



Australian Institute of  
**Project Management**

# 2021 Financial Report **Forward with purpose**

ABN: 49 001 443 303

# **Australian Institute of Project Management**

## **Directors' report**

### **30 June 2021**

Your Directors present this report together with the consolidated financial report of the Australian Institute of Project Management ("AIPM"), being the company for the financial year ended 30 June 2021.

## **PRINCIPAL ACTIVITIES, OBJECTIVES AND STRATEGIES**

The principal activities of the Entity 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 Australian Institute of Project Management's principal objectives. The Entity 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 Entity'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 Entity officially launched AIPM's Strategy 2021-2024 at the 2020 Annual General Meeting.

The Entity's Vision is to promote competency and excellence in the project profession for Australia's success.

The Entity's Purpose is to lead the project profession, uplift competency and provide expertise to our Members, Partners, Government and Business to enable them to reach their full potential.

The principal objectives of the Entity are:

- Project Profession Excellence – current and future Project Professionals will aspire to become members of AIPM and obtain RegPM certification;
- Future Ready Career Path – nurture the Project Profession in current and future career development and aspirations;
- Lifelong Learning – promote continuous education as the key to sustainable career;
- Advocacy for Project Management Profession – the trusted voice of the Project Profession and its contribution as part of wider delivery teams;
- Performance- increasing digital footprint to effectively engage with our members and Volunteers;

## **FINANCIAL RESULTS**

A surplus before income tax of \$349,189 was achieved for the 2021 financial year, compared to a surplus before income tax of \$335,963 in the 2020 financial year. Total Members' Funds at year end was a positive \$198,912 (2020: negative \$150,277). Income tax payable for the 2021 year is \$nil (2020: \$nil).

## **DIVIDENDS**

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

## **REVIEW AND RESULT OF OPERATIONS**

The Entity'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 \$5,024,386 primarily from individual and corporate member fees 55%, certification 26%, National Conference and Project Management Achievement Awards 4%, sponsorship 2%, seminars and forums 9%, endorsement and licence fees 3% and self assessment tool fees and other income 1%.

Total expenditure from operating activities for the year amounted to \$4,642,420 was primarily on employee expenses 55%, direct cost of provision of services and administration 45%.

## **LIKELY DEVELOPMENTS**

Likely developments in the operations of the Australian Institute of Project Management and the expected results of those operations in future financial years have not been included in this report.

## ENVIRONMENTAL ISSUES

The Entity'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

In July 2021, the company was notified of a claim for unlawful conduct from an employee. While no proceedings have been commenced, AIPM is confident in defending these claims. In the event, that the Company is not successful, the contingent liability is estimated to be up to \$100,000, plus any legal costs. The legal costs, including any potential reimbursement of the company's own legal costs, cannot be estimated reliably at the time of preparing the financial statements.



No other 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 James Bawtree, Connie Beck, 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
<p>James Bawtree</p> 	<p>FAIPM  CPPD  FAPM  ChPP,  IPMA Level-A®  AdvDipPM</p>	<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 &amp; 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 &gt;AU\$40b across Defence, Government, Banking, Finance, Insurance, Construction, Infrastructure and NFP.</p>	<ul style="list-style-type: none"> <li>Governance and Ethics Committee</li> </ul>
<p>Connie Beck</p> 	<p>FAIPM  CPPD  GAICD</p>	<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 &amp; Graduate of the Australian Institute of Company Directors.</p>	<ul style="list-style-type: none"> <li>Audit &amp; Risk Committee</li> <li>Nominations and Remunerations Committee</li> </ul>




