Australian Institute of
Project Management

ABN: 49 001 443 303

2020 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 2020.

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 surplus before income tax of $335,963 was achieved for the 2020 financial year, compared to a deficit before income tax of $217,251 in the 2019 financial year. Total Members' Funds at year end was a negative $150,277 (2019: negative $426,434). Income tax payable for the 2020 year is $nil (2019: $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 $5,519,503 primarily from individual and corporate member fees 54%, certification 21%, National Conference and Project Management Achievement Awards 15%, sponsorship 3%, seminars and forums 2%, endorsement and licence fees 2% and self assessment tool fees and other income 3%.

Total expenditure from operating activities for the year amounted to $5,146,090 was primarily on employee expenses 49%, direct cost of provision of services and administration 51%.

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 James Bawtree, Connie Beck, Nigel Hennessy, Michael King, Rob Loader, 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 company 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.

CURRENT DIRECTORS' QUALIFICATIONS, EXPERIENCE AND SPECIAL RESPONSIBILITIES

Name	Qualifications	Experience	Special Responsibilities
James Bawtree	FAIPM CPPD FAPM ChPP, IPMA Level-A® AdvDipPM	James Bawtree initially joined AIPM in 2003 as a member. He is a Level 5 Pre-Eminent Expert and Strategic Advisor to Defence, government agencies and ASX listed organisations. With over 20 years program and project delivery, James is an approved Gateway Review and a globally certified Axelos trainer in business transformation, program, PMO and project management. He is a certified Prosci Change Practitioner and co-author of The Strategy Implementation Gap. James focuses his time supporting executives to achieve their strategic goals through coaching, mentoring and directing complex and digitally driven programs, and is passionate about advancing the profession of project management.	• Governance, Ethics & Diversity Committee
Connie Beck	FAIPM CPPD GAICD	Connie is a motivated Executive with Global Transformation, Consultancy, Managed Services and eCommerce background advising Boards on improved efficiencies in IT through Outsourcing and Transformation. Career highlights - managed $200m+ Outsourcing portfolio for Getronics Asia Pacific, delivered Coles/Wesfarmers largest Digital Transformation - eCommerce online shopping platform. Recently appointed Fellow of the Australian Institute of Project Management & Graduate of the Australian Institute of Company Directors.	• Audit & Risk Committee
Nigel Hennessy	BSc (Hons) FAICD GAICD	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.	• Chair Governance, Ethics & Diversity Committee

Name	Qualifications	Experience	Special Responsibilities
Michael King OAM	FAIPM CPPD MBA ChPP FAPM IPMA Level A Cert Civ Eng 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 Acting Chair of Audit & Risk Committee (Jan 2020 – July 2020)
Rob Loader	FAIPM FAPM GAICD CPPE ChPP Masters Project Management	Rob has worked 30+ years in operational, strategy consulting, project and portfolio management and business development roles leading project change and transformations spanning retail banking, wealth management, insurance, utilities, health and telecommunications throughout Australia, New Zealand, Asia & UK. Rob is a Fellow of Australian Institute of Project Management and Association for Project Management. He is a Certified Practicing 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.	• Audit & Risk Committee
Michael Young	FAIPM CPPE MBA ChPP IPMA Level A GAICD	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
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.	• Governance, Ethics & Diversity Committee Member

Name	Qualifications	Experience	Special Responsibilities
Mary Ramsay*	GAICD Bachelor Economics (Accounting), Sydney University Master of Commerce (Marketing Strategy), UNSW Licensed Real Agent, REINSW	Mary Ramsay has 25 + years' experience in financial services, digital transformation, strategy, marketing, innovation, and commercialisation. She is a highly skilled and motivated, strategic thinker with extensive experience in managing large scale, complex digital transformation programs of work and liaising with a diverse range of stakeholders from C-suite, government, industry bodies, private and not for profit sectors. Throughout her executive career, Mary has held several senior leadership roles with not-for-profit and for-profit entities such as ASX, American Express, PwC, CBA, BT, AMP, Tourism Australia, Stone & Chalk and Hanley Energy. She is a non-executive board director of the Australian Institute of Project Management (AIPM) and Waverley College Foundation, President of the Waverley College Parent Association and former member of IAG Satellite's Poncho Insurance Advisory Panel.	• Chair Audit and Risk Committee

* Mary Ramsay joined the Board on 29 May 2020.

