Australian Institute of
Project Management

ABN: 49 001 443 303

2019 FINANCIAL REPORT

DIRECTORS' REPORT

Your Directors present this report together with the consolidated financial report of the Australian Institute of Project Management ("AIPM" or the "Group"), being the company and its controlled entity for the financial year ended 30 June 2019.

PRINCIPAL ACTIVITIES, OBJECTIVES AND STRATEGIES

The principal activities of the Group 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 principle objective of driving professional practice throughout the project management value chain to enable sustainable economic and social outcomes for the benefit of Australia. The Group aims to be recognised by business, industry, and government, as the key promoter, developer, and leader in defining project management professionalism for the general good of society.

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

In order to meet its above-mentioned long term objectives, the Group continues with AIPM's Strategy 2015-2020, officially launched at the 2015 Annual General Meeting. The Strategy is focused on 4 Strategic Pillars that centre on Membership, Corporate Partnerships, Professional Advancement and Information, Innovation and Influence.

To meet the Group's short term objectives, the Group will continue to:

- Emphasise member and organisation member retention and satisfaction;
- Engage in research into the sector to identify trends;
- Lift organisation engagement through new partner packages and a suite of products aimed at supporting organisations;
- Place emphasis on increasing the number of Certified members;
- Increase the portfolio of professional development seminars, workshops and activities both face-to-face and online;
- Benchmark its standards against its international counterparts and industry best practice;
- Endorse courses to guide the general public considering what to study; and
- Contribute to society and assist the Australian economy by adding value through project management.

FINANCIAL RESULTS

A deficit before income tax of $217,251 was achieved for the 2019 financial year, compared to a deficit before income tax of $90,593 in the 2018 financial year. Total Members' Funds at year end was a negative $426,434 (2018: negative $209,183). There is no income tax payable for the 2019 year (2018: $nil).

DIVIDENDS

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

REVIEW AND RESULT OF OPERATIONS

The Group'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 results of operations prior to recommendations made to the AIPM Board for its consideration.

Total revenue from operating activities for the year amounted to $4,961,987, primarily from individual and corporate member fees 55%, certification 18%, National Conference and Project Management Achievement Awards 16%, sponsorship 4%, seminars and forums 3%, endorsement and licence fees 3% and self assessment tool fees and organisational maturity assessment fees 1%.

Total expenditure from operating activities for the year amounted to $5,184,582, was primarily on employee expenses 48%, direct cost of provision of services 30%, governance and administration 22%.

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 Group'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 events have arisen since balance date.

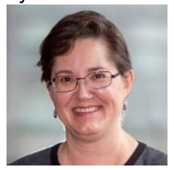
Continuing members of the AIPM Board at the date of this report are Trevor Alex, Nigel Hennessy, Michael King, Lynette Pinder, Michael Young and Elena Zagorenko.

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 Group or a related body corporate, indemnified or made any relevant agreement for indemnifying against a liability incurrent 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
Trevor Alex 	FAIPM CPPD IPMA First Assessor MPM MComm Grad Dip Leadership	Trevor has over 10 years' experience as a Director and Board Member and over 25 years' experience in portfolio, project and programme management. Prior to joining the AIPM board Trevor was the Victorian President. He is currently a Managing Principal with DXC Consulting and his professional experience includes building organisational and individual capability development, project, programme and portfolio management, maturity assessments, training and advisory from Project Managers to Project Directors/Sponsors across industry. Trevor is an endorsed PMO and P3M3 assessor and is often invited to speak at various conferences across the Asia Pacific. He is member of the Swinburne University and Victoria. University, Masters of Project Management - Industry Advisory Boards. Trevor is a founding member of the Asia Pacific Federation of Project Management (apfpm), which currently has over 19 member countries. Trevor's term as Director at AIPM ends at the AGM in 2019.	• National Conference Working Group Sponsor • International Working Group Sponsor
Nigel Hennessy 	BSc (Hons) FAICD GAICD Dip FP	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. Nigel is a Fellow of the Australian Institute of Company Directors and also a graduate. He writes and presents frequently on Leadership, Governance and Commercialisation at Universities and for professional bodies.	• Governance & Ethics Committee Chair • AICB Director
Michael King 	FAIPM CPPD MBA IPMA Level A Grad Cert PM Cert CivEng MAICD	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. 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.	• AIPM Chair • AICB Director