# Australian Institute of Project Management

## Directors' report

30 June 2021

Name	Qualifications	Experience	Special Responsibilities
 <p>Darius Danesh</p> <p>Appointed 17 December 2020</p>	<p>PhD, MEngSc, BEng, AdvDipPM, DipPM, DipGovt, FAIPM CPPE, FIEAust CPEng EngExec NER APEC Engineer IntPE(Aus)</p>	<p>Darius is a specialist in Project, Program and Portfolio Management and a decision-making advisor working closely with leaders across many industries in the public and private sectors. He has worked internationally across a diverse range of industries including Defence, Infrastructure, Transport, Energy, Oil and Gas, and Mining.</p> <p>Darius has led and advised on a range of subject matters including Project, Program and Portfolio Management, PMO Management, Governance, Change Management and Performance Improvement, Organisational Maturity Assessment, Strategic Leadership and Asset Management, Multi-criteria Decision-Making and Decision Support Systems, Infrastructure Development, Defence Capability Acquisition and Sustainment Programs, Quality Audit and Risk Management.</p>	<ul style="list-style-type: none"> <li>Nominations and Remunerations Committee</li> </ul>
 <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 Farmanco 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; Councillor with the NSW Branch of the AICD 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"> <li>Chair Governance and Ethics Committee</li> </ul>
 <p>Michael King OAM</p> <p>Resigned 30 April 2021</p>	<p>FAIPM CPPD MBA ChPP FAPM IPMA Level A Cert Civ Eng MAICD</p>	<p>Michael is a Technical Director - Project Management and Associate, with experience in the design, documentation, and contract administration of civil and building projects across private, Federal, State and Local government capital works programmes and projects.</p> <p>As a project professional, his experience in Government also includes the development of Project Management Frameworks for professional skill set development in project delivery. Michael's project background includes the delivery of Defence infrastructure projects in Tasmania and aid projects in South East Asia.</p>	<ul style="list-style-type: none"> <li>Past AIPM Chair</li> <li>Acting Chair of Audit &amp; Risk Committee (Jan 2020 – July 2020)</li> </ul>
 <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 &amp; 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"> <li>Chair Nominations and Remunerations Committee</li> <li>Audit &amp; Risk Committee</li> <li>Governance and Ethics Committee</li> </ul>
 <p>Mary Ramsay</p>	<p>GAICD Bachelor Economics (Accounting/Commercial Law) Master of Commerce (Marketing Strategy) AGILE Practitioner PRINCE2 Practitioner</p>	<p>Mary Ramsay has 25 + years' experience in financial services, digital transformation, strategy, marketing, innovation, and commercialisation with diverse range of stakeholders from C-suite, government, industry bodies, private and not for profit sectors.</p> <p>Currently Mary represents Hanley Energy (a global tech innovator in the hyper-scale data centre industry) as Country Manager in Australia and is responsible for all business operations, with new and existing customers in the Asia-Pacific market. Until March 2020, Mary was GM, Partnerships &amp; Innovation at Stone &amp; Chalk.</p> <p>Previously, Mary served as Head of Digital at ASX Ltd for almost 12 years, traded Bond/Bills/Swaps in London/Sydney and held several senior commercial, digital and strategic transformation roles with entities: BT, AMP, Tourism Australia, Western Sydney Uni, American Express, PwC and CBA.</p> <p>She is a Non-Executive board director and Chair of the Audit &amp; Risk Committee of the Australian Institute of Project Management; Board Director of Waverley College Foundation; Non-Executive director BBM Youth Support and an advisory board member of an early-stage social enterprise marketplace, GGM. Former governance roles include Chair/President of the Waverley College Parent Association (2018-2020) and Advisor to IAG Satellite's Poncho Insurance.</p>	<ul style="list-style-type: none"> <li>Chair Audit and Risk Committee</li> </ul>

**Australian Institute of Project Management**  
**Directors' report**  
**30 June 2021**

Name	Qualifications	Experience	Special Responsibilities
<p>Peter Tilley</p>  <p>Appointed 17 December 2020</p>	<p>MAIPM</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 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"> <li>• Board Member</li> </ul>
<p>Michael Young</p>  <p>Resigned 17 December 2020</p>	<p>FAIPM CPPE MBA ChPP IPMA Level A GAICD</p>	<p>Michael is a program management and portfolio management expert with extensive experience including defence, transport, banking and insurance, aviation, manufacturing, government and technology sectors.</p> <p>His areas of expertise include:</p> <ul style="list-style-type: none"> <li>• strategy and policy implementation</li> <li>• enterprise portfolio management</li> <li>• project and program management of large multinational projects</li> <li>• IT strategic planning and investment decision making</li> <li>• program office implementation and methodology development and</li> <li>• project, program and portfolio management consulting</li> </ul> <p>Michael is also an adjunct Associate Professor at the University of Canberra.</p>	<ul style="list-style-type: none"> <li>• AIPM Deputy Chair</li> <li>• Chapter Congress Chair</li> </ul>
<p>Elena Zagorenko</p> 	<p>FAIPM CPPE GAICD Masters in Linguistics Masters International Marketing</p>	<p>Elena has 15 years' experience in portfolio, project and programme management and has delivered over 130 projects and programs in Banking, IT, Civil Construction, Mining and HV Electricity Transmission. Elena's most recent experience also includes establishment of strategic capability to prioritise, govern and enable deployment of US\$5bn of Capital across Minerals Australia in BHP.</p> <p>Prior to joining the AIPM Board, Elena has been serving in the AIPM SA Chapter Council, most recently as a Chapter President.</p> <p>Elena is currently a Manager Project Control &amp; Analysis, Project Centre of Excellence with BHP, responsible for maximising efficiencies and improving predictability and governance practices across Coal Projects portfolio to ensure optimal decision making on capital investment, and enhance project management discipline.</p>	<ul style="list-style-type: none"> <li>• AIPM Chair</li> <li>• Governance and Ethics Committee</li> </ul>