FORMER DIRECTORS' QUALIFICATIONS, EXPERIENCE AND SPECIAL RESPONSIBILITIES WHO SERVED DURING FY20

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.	• National Conference Working Group Sponsor • International Working Group Sponsor

Name	Qualifications	Experience	Special Responsibilities
David McGuire	MAIPM CPPD GAICD MMgt BA Grad Dip IR Grad Dip Trg Dev Dip PM Dip Eng Dip Plant Mgt	David has 31 years' experience in the construction and management consulting industries in client and contractor roles; the last 19 years being at a senior level. He has extensive experience as a Director on major projects both in Australia and internationally across all sectors. David has worked extensively with the Federal and State governments, Defence and the private sector in undertaking strategic and operational level studies, as well as facilitating workshops involving senior members from Defence, government, non-government agencies and key stakeholders from industry. David is a graduate of the Australian Company Director's Course and has served on the Boards of: • Gripfast Consulting Pty Ltd • Johnstaff Projects Pty Ltd • Rotary (QLD) • RAE Museum Trust • QLD Government's Construction Industry Expert Advisory Panel 2014	• AIPM Future Project Leaders sponsor
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).	• Chair Audit and Risk Committee

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 3-6. 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 company or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

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

ATTENDANCE AT BOARD AND COMMITTEE MEETINGS OF CURRENTLY SERVING DIRECTORS

During 2020 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 & Diversity Committee	
		A	B	A	B	A	B
James Bawtree	20 January 2020	3	3	1	2	2	2
Connie Beck	20 January 2020	3	3	2	2	-	-
Nigel Hennessy	7 October 2018	8	8	-	-	6	6
Michael King, OAM#	25 February 2012	8	8	3	3	2	3
Rob Loader	20 January 2020	3	3	2	2	-	-
Michael Young	12 October 2015	6	8	-	-	-	-
Elena Zagorenko	23 November 2018	8	8	-	-	6	6

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.

* – Mary Ramsay was appointed on 29 May 2020

*(Note: There were no Board meetings held after her appointment, up to the end of the financial year).

Details of Directors' qualifications, experience and special responsibilities can be found on page 3-6 of this report

ATTENDANCE AT BOARD AND COMMITTEE MEETINGS OF FORMER DIRECTORS WHO SERVED DURING FY20

During 2020 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 & Diversity Committee	
		A	B	A	B	A	B
Trevor Alex	17 October 2016 – 28 November 2019	3	5	-	-	-	-
David McGuire	17 October 2016 – 9 September 2019	3	5	2	2	-	-
Lynette Pinder	7 October 2018 – 22 January 2020	3	5	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 $392,150 (2019: $392,100).

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 9 and forms part of the Directors' Report for the financial year ended 30 June 2020.

Michael King OAM
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
15 October 2020

AUDITOR'S INDEPENDENCE DECLARATION

HLB MANN JUDD

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 2020, 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
15 October 2020