Name	Qualifications	Experience	Special Responsibilities
Lynette Pinder 	GAICD CPA MAITD	Lynette is Chief Executive Officer at the Australian Institute of Training and Development (AITD), a role she has held since July 2018, and a Certified Practicing Accountant (CPA). Concurrently, she is an Independent Director of the Australian Institute of Project Management (AIPM), and a Non-Executive Director of the Australian Risk Policy Institute. She is a member of the CPA NSW Division Council and she is a graduation of the Australian Institute of Company Directors (GAICD).	• Audit & Risk Committee Chair
Michael Young 	FAIPM CPPE Doctor of Philosophy (PhD) (candidate) MBA BSc Dip - VET, TDD & OA AdvDip - PM & Govt Strat Proc FAIM FACS IPMA Level A FAPM MCIPS ACS Certified Professional GradDipPfM FGIA MAICD	Michael is a program management and portfolio management expert with extensive experience including defence, transport, banking and insurance, aviation, manufacturing, government and technology sectors. His areas of expertise include: • strategy and policy implementation • enterprise portfolio management • project and program management of large multinational projects • IT strategic planning and investment decision making • program office implementation and methodology development and • project, program and portfolio management consulting Michael is also an adjunct Associate Professor at the University of Canberra.	• AIPM Deputy Chair • Chapter Congress Chair • Professional Advancement Working Group Sponsor
Elena Zagorenko 	MAIPM CPPE MAICD Masters in Linguistics Masters International Marketing	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. Prior to joining the AIPM Board, Elena has been serving in the AIPM SA Chapter Council, most recently as a Chapter President. Elena is currently a Manager PMO Minerals Australia with BHP, responsible for driving robust capital planning and governance practices across Minerals Australia to ensure optimal decision making on capital investment, capital allocation efficiencies and enhance project management discipline. Elena is also a casual Tutor and Lecturer of the Masters in Project Management Program with the University of South Australia and has previously served on their Project Management Industry Advisory Committee.	• Governance & Ethics Committee Member

DIRECTORS' INTERESTS AND BENEFITS

As AIPM is limited by guarantee, none of the Directors holds an interest in the Group but each, as a member of the Group, 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 3-4. 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 17 and 18 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 17 and 18 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 Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings.

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

ATTENDANCE AT DIRECTORS' MEETINGS

During 2019 financial year attendance by individual Directors at meetings was as set out in the table below.

Name	Date Appointed / Date of Cessation	Board		Audit & Risk Committee		Governance & Ethics Committee	
		A	B	A	B	A	B
Trevor Alex	17 October 2016	7	8				
Nigel Hennessy	7 October 2018	6	6			1	1
Michael King#	25 February 2012	8	8	2	2		
David McGuire^	17 October 2016 – 9 September 2019	7	8	3	4		
Nicole Nader	13 October 2015 - 10 May 2019	7	7				
Mark Patch	8 October 2012 - 23 November 2018	4	4	2	2		
Lynette Pinder	7 October 2018	6	6	3	4		
Leh Simonelli	13 October 2015 - 7 October 2018	3	3	-	1		
Michael Young	12 October 2015	7	8				
Elena Zagorenko	23 November 2018	5	5			1	1

A – Number of meetings attended.

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

– Michael King was appointed to fill a Congress Elected Director vacancy with a term ending at the AGM in 2020.

^ – David McGuire, Congress Elected Director with term ending at the AGM in 2019, was appointed to fill a Generally Elected Director vacancy with a term ending at the AGM in 2021.

Details of Directors' qualifications, experience and special responsibilities can be found on page 3-4 of this report.

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 company are liable to contribute if the company is wound up is $392,100 (2018: $404,750).

CORPORATE GOVERNANCE

The Group has undertaken a total review of all underpinning Governance documents for the Board, and the Board Committees. Copies of the AIPM Constitution, Board Charter, Board Committee and Congress and Chapter Council Charters are available on the AIPM website – **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 2019.

Michael King
Chair: Board of Directors

Lynette Pinder
Chair: Audit & Risk Committee

On behalf of the Board by resolution of the Directors, as signed above.
NORTH SYDNEY, NSW
10 September 2019

AUDITOR'S INDEPENDENCE DECLARATION

HLB MANN JUDD

Auditor's Independence Declaration

To the directors of Australian Institute of Project Management:

As lead auditor for the audit of the consolidated financial report of Australian Institute of Project Management for the year ended 30 June 2019, 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.