**DIRECTORS' INTERESTS AND BENEFITS**

As AIPM is limited by guarantee, none of the Directors holds an interest in the company but each, as 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. Premiums were paid for each of the Directors listed on pages 2-4. 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.

**Australian Institute of Project Management  
Directors' report  
30 June 2021**

**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.

In July 2021, the company was notified of a claim for unlawful conduct from an employee who is currently on sick leave. This is not yet before the courts. More detailed information is provided in the events after the reporting period note.

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

**DIRECTORS' ATTENDANCE AT BOARD AND COMMITTEE MEETINGS**

Name	Date Appointed / Date of Cessation	Board		Audit & Risk Committee		Governance Ethics & Diversity Committee	
		A	B	A	B	A	B
James Bawtree	20 January 2020	8	8	-	-	4	4
Connie Beck	20 January 2020	6	8	4	4	-	-
Nigel Hennessy	7 October 2018	8	8	-	-	4	4
Michael King, OAM	25 February 2012 – 30 April 2021	7	7	1	1	-	-
Rob Loader	20 January 2020	5	8	4	4	1	1
Michael Young	12 October 2015 – 17 December 2020	3	7	-	-	-	-
Elena Zagorenko	23 November 2018	8	8	-	-	3	3
Mary Ramsay	29 May 2020	8	8	4	4	-	-
Darius Danesh	17 December 2020	3	2	-	-	-	-
Peter Tilley	17 December 2020	2	2	-	-	-	-

A – Number of meetings attended.

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

**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 total amount that members of the Group are liable to contribute if the Group is wound up is \$410,950 (2020: \$392,150).

**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](http://www.aipm.com.au). The AIPM Rules are in addition to and supplement provisions contained in Articles of 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 7 and forms part of the Directors' Report for the financial year ended 30 June 2021.

**Australian Institute of Project Management**  
**Directors' report**  
**30 June 2021**



**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 2021

**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 2021, 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 2021



**K L Luong**  
Director



## Australian Institute of Project Management

### Contents

30 June 2021

	<b>Page</b>
Statement of profit or loss and other comprehensive income	9
Statement of financial position	10
Statement of changes in equity	11
Statement of cash flows	12
Notes to the financial statements	13
Directors' declaration	27
Independent auditor's report to the members of Australian Institute of Project Management	28

### **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 guarantee, 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.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 29 September 2021. The directors have the power to amend and reissue the financial statements.

**Australian Institute of Project Management**  
**Statement of profit or loss and other comprehensive income**  
**For the year ended 30 June 2021**

	Note	2021 \$	2020 \$
<b>Revenue</b>	4	5,024,386	5,519,503
<b>Expenses</b>			
Event and conference expenses		(226,320)	(971,117)
Employee expenses		(2,574,833)	(2,515,198)
Promotion and advertising expenses		(121,568)	(60,975)
Certification expenses		(730,686)	(614,650)
Premises expenses		(23,756)	(20,134)
Administration expenses		(209,455)	(151,848)
IT and telecommunications expenses		(348,823)	(345,926)
Travel and accommodation expenses		(10,945)	(68,979)
Consultants expenses		(66,367)	(80,240)
Printing, postage and stationery		(4,148)	(20,448)
Depreciation and amortisation expense		(325,519)	(296,575)
<b>Operating result</b>		381,966	373,413
Interest income		877	5,615
Finance costs		(33,654)	(43,065)
<b>Surplus before income tax expense</b>		349,189	335,963
Income tax expense	5	-	-
<b>Surplus after income tax expense for the year</b>		349,189	335,963
Other comprehensive income for the year, net of tax		-	-
<b>Total comprehensive income for the year</b>		<u>349,189</u>	<u>335,963</u>

