,637	38,617
	<u>80,690</u>	<u>103,722</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Leasehold improvements \$	Office equipment & furniture \$	Total \$
Balance at 1 July 2021	65,105	38,617	103,722
Additions	-	17,584	17,584
Depreciation expense	<u>(20,052)</u>	<u>(20,564)</u>	<u>(40,616)</u>
Balance at 30 June 2022	<u>45,053</u>	<u>35,637</u>	<u>80,690</u>

Australian Institute of Project Management
Notes to the financial statements
30 June 2022

Note 11. Intangible assets

	2022	2021
	\$	\$
<i>Non-current assets</i>		
Website - at cost	149,106	149,106
Less: Accumulated amortisation	<u>(149,106)</u>	<u>(149,106)</u>
	-	-
Trademarks - at cost	9,470	9,470
Less: Accumulated amortisation	<u>(3,680)</u>	<u>(2,733)</u>
	<u>5,790</u>	<u>6,737</u>
Software - at cost	592,839	598,739
Less: Accumulated amortisation	<u>(497,913)</u>	<u>(436,086)</u>
	<u>94,926</u>	<u>162,653</u>
AIPM Standards - at cost	49,887	35,439
Less: Accumulated amortisation	<u>(26,480)</u>	<u>(19,678)</u>
	<u>23,407</u>	<u>15,761</u>
	<u><u>124,123</u></u>	<u><u>185,151</u></u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Website	Trademarks	Software	AIPM standards	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2021	-	6,737	162,653	15,761	185,151
Additions	5,630	-	-	14,448	20,078
Disposals	(4,905)	-	(4,755)	-	(9,660)
Amortisation expense	<u>(725)</u>	<u>(947)</u>	<u>(62,972)</u>	<u>(6,802)</u>	<u>(71,446)</u>
Balance at 30 June 2022	<u><u>-</u></u>	<u><u>5,790</u></u>	<u><u>94,926</u></u>	<u><u>23,407</u></u>	<u><u>124,123</u></u>

Note 12. Trade and other payables

	2022	2021
	\$	\$
<i>Current liabilities</i>		
Trade payables	265,644	277,044
Other creditors and accrued expenses	<u>277,985</u>	<u>251,294</u>
	<u><u>543,629</u></u>	<u><u>528,338</u></u>

Australian Institute of Project Management
Notes to the financial statements
30 June 2022

Note 13. Contract liabilities

	2022	2021
	\$	\$
<i>Current liabilities</i>		
Membership fees	1,391,587	1,276,627
Organisational membership fees	588,288	772,638
Certification and licence fees	477,524	392,176
Event fees and sponsorship	18,911	35,603
	<u>2,476,310</u>	<u>2,477,044</u>
<i>Non-current liabilities</i>		
Membership fees	7,893	2,601
Organisational membership fees	35,904	12,191
	<u>43,797</u>	<u>14,792</u>

Note 14. Employee provisions

	2022	2021
	\$	\$
<i>Current liabilities</i>		
Annual leave	<u>122,618</u>	<u>93,546</u>
<i>Non-current liabilities</i>		
Long service leave	<u>10,810</u>	<u>5,919</u>

Note 15. Other provisions

	2022	2021
	\$	\$
<i>Non-current liabilities</i>		
Office premises make good provision	<u>90,451</u>	<u>87,698</u>

The provisions of the office premises lease agreement require the restoration of the leased premises to its original condition at the termination of the lease. A reliable estimate of the costs that will ultimately be incurred was made based on the size and fitout of the office premises.

Australian Institute of Project Management
Notes to the financial statements
30 June 2022

Note 16. Lease liabilities

Lease liabilities related to leases are split between current and non-current:

	2022	2021
	\$	\$
<i>Current liabilities</i>		
Lease liability - Office premises	210,344	189,955
Lease liability - Office equipment	5,021	20,253
	<u>215,365</u>	<u>210,208</u>
<i>Non-current liabilities</i>		
Lease liability - Office premises	82,889	292,770
Lease liability - Office equipment	-	5,485
	<u>82,889</u>	<u>298,255</u>
<i>Future lease payments</i>		
Future lease payments are due as follows:		
Within one year	224,816	229,273
One to five years	74,249	299,065
More than five years	-	-
	<u>299,065</u>	<u>528,338</u>

Note 17. Members' guarantee

Every member of the Australian Institute of Project Management undertakes to contribute to the property of the Company in the event of the Company being wound up while the member is a member, or within one year after the member ceases to be a member, for the debts and liabilities of the Company (contracted before the member ceases to be a member) and of the costs, charges and expenses of winding up and for the adjustment of the rights of the contributories among themselves, such amount as may be required but not exceeding fifty dollars (\$50) (2021: \$50) per member. The company has 8,630 members (2021: 8,219) at the end of the reporting period.