K L Luong
Director

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CONSOLIDATED STATEMENT OF SURPLUS OR DEFICIT AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 $	2019 $
Revenue			
Membership fees		2,296,531	2,224,631
Organisational Partner Package revenue		685,266	493,750
Magazine subscriptions and advertising		-	12,858
Conference and showcase fees		658,026	706,612
Seminars and forum fees		95,536	159,373
Project Management Achievement Awards (PMAA)		147,585	118,467
Sponsorship		164,526	192,596
Registered Project Manager (RegPM) program		1,151,413	769,457
International Project Management Assoc. (IPMA) program		-	75,562
Endorsement fees		99,087	109,053
Self assessment tool (SAT) fees		1,710	18,000
Organisational maturity assessment (OMA) fees		-	15,000
Licence fees		47,501	46,348
PD Workshop fees		47,077	-
Other income		125,245	20,280
Total revenue from operating activities		**5,519,503**	**4,961,987**
Expenses			
Employee expenses		(2,515,198)	(2,498,481)
Event and conference expenses		(971,117)	(962,536)
Publication expenses		-	(48,729)
Certification expenses		(614,650)	(514,125)
Premises expenses		(20,134)	(222,280)
IT and telecommunications expenses		(345,926)	(284,617)
Travel and accommodation expenses		(68,979)	(113,576)
Consultants expenses		(80,240)	(74,083)
Promotion and advertising expenses		(60,975)	(105,944)
Printing, postage and stationery		(20,448)	(62,601)
Administration expenses		(151,848)	(178,933)
Depreciation and amortisation		(296,575)	(118,677)
Total expenses from operating activities		**(5,146,090)**	**(5,184,582)**
Results from operating activities		**373,413**	**(222,595)**
Finance Income (expense)			
Interest income		5,615	7,854
Finance costs		(43,065)	(2,510)
Net finance income (expense)		**(37,450)**	**5,344**
Surplus (deficit) before income tax		**335,963**	**(217,251)**
Income tax expense	4(a)	-	-
Surplus (deficit) for the year		**335,963**	**(217,251)**
Total comprehensive income for the year		**335,963**	**(217,251)**

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	Note	2020 $	2019 $
Current Assets			
Cash and cash equivalents	5	2,258,043	1,839,927
Trade and other receivables	6	123,976	126,787
Prepayments		125,096	147,447
Total Current Assets		**2,507,115**	**2,114,161**
Non-Current Assets			
Other financial assets	7	126,475	126,475
Plant and equipment	8	85,854	101,742
Intangible assets	9	251,898	257,278
Right-of-use asset	15	665,417	-
Total Non-Current Assets		**1,129,644**	**485,495**
Total Assets		**3,636,759**	**2,599,656**
Current Liabilities			
Trade and other payables	10	517,721	359,257
Contract liabilities	11	2,428,489	2,350,370
Employee provisions	12	46,006	154,777
Lease liability	15	188,863	-
Total Current Liabilities		**3,181,079**	**2,864,404**
Non-Current Liabilities			
Trade and other payables	10	-	32,433
Contract liabilities	11	1,865	25,378
Employee provisions	12	11,303	21,436
Other provisions	13	85,031	82,439
Lease liability	15	507,758	-
Total Non-Current Liabilities		**605,957**	**161,686**
Total Liabilities		**3,787,036**	**3,026,090**
Net Assets (Deficiency)		**(150,277)**	**(426,434)**
Members' Funds			
Accumulated deficits		(150,277)	(426,434)
Total Deficiency of Members' Funds		**(150,277)**	**(426,434)**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 $	2019 $
Members' Funds			
Accumulated deficits		(426,434)	(209,183)
Change in accounting policy	3(b)	(59,806)	-
Total comprehensive income for the year		335,963	(217,251)
Total Deficiency of Members' Funds		**(150,277)**	**(426,434)**

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 $	2019 $
Cash flows from operating activities			
Receipts from members, customers and sponsors		5,439,469	5,971,269
Payments to suppliers and employees		(4,742,390)	(5,483,234)
Interest received		5,615	7,854
Interest paid on lease liabilities		(40,473)	-
Net cash flows from operating activities	**5(b)**	**662,221**	**495,889**
Cash flows from investing activities			
Payment for plant and equipment		(15,773)	(8,357)
Payment for intangible assets		(58,281)	(146,234)
Net cash flows used in investing activities		**(74,054)**	**(154,591)**
Cash flows from financing activities			
Repayment of lease liabilities		(170,051)	-
Net cash flows used in financing activities		**(170,051)**	**-**
Net increase in cash and cash equivalents		**418,116**	**341,298**
Cash and cash equivalents at the beginning of the year		1,839,927	1,498,629
Cash and cash equivalents at the end of the year	**5(a)**	**2,258,043**	**1,839,927**