*The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*

**Australian Institute of Project Management**  
**Statement of financial position**  
**As at 30 June 2021**

	Note	2021 \$	2020 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	2,781,294	2,258,043
Trade and other receivables	7	111,938	123,976
Prepayments		141,969	125,096
Total current assets		<u>3,035,201</u>	<u>2,507,115</u>
<b>Non-current assets</b>			
Other financial assets	9	126,475	126,475
Property, plant and equipment	10	103,722	85,854
Right-of-use assets	8	464,163	665,417
Intangible assets	11	185,151	251,898
Total non-current assets		<u>879,511</u>	<u>1,129,644</u>
<b>Total assets</b>		<u>3,914,712</u>	<u>3,636,759</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	12	528,338	517,721
Contract liabilities	13	2,477,044	2,428,489
Employee provisions	14	93,546	46,006
Lease liabilities	16	210,208	188,863
Total current liabilities		<u>3,309,136</u>	<u>3,181,079</u>
<b>Non-current liabilities</b>			
Contract liabilities	13	14,792	1,865
Employee provisions	14	5,919	11,303
Other provisions	15	87,698	85,031
Lease liabilities	16	298,255	507,758
Total non-current liabilities		<u>406,664</u>	<u>605,957</u>
<b>Total liabilities</b>		<u>3,715,800</u>	<u>3,787,036</u>
<b>Net Assets (Deficiency)</b>		<u>198,912</u>	<u>(150,277)</u>
<b>Equity</b>			
Accumulated surplus/(deficit)		<u>198,912</u>	<u>(150,277)</u>
<b>Total equity/(deficiency)</b>		<u>198,912</u>	<u>(150,277)</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 2021**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Total deficiency in equity at the beginning of the financial year	(150,277)	(426,434)
Change in accounting policy	-	(59,806)
Total deficiency in equity at the beginning of the financial year - restated	(150,277)	(486,240)
Surplus after income tax expense for the year	349,189	335,963
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	349,189	335,963
<b>Total equity/(deficiency) at the end of the financial year</b>	<b>198,912</b>	<b>(150,277)</b>

*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 2021**

	Note	2021 \$	2020 \$
<b>Cash flows from operating activities</b>			
Receipts from members, customers and sponsors		5,625,890	5,439,469
Payments to suppliers and employees		<u>(4,775,331)</u>	<u>(4,742,390)</u>
		850,559	697,079
Interest received		877	5,615
Interest paid		<u>(33,654)</u>	<u>(40,473)</u>
<b>Net cash flows from operating activities</b>		<u>817,782</u>	<u>662,221</u>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(58,097)	(15,773)
Payments for intangibles		<u>(17,289)</u>	<u>(58,281)</u>
<b>Net cash flows used in investing activities</b>		<u>(75,386)</u>	<u>(74,054)</u>
<b>Cash flows from financing activities</b>			
Repayment of lease liabilities		<u>(219,145)</u>	<u>(170,051)</u>
<b>Net cash flows used in financing activities</b>		<u>(219,145)</u>	<u>(170,051)</u>
<b>Net increase in cash and cash equivalents</b>			
Cash and cash equivalents at the beginning of the financial year		<u>2,258,043</u>	<u>1,839,927</u>
<b>Cash and cash equivalents at the end of the financial year</b>	6	<u><u>2,781,294</u></u>	<u><u>2,258,043</u></u>

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

**Note 1. Corporate Information**

The financial statements for the year ended 30 June 2021 of Australian Institute of Project Management were authorised for issue in accordance with a resolution of directors on 29 September 2021. The Directors have the power to amend and reissue the financial statements.