This declaration is in relation to Australian Institute of Project Management and the entity it controlled during the period.

Sydney
10 September 2019

K L Luong
Director

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CONSOLIDATED STATEMENT OF SURPLUS OR DEFICIT AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 $	2018 $
Revenue			
Membership fees		2,718,381	2,462,728
Magazine subscriptions and advertising		12,858	71,177
Conference and showcase fees		706,612	735,253
Seminars and forum fees		159,373	143,367
Project Management Achievement Awards (PMAA)		118,467	150,776
Sponsorship		192,596	207,615
Registered Project Manager (RegPM) program		769,457	876,306
International Project Management Assoc. (IPMA) program		75,562	45,416
Endorsement fees		109,053	113,253
Self assessment tool (SAT) fees		18,000	-
Organisational maturity assessment (OMA) fees		15,000	15,000
Licence fees		46,348	62,910
Other income		20,280	33,851
Total revenue from operating activities		**4,961,987**	**4,917,652**
Expenses			
Employee expenses	12(a)	(2,498,481)	(2,153,723)
Event and conference expenses		(962,536)	(886,535)
Publication expenses		(48,729)	(225,191)
Certification expenses		(514,125)	(562,022)
Premises expenses		(222,280)	(239,130)
IT and telecommunications expenses		(284,617)	(269,777)
Travel and accommodation expenses		(113,576)	(107,474)
Consultants expenses		(74,083)	(88,798)
Promotion and advertising expenses		(105,944)	(39,174)
Printing, postage and stationery		(62,601)	(102,195)
Administration expenses		(178,933)	(219,206)
Depreciation and amortisation		(118,677)	(123,175)
Total expenses from operating activities		**(5,184,582)**	**(5,016,400)**
Results from operating activities		**(222,595)**	**(98,748)**
Finance Income			
Interest income		7,854	9,683
Finance costs		(2,510)	(1,528)
Net finance income		**5,344**	**8,155**
Deficit before income tax		**(217,251)**	**(90,593)**
Income tax expense	4(a)	-	-
Deficit for the year		**(217,251)**	**(90,593)**
Total comprehensive income for the year		**(217,251)**	**(90,593)**

The Notes are an integral part of these consolidated financial statements.

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

	Note	2019 $	2018 $
Current Assets			
Cash and cash equivalents	5	1,839,927	1,498,629
Trade and other receivables	6	126,787	273,612
Prepayments		147,447	192,451
Total Current Assets		**2,114,161**	**1,964,692**
Non-Current Assets			
Other financial assets	7	126,475	126,475
Plant and equipment	8	101,742	137,452
Intangible assets	9	257,278	192,264
Total Non-Current Assets		**485,495**	**456,191**
Total Assets		**2,599,656**	**2,420,883**
Current Liabilities			
Trade and other payables	10	359,257	282,589
Deferred revenue	11	2,350,370	2,063,738
Employee provisions	12	154,777	118,027
Total Current Liabilities		**2,864,404**	**2,464,354**
Non-Current Liabilities			
Trade and other payables	10	32,433	14,640
Deferred revenue	11	25,378	54,766
Employee provisions	12	21,436	16,377
Other provisions	13	82,439	79,929
Total Non-Current Liabilities		**161,686**	**165,712**
Total Liabilities		**3,026,090**	**2,630,066**
Net Assets (Deficiency)		**(426,434)**	**(209,183)**
Members' Funds			
Accumulated deficits		(426,434)	(209,183)
Total Deficiency of Members' Funds		**(426,434)**	**(209,183)**

The Notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 $	2018 $
Members' Funds			
Accumulated deficits		(209,183)	(118,590)
Total comprehensive income for the year		(217,251)	(90,593)
Total Deficiency of Members' Funds		**(426,434)**	**(209,183)**

The Notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 $	2018 $
Cash flows from operating activities			
Receipts from members, customers and sponsors		5,971,269	5,384,638
Payments to suppliers and employees		(5,483,234)	(5,390,926)
Interest received		7,854	9,683
Net cash flows from operating activities	**5(b)**	**495,889**	**3,395**
Cash flows from investing activities			
Purchase of other financial assets		-	(126,475)
Proceeds from other financial assets		-	69,965
Payment for plant and equipment		(8,357)	(127,237)
Payment for intangible assets		(146,234)	(127,924)
Net cash flows used in investing activities		**(154,591)**	**(311,671)**
Net increase (decrease) in cash and cash equivalents		**341,298**	**(308,276)**
Cash and cash equivalents at the beginning of the year		1,498,629	1,806,905
Cash and cash equivalents at the end of the year	**5(a)**	**1,839,927**	**1,498,629**

The Notes are an integral part of these consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 1: CORPORATE INFORMATION

The consolidated financial statements for the year ended 30 June 2019 comprise the accounts of Australian Institute of Project Management (the "company") and Australian Institute of Project Management International Certification Body Pty Limited (together referred to as the "Group").

The consolidated financial statements were authorised for issue in accordance with a resolution of directors on 10 September 2019. The Directors have the power to amend and reissue the financial statements.

NOTE 2: BASIS OF PREPARATION

(a) Statement of Compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards – Reduced Disclosure Requirements and other authoritative pronouncements of the Australian Accounting Standards Board ("AASB"). The economic entity is a not-for-profit group.

(b) Basis of Measurement

The consolidated 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 Judgements

The preparation of financial statements requires management to make judgements, 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 consolidated financial statements are presented in Australian dollars, which is the Group's functional currency.

(e) Going Concern

The consolidated 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 consolidated financial statements are approved. The Directors note the following conditions which they have considered in assessing the appropriateness of the going concern assumption:

- The Group reported a deficit before income tax of $217,251 for the year ended 30 June 2019 (2018: $90,593), generated net cash inflows from operations of $495,889 (2018: $3,395), had a deficiency in net current assets of $750,243 (2018: $499,662) and a deficiency in net assets of $426,434 (2018: $209,183) 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 82% (2018: 84%) of current liabilities. Deferred revenue represents a liability for services not yet performed as distinct from a liability for unpaid amounts. It is Group 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 Group's cash flow forecast indicates it will remain cash positive until 10 September 2020. Included in the forecast is the acquisition of new organisational members ($385,000), the sale of new organisational maturity assessments ($45,000), and the roll out of new professional development masterclasses ($25,000). The Directors believe the Group will be successful in the activities noted above. The ability of the Group to continue as a going concern for the foreseeable future is dependent on the abovementioned activities. These conditions give rise to a material uncertainty which may cast significant doubt over the Group's ability to continue as a going concern.
- Should the Group be unable to continue as a going concern it may be required to realise its assets and discharge its liabilities, other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount of liabilities that might result should the Group be unable to continue as a going concern and meet its debts as and when they fall due.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 3: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of Consolidation

Subsidiaries are entities controlled by the company. The financial statements of subsidiaries are included in the consolidated 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 Group.

The consolidated financial statements comprise the aggregated 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 consolidated financial statements.

(b) 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 Group 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 of Fixed Asset	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

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 3: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) 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.

(d) Impairment of Assets

At the end of each reporting period, the Group 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 Group 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 Group 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.

(e) Employee Provisions

Provision is made for the Group'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.

(f) Other Provisions

Provisions are recognised when the Group 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.

(g) 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 3: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) 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 Group will have access to withdraw from the facility within the next twelve months.

(i) Revenue and Other Income

The Group recognises revenue as follows:

Revenue from Contracts with Customers

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: 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.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

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 consolidated statement of financial position as deferred revenue.

Membership Services and Other Services

Revenue from rendering of a service is recognised upon delivery of the service to the members.

Finance Income

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

(j) 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 Group 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. Refer to Note 3(d) for further discussion on the determination of impairment losses.

(k) Prepayments

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

(l) 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 Group 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 3: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) 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 Consolidated Statement of Financial Position are shown inclusive of GST.

Cash flows are presented in the Consolidated 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.

(n) Comparative Figures

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

(o) Income Tax

The Group 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 Surplus or Deficit 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 unused tax losses.

Current and deferred income tax expense / (income) is charged or credited directly outside the Statement of Surplus or Deficit when the tax relates to items that are recognised outside the Statement of 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.