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

NOTE 1: CORPORATE INFORMATION

The consolidated financial statements for the year ended 30 June 2020 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 Australian Institute of Project Management International Certification Body Pty Limited was deregistered on 24 March 2020.

The consolidated financial statements were authorised for issue in accordance with a resolution of directors on 15 October 2020. 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 surplus before income tax of $335,963 for the year ended 30 June 2020 (2019: deficit $217,251) and generated net cash inflows from operations of $662,219 (2019: $495,889), had a deficiency in net current assets of $673,964 (2019: $750,243) and a deficiency in net assets of $150,277 (2019: $426,434) 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 76% (2019: 82%) 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 30 June 2021. Included in the forecast are restructure cost savings, postponement of the national conference initially scheduled for October and capitalising on the strong demand for virtual events and digitised content. 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.

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) Adoption of New or Amended Accounting Standards and Interpretations

The consolidated entity 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 Group:

AASB 15 Revenue from Contracts with Customers ("AASB 15")

The Group has adopted AASB 15 from 1 July 2019. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Based on the Group's assessment of the requirements of AASB 15, other than affecting the timing of recognition of Organisational Partner Package revenue noted below, there is no material change to the way transactions and balances are recognised in the financial statements and no material impact on the disclosures in these financial statements. The Group had adopted AASB 15 using the modified retrospective approach and as such comparative results are not restated. For details of accounting policies, see Note 3(j).

Organisational Partner Package revenue

Under AASB 118 *Revenue* ("AASB 118") organisational partner package revenue was recognised at the time of completion of the partner package, provided that revenue could be reliably measured. Under AASB 15 a number of performance obligations were identified and each performance obligation was assessed to evaluate the separability of the promised goods or services based on whether they are 'distinct' and a transaction price was applied. A promised good or service is 'distinct' if both:

- The customer benefits from the item either on its own or together with other readily available resources
- It is 'separately identifiable'

Revenue is recognised as each performance obligation is satisfied; this has resulted in a portion of revenue being recognised sooner than under AASB 118 and a portion of revenue being recognised later. Where discounts have been granted, the total discount is allocated proportionately to all of the performance obligations in the contract.

NOTE 3: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

AASB 1058 Income of Not-for-Profit Entities ("AASB 1058")

The Group has adopted AASB 1058 from 1 July 2019. The standard replaces AASB 1004 'Contributions' in respect to income recognition requirements for not-for-profit entities. The timing of income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other performance obligation at the time of receipt. Income under the standard is recognised where: an asset is received in a transaction, such as by way of grant, bequest or donation; there has either been no consideration transferred, or the consideration paid is significantly less than the asset's fair value; and where the intention is to principally enable the entity to further its objectives. For transfers of financial assets to the entity which enable it to acquire or construct a recognisable non-financial asset, the entity must recognise a liability amounting to the excess of the fair value of the transfer received over any related amounts recognised. Related amounts recognised may relate to contributions by owners, AASB 15 revenue or contract liability recognised, lease liabilities in accordance with AASB 16, financial instruments in accordance with AASB 9 *Financial Instruments*, or provisions in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*. The liability is brought to account as income over the period in which the entity satisfies its performance obligation. If the transaction does not enable the entity to acquire or construct a recognisable non-financial asset to be controlled by the entity, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income immediately. Based on the Group's assessment of the requirements of AASB 1058 there is no material change to the way transactions and balances are recognised in the financial statements and no material impact on the disclosures in these financial statements. Comparative results are not restated.