**Note 2. Basis of preparation**

**(a) 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.

**(b) 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.

**(c) 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.

**(d) Functional and Presentation Currency**

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

**(e) Going Concern**

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business for a period of at least 12 months from the date these financial statements are approved. The Directors note the following conditions which they have considered in assessing the appropriateness of the going concern assumption:

- The Company reported a surplus before income tax of \$349,189 for the year ended 30 June 2021 (2020: \$335,963) and generated net cash inflows from operations of \$817,782 (2020: \$662,221), had a deficiency in net current assets of \$273, 935 (2020: \$673,964) and a surplus in net assets of \$198,912 (2020: deficiency of \$150,277) at year end.
- The deficiency in net current assets was caused by current liabilities exceeding current assets. Deferred revenue for membership fees, certification and licence fees, events and sponsorship comprise 75% (2020: 76%) of current liabilities. Deferred revenue represents a liability for services not yet performed as distinct from a liability for unpaid amounts. It is Company policy that membership and certification fees are not refunded. The Directors believe that the accountability surrounding the application of the refund policy is such that any future financial obligation is mitigated.
- The financial statements are prepared on a going concern basis as the Company's cash flow forecast indicates it will remain cash positive until 31 October 2022.

**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.

**(a) Basis of Consolidation**

The 30 June 2020 statement of financial position comprise the consolidated accounts of Australian Institute of Project Management Limited and its subsidiary, Australian Institute of Project Management International Certification Body Pty Limited. Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the financial statements.

Australian Institute of Project Management International Certification Body Pty Limited was deregistered on 24 March 2020 and did not transact during the 30 June 2021 reporting period.

**Australian Institute of Project Management**  
**Notes to the financial statements**  
**30 June 2021**

Subsidiaries are entities controlled by the company. The financial statements of subsidiaries are included in the financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Company.

**(b) 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.

The following Accounting Standards and Interpretations are most relevant to the Company:

*AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*

The company has adopted AASB 1060 from 1 July 2021. The standard provides a new Tier 2 reporting framework with simplified disclosures that are based on the requirements of IFRS for SMEs. As a result, there has been minimal change in the disclosures within these financial statements.

**(c) 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:

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

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.

**(d) 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.

### **(e) 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.

### **f) 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.

### **(g) 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.

### **(h) 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.

### **(i) 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.



**Note 3. Statement of significant accounting policies (continued)**

**(j) 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.

***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.

**(k) 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.

**(l) Prepayments**

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

**m) 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.

**Note 3. Statement of significant accounting policies (continued)**

**(n) 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.

**(o) Comparative Figures**

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

**(p) 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 Profit or Loss and Other 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 profit or loss 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.

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.

Current tax liabilities and assets and deferred tax assets arising from unused tax losses and relevant tax credits of the members of the tax company are recognised by the Company.

**Note 3. Statement of significant accounting policies (continued)**

**(q) 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 profit or loss if the carrying amount of the Right-of-use asset is fully written down.

**(r) 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 profit or loss as incurred.

**(s) 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(p).

*(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(d) 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% (2020: 5.22%).

**Note 3. Statement of significant accounting policies (continued)**

*(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**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Revenue	<u>5,024,386</u>	<u>5,519,503</u>

*Disaggregation of revenue*

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

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<i>Revenue recognised over time</i>		
Membership fees	2,279,605	2,296,531
Organisational Partner Package revenue	499,333	685,266
License fees	43,898	47,501
Self assessment tool (SAT) fees	<u>14,898</u>	<u>1,710</u>
	<u>2,837,734</u>	<u>3,031,008</u>
<i>Revenue recognised at a point in time</i>		
Seminars and forum fees (Hybrid of over time and at a point in time)	258,483	95,536
Project Management Achievement Awards (PMAA)	69,396	147,585
Sponsorship	78,850	164,526
Registered Project Manager (RegPM) program	1,328,923	1,151,413
Endorsement fees	108,836	99,087
PD Workshop fees	204,218	47,077
Certification fees	15,000	-
Conference registration fees	115,751	658,026
Other Income	<u>7,195</u>	<u>125,245</u>
	<u>2,186,652</u>	<u>2,488,495</u>

**Australian Institute of Project Management**  
**Notes to the financial statements**  
**30 June 2021**

**Note 5. Income tax expense**

	2021 \$	2020 \$
<b>(a) The components of income tax expense comprise</b>		
Income tax expense	-	-
Aggregate income tax expense	<u>-</u>	<u>-</u>
<b>(b) The prima facie tax on deficit before income tax is reconciled to the income tax expense as follows:</b>		
Surplus before income tax expense	349,189	335,963
Tax at the statutory tax rate of 26% (2020: 27.5%)	90,789	92,390
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	(820,106)	(1,021,497)
Effect of expenses that are not deductible in determining taxable profit	812,492	799,381
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	<u>(83,175)</u>	<u>129,726</u>
Income tax expense	<u>-</u>	<u>-</u>
<b>(c) Unrecognised deferred tax assets</b>		
Unused tax losses for which no deferred tax assets have been recognised	2,434,869	2,827,046