The company and its wholly-owned Australian resident entity have formed a tax-consolidated group and are therefore taxed as a single entity. The head entity within the tax-consolidated group is Australian Institute of Project Management Limited. The member of the tax-consolidated group is Australian Institute of Project Management International Certification Body Pty Limited. Tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax consolidated group using the 'separate taxpayer within group' approach by reference to the carrying amounts in the separate financial statements of each entity and the tax values applying under tax consolidation.

Current tax liabilities and assets and deferred tax assets arising from unused tax losses and relevant tax credits of the members of the tax-consolidated group are recognised by the company (as head entity in the tax-consolidated group).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 3: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(q) Critical Accounting Estimates and Judgements

The Directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Key Estimates

(i) *Provision for Income Tax and Deferred Tax Assets*

The Group 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(o).

(ii) *Deferred Revenue*

For income received in advance, it is the policy of the Group to bring income received to account within the period to which it relates, rather than the period within which it is received.

(iii) *Useful lives of Intangible Assets*

As described in Note 3(c) above, the Group reviews the estimated useful lives of intangible assets at the end of each reporting period.

Key Judgements

(i) *Allowance for Expected Credit Losses*

The Directors have determined the allowance for expected credit losses based on their assessment of the likelihood of recoverable customer receipts.

(r) Adoption of New and Revised Accounting Standards

In the current year, the company has adopted all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current annual reporting period.

AASB 9 *Financial Instruments* sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces AASB 39 *Financial Instruments: Recognition and Measurement*. Under AASB 39 trade and other receivables were originally classified and measured as loans and receivables. Under AASB 9 the new classification and measurement for trade and other receivables is amortised cost. The effect of adopting AASB 9 on the carrying amounts of financial assets at 1 July 2018 solely relates to the new impairment requirements. AASB 9 replaces the 'incurred loss' model in AASB 39 with an 'expected credit loss' model. The new impairment model applies to financial assets measured at amortised cost. Under AASB 9, credit losses are recognised earlier than under AASB 39. For assets in the scope of the AASB 9 impairment model, impairment losses are generally expected to increase and become more volatile. The Group has determined that the application of AASB 9's impairment requirements at 1 July 2018 does not result in an additional allowance for impairment.

There are no new and revised Standards and Interpretations adopted in these financial statements affecting the reporting results or financial position.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 $	2018 $
NOTE 4: INCOME TAX EXPENSE			
(a) The components of income tax expense comprise:			
Income tax expense		-	-
(b) The prima facie tax on deficit before income tax is reconciled to the income tax expense as follows:			
Deficit before income tax		**(217,251)**	**(90,593)**
Income tax expense calculated at 27.5% (2018: 27.5%)		(59,744)	(24,913)
Effect of income that is non-assessable member income arising from principle of mutuality		(764,935)	(873,209)
Effect of expenses that are not deductible in determining taxable profit		701,218	843,727
Effect of unused tax losses and tax offsets not recognised as deferred tax assets		123,461	54,395
Income tax expense		**-**	**-**
(c) Unrecognised deferred tax assets			
Unused tax losses for which no deferred tax assets have been recognised		(2,314,029)	(1,861,018)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 $	2018 $
NOTE 5: CASH AND CASH EQUIVALENTS			
(a) Reconciliation to consolidated statement of cash flows			
Cash at bank and on hand		1,794,927	1,453,629
Secured term deposit with maturity of three months or less		45,000	45,000
		1,839,927	**1,498,629**

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.

	2019 $	2018 $
(b) Reconciliation of Deficit after Income Tax with Net Cash Flows from Operating Activities		
Deficit for the year	**(217,251)**	**(90,593)**
Non-cash flows		
Amortisation	74,610	71,812
Depreciation	44,067	51,363
Inherited plant and equipment	-	(16,460)
Expensed trademarks (WIP) capitalised in prior year	6,610	-
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables	146,825	(164,321)
(Increase)/decrease in prepayments	45,004	(62,597)
Increase/(decrease) in trade and other payables	94,461	(50,832)
Increase in deferred revenue	257,244	227,902
Increase in employee provisions	41,809	2,612
Increase in other provisions	2,510	34,509
Net cash flows from operating activities	**495,889**	**3,395**