AASB 16 Leases ("AASB 16")

AASB 16 introduces a single accounting model for lessees, which requires a lessee to recognise a right-of-use asset and a lease liability for all leases, except for (i) leases that have *a lease term of 12 months or less ("short-term leases") and (ii) leases of low-value assets. It also introduces additional qualitative and quantitative disclosure requirements which aim to enable users of the financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity.*

The Group applied AASB 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in accumulate deficit at 1 July 2019. Accordingly, the comparative information and disclosures presented for the year ended 30 June 2019 is not restated – i.e. it is presented, as previously reported, under AASB 117 and related interpretations.

(i) Definition of a lease
Previously, the Group determined at contract inception whether an arrangement was or contained a lease under AASB Interpretation 4 *Determining whether an Arrangement contains a Lease*. The Group now assesses whether a contract is or contains a lease based on the definition of a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

(ii) As a lessee
As a lessee, the Group leases assets including office space and items of office equipment. Under AASB 16, the Group recognises right-of-use assets and lease liabilities for the office equipment lease – i.e. the lease is on-balance sheet. The Group has elected not to separate non-lease component and account for the lease and associated non-lease components as a single lease component. The Group continues to recognise the lease payments for the property lease in profit or loss in the period in which they occur, since they are variable lease payments that are not included in the measurement of lease liabilities.

In applying the modified retrospective approach, the Group has taken advantage of the following practical expedients:

- A single discount rate has been applied to portfolio of leases. The Group discounted lease payments using its incremental borrowing rate at 1 July 2019 of 5.22%.
- Initial direct costs have not been included in the measurement of the right-of-use asset as at the date of application.
- For the purposes of measuring the right-of-use asset, hindsight has been used. Therefore, it has been measured based on prevailing estimates at the date of initial application and not retrospectively by making estimates and judgements (such as the term of leases) based on circumstances on or after the lease commencement date.

(iii) Impact on financial statements

On transition to AASB 16, the Group recognised $866,671 of right-of-use assets and lease liabilities for its office premises and office equipment lease. For details of accounting policies under AASB 16 see Note 3(q) and (r).

When measuring lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using its finance lease borrowing rate. The rate applied is 5.22%.

NOTE 3: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Reconciliation of lease liabilities:	1 July 2019
	$
Non-cancellable operating lease commitments as at 30 June 2019	977,071
Discounted using the incremental borrowing rate as at 1 July 2019	(110,400)
Right-of-use assets and lease liabilities recognised as at 1 July 2019	866,671
Lease liabilities – current	177,853
Lease liabilities – non-current	688,818

The following table summarises the impact on adoption of AASB 15 and AASB 16 on accumulated deficits as at 1 July 2019.

Accumulated deficits	**$**
Balance as reported at 30 June 2019	(426,434)
Adoption of AASB 15, part deferral of organisational package revenue to 2020 financial year	(92,239)
Adoption of AASB 16, reversal of straight-line rent accruals	32,433
Balance as at 1 July 2019	**(486,240)**

(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:

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.

NOTE 3: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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 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.

(f) 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.

NOTE 3: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) 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.

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

(j) 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.

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 tome 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 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.

NOTE 3: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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 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.

(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 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 surplus or deficit 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.

NOTE 3: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 Group.

(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 Group'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 Group 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 Group 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 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.

(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(p).

(ii) *Deferred Revenue*

For income received in advance, it is the policy of the Group 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 Group reviews the estimated useful lives of intangible assets at the end of each reporting period.

NOTE 3: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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 Group 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 Group used an incremental borrowing rate of 5.22%.