**Note 6. Cash and cash equivalents**

	2021 \$	2020 \$
<b>(a) Reconciliation of cash and cash equivalents to statement of cash flows</b>		
Cash at bank and on hand	2,736,294	2,213,043
Secured term deposit with maturity of three months or less	<u>45,000</u>	<u>45,000</u>
	<u>2,781,294</u>	<u>2,258,043</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**

	2021 \$	2020 \$
<i>Current assets</i>		
Trade receivables	34,684	39,573
Other receivables	<u>77,254</u>	<u>84,403</u>
	<u>111,938</u>	<u>123,976</u>

**Allowance for expected credit losses**

The Company did not recognise any surplus or deficit in respect of the expected credit losses for the year ended 30 June 2021 (2020: \$Nil).

**Australian Institute of Project Management**  
**Notes to the financial statements**  
**30 June 2021**

**Note 8. Right-of-use assets**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<i>Non-current assets</i>		
Office premises	804,260	804,260
Less: Accumulated depreciation	<u>(364,193)</u>	<u>(182,097)</u>
	<u>440,067</u>	<u>622,163</u>
Office equipment	62,411	62,411
Less: Accumulated depreciation	<u>(38,315)</u>	<u>(19,157)</u>
	<u>24,096</u>	<u>43,254</u>
	<u><u>464,163</u></u>	<u><u>665,417</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.

**Note 9. Other financial assets**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<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**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<i>Non-current assets</i>		
Leasehold improvements - at cost	120,117	82,851
Less: Accumulated depreciation	<u>(55,012)</u>	<u>(36,151)</u>
	<u>65,105</u>	<u>46,700</u>
Office equipment and furniture - at cost	151,156	130,702
Less: Accumulated depreciation	<u>(112,539)</u>	<u>(91,548)</u>
	<u>38,617</u>	<u>39,154</u>
	<u><u>103,722</u></u>	<u><u>85,854</u></u>

**Australian Institute of Project Management**  
**Notes to the financial statements**  
**30 June 2021**

**Note 10. Property, plant and equipment (continued)**

*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 2020	46,700	39,154	85,854
Additions	37,266	20,831	58,097
Depreciation expense	(18,861)	(21,368)	(40,229)
Balance at 30 June 2021	<u>65,105</u>	<u>38,617</u>	<u>103,722</u>

**Note 11. Intangible assets**

	2021 \$	2020 \$
<i>Non-current assets</i>		
Website - at cost	149,106	149,106
Less: Accumulated amortisation	(149,106)	(149,106)
	<u>-</u>	<u>-</u>
Trademarks - at cost	9,470	9,470
Less: Accumulated amortisation	(2,733)	(1,786)
	<u>6,737</u>	<u>7,684</u>
Software - at cost	598,739	590,639
Less: Accumulated amortisation	(436,086)	(356,850)
	<u>162,653</u>	<u>233,789</u>
AIPM Standards - at cost	35,439	26,249
Less: Accumulated amortisation	(19,678)	(15,824)
	<u>15,761</u>	<u>10,425</u>
	<u>185,151</u>	<u>251,898</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 2020	-	7,684	233,789	10,425	251,898
Additions	-	-	8,100	9,189	17,289
Amortisation expense	-	(947)	(79,236)	(3,853)	(84,036)
Balance at 30 June 2021	<u>-</u>	<u>6,737</u>	<u>162,653</u>	<u>15,761</u>	<u>185,151</u>

**Australian Institute of Project Management**  
**Notes to the financial statements**  
**30 June 2021**

**Note 12. Trade and other payables**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<i>Current liabilities</i>		
Trade payables	277,044	399,958
Other creditors and accrued expenses	251,294	117,763
	<u>528,338</u>	<u>517,721</u>