NOTE 6: TRADE AND OTHER RECEIVABLES

	2019 $	2018 $
Current		
Trade receivables	35,224	212,726
Less allowance for expected credit losses	(998)	(5,055)
	34,226	207,671
Other receivables	92,561	65,941
	126,787	**273,612**

Allowance for expected credit losses

The Group has recognised a loss of $998 in surplus or deficit in respect of the expected credit losses for the year ended 30 June 2019 (2018: $5,055).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 7: OTHER FINANCIAL ASSETS

	Note	2019 $	2018 $
Non-Current			
Secured term deposit with maturity of three months or less		-	126,475
Secured term deposit with maturity greater than three months		126,475	-
		126,475	**126,475**

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

NOTE 8: PLANT AND EQUIPMENT

	2019 $	2018 $
Non-Current		
Leasehold improvements at cost	82,851	81,571
Less accumulated depreciation	(22,267)	(8,470)
	60,584	73,101
Office equipment and furniture at cost	114,929	107,852
Less accumulated depreciation	(73,771)	(43,501)
	41,158	64,351
Total plant and equipment	**101,742**	**137,452**

Movements in Carrying Amounts	Leasehold improvements $	Office equipment & furniture $	Total $
Carrying amount at the beginning of the year	73,101	64,351	**137,452**
Additions	1,280	7,077	**8,357**
Depreciation expense	(13,797)	(30,270)	**(44,067)**
Carrying amount at the end of the year	60,584	41,158	**101,742**

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 9: INTANGIBLE ASSETS

	Note	2019 $	2018 $
Non-Current			
Software at cost		543,779	401,525
Less accumulated amortisation		(310,884)	(268,437)
		232,895	133,088
Website at cost		149,106	149,106
Less accumulated amortisation		(134,051)	(104,230)
		15,055	44,876
AIPM Standards at cost		15,879	15,879
Less accumulated amortisation		(14,129)	(12,629)
		1,750	3,250
Trademarks at cost		8,420	11,050
Less accumulated amortisation		(842)	-
		7,578	11,050
Total intangible assets		**257,278**	**192,264**

Movements in Carrying Amounts	Software $	Website $	AIPM Standards $	Trademarks $	Total $
Carrying amount at the beginning of the year	133,088	44,876	3,250	11,050	**192,264**
Additions	142,254	-	-	3,980	**146,234**
Expensed trademarks (WIP) capitalised in prior year	-	-	-	(6,610)	**(6,610)**
Amortisation expense	(42,447)	(29,821)	(1,500)	(842)	**(74,610)**
Carrying amount at the end of the year	232,895	15,055	1,750	7,578	**257,278**

NOTE 10: TRADE AND OTHER PAYABLES

	2019 $	2018 $
Current		
Trade payables	284,090	195,498
Other creditors and accrued expenses	75,167	87,091
	359,257	**282,589**
Non-Current		
Other creditors and accrued expenses	32,433	14,640
	32,433	**14,640**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 11: DEFERRED REVENUE

	Note	2019 $	2018 $
Current			
Membership fees		1,516,565	1,295,517
Certification and licence fees		714,767	493,463
Event fees and sponsorship		119,038	143,558
Conference fees		-	131,200
		2,350,370	**2,063,738**
Non-Current			
Membership fees		25,378	54,766
		25,378	**54,766**

NOTE 12: EMPLOYEE PROVISIONS

		2019 $	2018 $
Current			
Annual leave		137,582	103,174
Long service leave		17,195	14,853
		154,777	**118,027**
Non-Current			
Long service leave		21,436	16,377
		21,436	**16,377**

(a) Employee expenses

	2019 $	2018 $
Salary and wages	2,080,075	1,828,411
Superannuation	190,564	169,497
Annual leave	34,408	(1,596)
Long service leave	7,401	4,207
Payroll tax	73,503	64,734
Recruitment costs	51,353	45,683
Other employee expenses	61,177	42,787
Total employee expenses	2,498,481	2,153,723
(b) Number of employees at year end (FTE)	20	21

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 13: OTHER PROVISIONS

	Note	2019 $	2018 $
Non-Current			
Office premises make good provision		82,439	79,929
		82,439	**79,929**

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.

NOTE 14: OPERATING LEASES

(a) Commitments under non-cancellable operating leases

	2019 $	2018 $
Not later than 1 year	218,517	213,685
Later than 1 year but not later than 5 years	758,554	894,024
Later than 5 years	-	83,047
	977,071	1,190,756

Operating leases are in respect of office premises and office equipment rental in North Sydney. The operating 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.