(i) *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	2020 $	2019 $

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		**335,963**	**(217,251)**
Income tax expense calculated at 27.5% (2019: 27.5%)		(92,388)	(59,744)
Effect of income that is non-assessable member income arising from principle of mutuality		(1,021,497)	(764,935)
Effect of expenses that are not deductible in determining taxable profit		799,383	701,218
Effect of unused tax losses and tax offsets not recognised as deferred tax assets		129,726	123,461
Income tax expense		**-**	**-**

(c) Unrecognised deferred tax assets

Unused tax losses for which no deferred tax assets have been recognised		(2,827,046)	(2,314,029)

	Note	2020 $	2019 $

NOTE 5: CASH AND CASH EQUIVALENTS

(a) Reconciliation of cash and cash equivalents to consolidated statement of cash flows

		2020 $	2019 $
Cash at bank and on hand		2,213,043	1,794,927
Secured term deposit with maturity of three months or less		45,000	45,000
		2,258,043	**1,839,927**

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.

(b) Reconciliation of Surplus (Deficit) after Income Tax with Net Cash Flows from Operating Activities

		2020 $	2019 $
Surplus (deficit) for the year		**335,963**	**(217,251)**
Non-cash flows			
Amortisation		63,661	74,610
Depreciation		232,914	44,067
Expensed trademarks (WIP) capitalised in prior year		-	6,610
Changes in assets and liabilities			
(Increase)/decrease in trade and other receivables		(27,576)	146,825
Increase in prepayments		22,352	45,004
Increase in trade and other payables		188,853	94,461
Increase/(decrease) in deferred revenue		(37,636)	257,244
Increase/(decrease) in employee provisions		(118,904)	41,809
Increase in other provisions		2,594	2,510
Net cash flows from operating activities		**662,221**	**495,889**

NOTE 6: TRADE AND OTHER RECEIVABLES

Current

		2020 $	2019 $
Trade receivables		39,573	35,224
Less allowance for expected credit losses		-	(998)
		39,573	34,226
Other receivables		84,403	92,561
		123,976	**126,787**

Allowance for expected credit losses

The Group did not recognise any surplus or deficit in respect of the expected credit losses for the year ended 30 June 2020 (2019: $998).

	Note	2020 $	2019 $

NOTE 7: OTHER FINANCIAL ASSETS

	Note	2020 $	2019 $
Non-Current			
Secured term deposit with maturity greater than three months		126,475	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

	2020 $	2019 $
Non-Current		
Leasehold improvements at cost	82,851	82,851
Less accumulated depreciation	(36,151)	(22,267)
	46,700	60,584
Office equipment and furniture at cost	130,702	114,929
Less accumulated depreciation	(91,548)	(73,771)
	39,154	41,158
Total plant and equipment	**85,854**	**101,742**

Movements in Carrying Amounts	Leasehold improvements $	Office equipment & furniture $	Total $
Carrying amount at the beginning of the year	60,584	41,158	**101,742**
Additions	-	15,773	**15,773**
Depreciation expense	(13,884)	(17,777)	**(31,661)**
Carrying amount at the end of the year	46,700	39,154	**85,854**

	Note	2020 $	2019 $

NOTE 9: INTANGIBLE ASSETS

		2020 $	2019 $
Non-Current			
Software at cost		590,639	543,779
Less accumulated amortisation		(356,850)	(310,884)
		233,789	232,895
Website at cost		149,106	149,106
Less accumulated amortisation		(149,106)	(134,051)
		-	15,055
AIPM Standards at cost		26,249	15,879
Less accumulated amortisation		(15,824)	(14,129)
		10,425	1,750
Trademarks at cost		9,470	8,420
Less accumulated amortisation		(1,786)	(842)
		7,684	7,578
Total intangible assets		**251,898**	**257,278**

Movements in Carrying Amounts	Software $	Website $	AIPM Standards $	Trademarks $	Total $
Carrying amount at the beginning of the year	232,895	15,055	1,750	7,578	**257,278**
Additions	46,861	-	10,370	1,050	**58,281**
Expensed trademarks (WIP) capitalised in prior year	-	-	-	-	**-**
Amortisation expense	(45,967)	(15,055)	(1,695)	(944)	**(63,661)**
Carrying amount at the end of the year	233,789	-	10,425	7,684	**251,898**