**Note 13. Contract liabilities**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<i>Current liabilities</i>		
Membership fees	1,276,627	1,240,368
Organisational membership fees	772,638	455,155
Certification and licence fees	392,176	721,089
Event fees and sponsorship	35,603	11,877
	<u>2,477,044</u>	<u>2,428,489</u>
<i>Non-current liabilities</i>		
Membership fees	<u>14,792</u>	<u>1,865</u>

**Note 14. Employee provisions**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<i>Current liabilities</i>		
Annual leave	<u>93,546</u>	<u>46,006</u>
<i>Non-current liabilities</i>		
Long service leave	<u>5,919</u>	<u>11,303</u>

**Note 15. Other provisions**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<i>Non-current liabilities</i>		
Office premises make good provision	<u>87,698</u>	<u>85,031</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 2021**

**Note 16. Lease liabilities**

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

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<i>Current liabilities</i>		
Lease liability - Office premises	189,955	170,049
Lease liability - Office equipment	20,253	18,814
	<u>210,208</u>	<u>188,863</u>
<i>Non-current liabilities</i>		
Lease liability - Office premises	292,770	482,020
Lease liability - Office equipment	5,485	25,738
	<u>298,255</u>	<u>507,758</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) per member. The company has 8,219 members (2020: 7,843) 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. Transactions with Directors and their related parties have been under the company's normal terms and conditions of trading. Related party transactions during the financial year are in Note 19.

**(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:

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Total Compensation of Key Management Personnel	<u>970,274</u>	<u>650,607</u>

**Note 19. Related party transactions**

Details of transactions between the Company and other related parties are disclosed below

**(a) Director Transactions**

A number of directors, or their related parties, hold positions in other entities that result in them having control or joint control over the financial or operating policies of those entities.

A number of these entities may have transacted in prior periods. The terms and conditions of the transactions with directors and their related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-director related entities on an arm's length basis.

The aggregate value of transactions and outstanding balances relating to directors and entities over which they have control or joint control were as follows:

Director	Transaction	2021 \$	2020 \$
Trevor Alex	RegPM assessment fees & IPMA assessor fees <sup>(i)</sup>	-	14,656

(i) The company used the consulting services of Trevor Alex in relation to the assessment of candidates under the RegPM and IPMA certification programs. Amounts were billed based on normal market rates for such services and were due and payable under normal payment terms.

**Note 20. Events after the reporting period**

In July 2021, the company was notified of a claim for unlawful conduct from an employee. While no proceedings have been commenced, AIPM is confident in defending these claims. In the event, that the Company is not successful, the contingent liability is estimated to be up to \$100,000, plus any legal costs. The legal costs, including any potential reimbursement of the company's own legal costs, cannot be estimated reliably at the time of preparing the financial statements.

No other 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.

**Note 21. 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:

	2021 \$	2020 \$
<b>Financial Assets</b>		
Cash and cash equivalents	2,781,294	2,258,043
Trade and other receivables	111,938	123,976
Other financial assets	126,475	126,475
	<u>3,019,707</u>	<u>2,508,494</u>

**Australian Institute of Project Management**  
**Notes to the financial statements**  
**30 June 2021**

**Note 21. Financial risk management (continued)**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>Financial Liabilities</b>		
Trade and other payables	528,338	517,721
Contact liabilities - Deferred membership fees	1,719,198	1,975,199
Contract liabilities - Deferred Organisational Partner Package revenue	772,638	455,155
Lease liabilities	508,463	696,621
	<u>3,528,637</u>	<u>3,644,696</u>

**Note 22. 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:

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<i>Audit services - HLB Mann Judd Assurance (NSW) Pty Ltd</i>		
Audit of the financial statements	28,500	28,000
Non-assurance services	6,000	1,500
	<u>34,500</u>	<u>29,500</u>
<i>Other services - HLB Mann Judd (NSW) Pty Ltd</i>		
Tax preparation	5,000	3,500
	<u>39,500</u>	<u>33,000</u>

**Australian Institute of Project Management**  
**Directors' declaration**  
**30 June 2021**

1. The financial statements and notes, as set out on pages 9 to 26, 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 2021 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:



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Elena Zagorenko  
Chair: Board of Directors



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Mary Ramsay  
Chair: Audit and Risk Committee

29 September 2021

## **Independent Auditor's Report to the directors 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 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, 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 2021 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 2021 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of the Directors for the Financial Report**

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – 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**  
**6 October 2021**



**K L Luong**  
**Director**