(b) Operating leases expenditure

	2019 $	2018 $
Operating lease rental expense included in premises expenses	180,358	176,985
Operating lease rental expense included in printing, postage and stationery expenses	15,924	17,979
Operating lease rental expense included in administrative expenses	4,680	4,680
Operating lease rental expense included in IT and telecommunications expenses	12,723	4,241
	213,685	203,885

NOTE 15: REMUNERATION OF AUDITORS

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

	2019 $	2018 $
Audit of the financial statements	24,750	24,000
Additional fees in respect of the 2017 audit	-	6,000
Taxation services	3,500	3,000
	28,250	**33,000**

NOTE 16: 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 7,842 members (2018: 8,095) at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 17: KEY MANAGEMENT PERSONNEL

All directors and senior management, noted below, are key management personnel.

(a) Directors

The names of Directors in office during the financial year or as at the date of this report are as follows:

Director	Title	Appointed/Resigned
Trevor Alex	Non-Executive Director	Appointed 17 October 2016
Nigel Hennessy	Non-Executive Director	Appointed 7 October 2018
Michael King	Non-Executive Director	Appointed 25 February 2012
David McGuire	Non-Executive Director	Appointed 17 October 2016 - Resigned 9 September 2019
Nicole Nader	Non-Executive Director	Appointed 13 October 2015 - Resigned 10 May 2019
Mark Patch	Non-Executive Director	Appointed 8 October 2012 - Resigned 23 November 2018
Lynette Pinder	Non-Executive Director	Appointed 7 October 2018
Leh Simonelli	Non-Executive Director	Appointed 13 October 2015 - Resigned 7 October 2018
Michael Young	Non-Executive Director	Appointed 12 October 2015
Elena Zagorenko	Non-Executive Director	Appointed 23 November 2018

(b) Senior Management

Senior Manager	Title	Appointed/Resigned
Elizabeth Foley	Chief Executive Officer	Appointed 1 July 2019
David Chahrozian	Chief Financial Officer Company Secretary	Appointed 10 April 2017 Appointed 22 October 2017
Andrew Madry	Interim Chief Executive Officer Chief Operating Officer Company Secretary	Appointed 15 December 2017 - Resigned 19 March 2019 Appointed 11 January 2016 - Redundant 19 March 2019 Appointed 22 October 2017 - Resigned 7 October 2018
Louise Lloyd	Deputy Chief Executive Officer	Appointed 18 May 2017 - Redundant 1 July 2019

(c) Compensation of 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 Group or any related party. 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 18.

(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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 17: KEY MANAGEMENT PERSONNEL (continued)

(c) Compensation of Key Management Personnel (continued)

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

Compensation by category	2019 $	2018 $
Short-term benefits	546,568	772,340
Post-employment benefits	53,652	72,291
Other long-term benefits	(224)	(1,934)
Termination benefits	109,439	-
	709,435	**842,697**

NOTE 18: RELATED PARTY TRANSACTIONS

Balances and transactions between the company and its subsidiaries, which are related parties of the company, have been eliminated on consolidation and are not disclosed in this note.

Details of transactions between the Group 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 transacted with the Group during the year. 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:

			Transaction values year ended 30 June		Balance outstanding as at 30 June	
Director	**Transaction**	**Note**	**2019**	**2018**	**2019**	**2018**
Trevor Alex	RegPM assessment fees & IPMA assessor fees	(i)	46,263	52,691	2,250	-
Leh Simonelli (Retired 7 October 2018)	RegPM assessment fees & IPMA assessor fees	(ii)	-	26,288	-	-
Michael Young	RegPM assessment fees & IPMA assessor fees	(iii)	-	11,023	-	-
Mark Patch (Retired 23 November 2018)	RegPM assessment fees	(iv)	1,990	5,340	-	-
Total			**48,253**	**95,342**	**2,250**	**-**

(i) The Group 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.

(ii) The Group used the consulting services of IPM Group Pty Ltd, a company controlled by Leh Simonelli, 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.