NOTE 10: TRADE AND OTHER PAYABLES

		2020 $	2019 $
Current			
Trade payables		399,958	284,090
Other creditors and accrued expenses		117,763	75,167
		517,721	**359,257**
Non-Current			
Other creditors and accrued expenses		-	32,433
		-	**32,433**

	Note	2020 $	2019 $

NOTE 11: CONTRACT LIABILITIES

	2020 $	2019 $
Current		
Membership fees	1,240,368	1,294,482
Organisational membership fees	455,155	222,083
Certification and licence fees	721,089	714,767
Event fees and sponsorship	11,877	119,038
	2,428,489	**2,350,370**
Non-Current		
Membership fees	1,865	25,378
	1,865	**25,378**

NOTE 12: EMPLOYEE PROVISIONS

	2020 $	2019 $
Current		
Annual leave	46,006	137,582
Long service leave	-	17,195
	46,006	**154,777**
Non-Current		
Long service leave	11,303	21,436
	11,303	**21,436**

NOTE 13: OTHER PROVISIONS

	2020 $	2019 $
Non-Current		
Office premises make good provision	85,031	82,439
	85,031	**82,439**

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: COMMITMENTS

(a) Commitments under non-cancellable operating leases

	Note	2020 $	2019 $
Not later than 1 year		-	218,517
Later than 1 year but not later than 5 years		-	758,554
Later than 5 years		-	-
		-	977,071

Operating leases commitments recognised in financial year end 2019 are in respect of office premises rental 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. The above leases are now recognised as leases under AASB 16 Leases and are disclosed in note 15 Leases.

(b) Operating leases expenditure

	2020 $	2019 $
Operating lease rental expense included in premises expenses	-	180,358
Operating lease rental expense included in printing, postage and stationery expenses	-	15,924
Operating lease rental expense included in administrative expenses	-	4,680
Operating lease rental expense included in IT and telecommunications expenses	-	12,723
	-	213,685

NOTE 15: LEASES

a) Right-of-use assets

Right-of-use assets	**2020 $**	**2019 $**
Office premises at initial adoption	804,260	-
Less accumulated depreciation	(182,097)	-
Carrying value	622,163	-
Office equipment at initial adoption	62,411	-
Less accumulated depreciation	(19,157)	-
Carrying value	43,254	-
Total Right-of-use-assets	**665,417**	**-**

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

b) Lease liabilities

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

	2020 $	**2019 $**
Office premises	170,049	-
Office equipment	18,814	-
Total current	**188,863**	-
Office premises	482,020	-
Office equipment	25,738	-
Total non-current	**507,758**	-

Right-of-use assets

In dollars	**Office premises**	**Office equipment**	**Total**
Balance at 1 July 2019	-	-	**-**
Additions to right-of-use assets	804,260	62,411	**866,671**
Depreciation charge for the year	(182,097)	(19,157)	**(201,254)**
Balance at 30 June 2020	622,163	43,254	**665, 417**

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 16: MEMBERS' GUARANTEE

Every member of the Australian Institute of Project Management undertakes to contribute to the property of the Group in the event of the Group 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 Group (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 7,843 members (2019: 7,842) at the end of the reporting period.

NOTE 17: 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 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 Group, functional area and individual performance against targets set to appropriate benchmarks;
- link salary with the strategic goals and performance of the Group; and
- ensure total compensation is competitive by market standards within Group's funding capability.

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

Compensation	**2020** **$**	**2019** **$**
Total Compensation of Key Management Personnel	**650,607**	**709,435**

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:

NOTE 18: RELATED PARTY TRANSACTIONS (continued)

			Transaction values year ended 30 June		Balance outstanding as at 30 June	
Director	**Transaction**	**Note**	**2020**	**2019**	**2020**	**2019**
Trevor Alex	RegPM assessment fees & IPMA assessor fees	(i)	14,656	46,263	-	2,250
Total			**14,656**	**46,263**	**-**	**2,250**

(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 19: PARENT ENTITY INFORMATION

As at, and throughout the financial year ended 30 June 2020, 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.