Note 18. Key management personnel

(i) Director Compensation

The non-executive Directors of the company are appointed on an honorary basis and as a result do not receive any remuneration either directly or indirectly in their capacity as a director of the company. Non-executive Directors are reimbursed for travel and accommodation expenses incurred for performing their duties as a Director. There have been no transactions with Directors and their related parties during the financial year (2021: \$nil).

(ii) Senior Management Compensation

The company aims to reward senior management with a level of compensation commensurate with their position, responsibilities and delivery so as to:

- recognise senior management for the Company, functional area and individual performance against targets set to appropriate benchmarks;
- link salary with the strategic goals and performance of the Company; and
- ensure total compensation is competitive by market standards within Company's funding capability.

The compensation paid to key management personnel during the year are as follows:

Australian Institute of Project Management
Notes to the financial statements
30 June 2022

Note 18. Key management personnel (continued)

	2022	2021
	\$	\$
Total Compensation of Key Management Personnel	<u>922,231</u>	<u>970,274</u>

Note 19. Events after the reporting period

No matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 20. Financial risk management

The Company is not exposed to any significant financial risks in respect to the financial instruments that it held at the end of the reporting period. The Board of Directors have the overall responsibility for identifying and managing operational and financial risks.

The Company's financial instruments consist mainly of deposits with banks, trade receivables, trade payables, contract liabilities and lease liabilities.

The carrying amounts for each category of financial instruments are as follows:

	2022	2021
	\$	\$
Financial Assets		
Cash and cash equivalents	3,580,156	2,781,294
Trade and other receivables	81,544	111,938
Other financial assets	<u>126,475</u>	<u>126,475</u>
	<u>3,788,175</u>	<u>3,019,707</u>
	\$	\$
Financial Liabilities		
Trade and other payables	543,629	528,338
Contract liabilities - Deferred membership fees	1,895,915	1,719,198
Contract liabilities - Deferred Organisational Partner Package revenue	624,192	772,638
Lease liabilities	<u>298,254</u>	<u>508,463</u>
	<u>3,361,990</u>	<u>3,528,637</u>

Australian Institute of Project Management
Notes to the financial statements
30 June 2022

Note 21. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by HLB Mann Judd Assurance (NSW) Pty Ltd, the auditor of the company:

	2022	2021
	\$	\$
<i>Audit services - HLB Mann Judd Assurance (NSW) Pty Ltd</i>		
Audit of the financial statements	29,000	28,500
Non-assurance services	6,400	6,000
	<u>35,400</u>	<u>34,500</u>
<i>Other services - HLB Mann Judd (NSW) Pty Ltd</i>		
Tax preparation	5,000	5,000
	<u>40,400</u>	<u>39,500</u>

Australian Institute of Project Management
Directors' declaration
30 June 2022

1. The financial statements and notes, as set out on pages 10 to 27, are in accordance with the *Corporations Act 2001*, including:

- (a) complying with Australian Accounting Standards – Simplified Disclosures and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- (b) giving a true and fair view of the Company's financial position as at 30 June 2022 and of its performance for the year ended on that date; and

2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable

This Declaration is made in accordance with a resolution of the Board of Directors:



Elena Zagorenko
Chair: Board of Directors



Mary Ramsay
Chair: Audit and Risk Committee

29 September 2022

Independent Auditor's Report to the Members of Australian Institute of Project Management

Opinion

We have audited the financial report of Australian Institute of Project Management ("the Company") which comprises the statement of financial position as at 30 June 2022, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards - Simplified Disclosures and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

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 30 June 2022, 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.

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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 - Simplified Disclosures 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 ability of the Company 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 Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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



HLB Mann Judd Assurance (NSW) Pty Ltd
Chartered Accountants

Sydney, NSW
5 October 2022



K L Luong
Director



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