(iii) The Group used the consulting services of Transformed Pty Ltd, a company controlled by Michael Young, in relation to the assessment of candidates under the RegPM certification program and the audit of courses for endorsement. Amounts were billed based on normal market rates for such services and were due and payable under normal payment terms.

(iv) The Group used the consulting services of Jeanmar Pty Ltd, a company controlled by Mark Patch, in relation to the assessment of candidates under the RegPM certification program. Amounts were billed based on normal market rates for such services and were due and payable under normal payment terms.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 19: PARENT ENTITY INFORMATION

As at, and throughout the financial year ended 30 June 2019, the parent entity of the Group was the Australian Institute of Project Management. The accounting policies of the parent entity, which have been applied in determining the financial information shown below, are the same as those applied in the consolidated financial statements. Refer to Note 3 for a summary of the significant accounting policies relating to the Group.

	2019 $	2018 $
FINANCIAL PERFORMANCE		
Deficit for the year	(221,090)	(81,514)
Total comprehensive income for the year	**(221,090)**	**(81,514)**
FINANCIAL POSITION		
Assets		
Current Assets	2,124,324	1,957,339
Non-current Assets	485,495	456,191
Total Assets	**2,609,819**	**2,413,530**
Liabilities		
Current Liabilities	2,858,762	2,437,357
Non-current Liabilities	161,686	165,712
Total Liabilities	**3,020,448**	**2,603,069**
NET ASSETS (DEFICIENCY)	**(410,629)**	**(189,539)**
Members' Funds		
Accumulated deficits	(410,629)	(189,539)
TOTAL DEFICIENCY OF MEMBERS' FUNDS	**(410,629)**	**(189,539)**

The parent entity reported a deficit before income tax of $221,090 for the year ended 30 June 2019 (2018: $81,514), had a deficiency in net current assets of $734,438 (2018: $480,018) and a deficiency in net assets of $410,629 (2018: $189,539) at year end. Refer to Note 2(e).

NOTE 20: SUBSIDIARY

Details of the Group's subsidiary at the end of the reporting period are as follows:

Name of subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the group	
			2019	2018
Australian Institute of Project Management International Certification Body Pty Limited	International project management certification	Australia	100%	100%

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 21: EVENTS AFTER THE REPORTING PERIOD

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

NOTE 22: FINANCIAL RISK MANAGEMENT

The Group 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 Group's financial instruments consist mainly of deposits with banks, trade receivables, trade payables and deferred revenue.

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

	2019 $	2018 $
Financial Assets		
Cash and cash equivalents	1,839,927	1,498,629
Trade and other receivables	126,787	273,612
Other financial assets	126,475	126,475
	2,093,189	1,898,716
Financial Liabilities		
Trade and other payables	391,690	297,229
Deferred revenue	2,375,748	2,118,504
	2,767,438	2,415,733

DIRECTORS' DECLARATION

In the opinion of the Directors of the company:

1. The consolidated financial statements and notes, as set out on pages 8-27, are in accordance with the Corporations Act 2001, including:

    a. complying with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

    b. giving a true and fair view of the consolidated entity's financial position as at 30 June 2019 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:

Michael King
Chair: Board of Directors
Dated this 10 September 2019

Lynette Pinder
Chair: Audit and Risk Committee
Dated this 10 September 2019

INDEPENDENT AUDITOR'S REPORT

HLB MANN JUDD

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

To the Members of Australian Institute of Project Management:

Opinion

We have audited the financial report of Australian Institute of Project Management ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of surplus or deficit and other comprehensive income, the consolidated statement of changes in equity and the consolidated 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 Group is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year then ended; and

(b) complying with Australian Accounting Standards – Reduced Disclosure Requirements 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 Group 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.

Material Uncertainty Regarding Going Concern

We draw attention to Note 2(e) in the financial report, which indicates that the Group incurred a net deficit of $217,251 during the year ended 30 June 2019 and, as of that date, the current liabilities exceeded its total assets by $426,434. As stated in Note 2(e), these events or conditions, along with other matters as set forth in Note 2 (e), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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 Group's annual report for the year ended 30 June 2019, 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.

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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 – Reduced Disclosure Requirements 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 Group 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 Group 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 Group'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 Group'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 Group 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.

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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.

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HLB Mann Judd Assurance (NSW) Pty Ltd
Chartered Accountants

K L Luong
Director

Sydney, NSW
10 September 2019

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