	2020 $	2019 $
FINANCIAL PERFORMANCE		
Surplus/(Deficit) for the year	320,158	(221,090)
Total comprehensive income for the year	**320,158**	**(221,090)**
FINANCIAL POSITION		
Assets		
Current Assets	2,507,115	2,124,324
Non-current Assets	1,129,644	485,495
Total Assets	**3,636,759**	**2,609,819**
Liabilities		
Current Liabilities	3,181,079	2,858,762
Non-current Liabilities	605,957	161,686
Total Liabilities	**3,787,036**	**3,020,448**
NET ASSETS (DEFICIENCY)	**(150,277)**	**(410,629)**
Members' Funds		
Accumulated deficits	(150,277)	(410,629)
TOTAL DEFICIENCY OF MEMBERS' FUNDS	**(150,277)**	**(410,629)**

The parent entity reported a surplus before income tax of $320,158 for the year ended 30 June 2020 (2019: $221,090 in deficit), had a deficiency in net current assets of $673,964 (2019: $734,438) and a deficiency in net assets of $150,277 (2019: $410,629) 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	
			2020	2019
Australian Institute of Project Management International Certification Body Pty Limited	International project management certification	Australia	0%	100%

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

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, contract liabilities and lease liabilities.

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

		2020 $	2019 $
Financial Assets			
Cash and cash equivalents		2,258,043	1,839,927
Trade and other receivables		123,976	126,787
Other financial assets		126,475	126,475
		2,508,494	**2,093,189**
Financial Liabilities			
Trade and other payables		517,721	391,690
Contract liabilities	- Deferred membership fees	1,975,199	2,153,665
	- Deferred Organisational Partner Package revenue	455,155	222,083
Lease Liabilities		696,621	-
		3,644,696	**2,767,438**

NOTE 23: COVID 19

The outbreak of the coronavirus (COVID-19) has had a minimal financial impact on the Group in 2020, as the organisation has had to cancel face to face member events in several locations including the annual conference. Since the pandemic the Group has been able to capitalise on the demand for online events and digitised material. The impact is difficult to quantify at this stage as it is contingent on how many locations are impacted and the duration of the outbreak. Apart from the above, there has been no other matter or circumstance occurring since the end of the financial year to the date of this report that has affected, or may, significantly affect the activities of the Group, the results of those activities or the state of affairs of the Group in the ensuing or any subsequent financial year.

DIRECTORS' DECLARATION

In the opinion of the Directors of the company:

1. The consolidated financial statements and notes, as set out on pages 10 to 31, 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 2020 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:

M A King

Michael King OAM
Chair: Board of Directors
Dated this 15 October 2020

M Ramsay

Mary Ramsay
Chair: Audit and Risk Committee
Dated this 15 October 2020

INDEPENDENT AUDITOR'S REPORT

HLB MANN JUDD

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 2020, 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 2020 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.

Emphasis of Matter – Current and Possible Effects and Uncertainties of COVID-19

We draw attention to Note 23 to the financial report, which describes the current and possible effects and uncertainties on the Company arising from the on-going issues associated with COVID-19. Our opinion is not modified in respect of this matter**.**

Material Uncertainty Regarding Going Concern

We draw attention to Note 2(e) in the financial report, which indicates that the Group has current liabilities that exceed its current assets by $673,964 and has a deficiency in net assets of $150,277. 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 2020, but does not include the financial report and our auditor's report thereon.

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

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

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

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HLB MANN JUDD

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.

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

HLB Mann Judd Assurance (NSW) Pty Ltd
Chartered Accountants

K L Luong
Director

Sydney, NSW
16 October 2020

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