



**IPWEA**

INSTITUTE OF PUBLIC WORKS  
ENGINEERING AUSTRALASIA

## **ANNUAL REPORT**

***YEAR ENDED 30 JUNE 2021***

The financial report was authorised by the Directors on 30 September 2021.  
The company has the power to amend and reissue the financial report

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## DIRECTORS' REPORT

The Directors present their report on the company for the year ended 30 June 2021.

### DIRECTORS AND ATTENDANCE IN MEETINGS

The following persons were directors of the company from 1 July 2020 to the date of this report, and their attendance at Board meetings for the financial year 2021 are listed below:

Director	Appointed	Ceased	Attended	Eligible
Rita Excell	15 February 2016		4	4
Myles Lind	20 October 2017		4	4
Priyani de Silva-Currie	2 October 2020		4	4
Gary Neil	4 October 2017	24 June 2021	3	4
Paul Breaden	22 April 2020		4	4
Peter Shields	23 December 2020		2	2
Grant Baker	23 December 2020		2	2
Warren Sharpe OAM	31 October 2014	30 October 2020	2	2
William Barton	23 February 2018	16 November 2020	2	2
Craig Murrell	27 October 2017		4	4
Seren McKenzie	14 July 2020		3	4
Angela Fry	20 February 2020	14 July 2020	0	0
Norbert Michel	20 February 2020		4	4
Matthew Hill	20 October 2017	15 October 2020	0	1
Debbie Lesson-Rabie	21 October 2020		3	3
Ian Daniels	16 June 2017		4	4
Kimberly Brosztl	21 June 2019		4	4
John Hutton	23 February 2018	30 October 2020	2	2
Rod Ellis	14 December 2020		1	2

IPWEA board members' details are available on the website.

### ACTIVITIES

The principal activities of the entity during the financial year align with its vision to consolidate IPWEA as the nationally and internationally recognised professional association that effectively connects, informs, represents, and leads public works and asset management professionals across Australasia and Canada.

The entity's long-term objective (mission) is to enhance the quality of life of Australasian communities through public works and services.

The entity's short-term objectives (strategies) to achieve its mission and vision are to provide a nationally and internationally coherent focus that supports strong networks by:

- effectively engaging with partners
- enhancing communications and networks to inform, connect and provide a valuable knowledge base and other resources
- building business systems and services that support the IPWEA group
- providing leadership and representation to influence government policy and industry direction

## **DIRECTORS' REPORT (continued)**

- delivering significant educational programs that build capacity in the sector in identified key areas
- building consistency in branding, identity, and marketing
- operating as a sustainable, well governed business

To achieve these objectives, the entity adopted the following key strategic actions for 2020/2021:

- Development of new training, workshops and webinars increasing IPWEA's online presence.
- Develop a new educational pathway
- Refresh our Ask Your Mates online forum
- Delivery of a new content strategy that focuses on the international / national agenda of asset management and public works
- Expansion of eLearning & ePublishing Training Strategy for IPWEA.
- Publish new resources in asset & financial management.
- Explore means to develop capacity to advocate and influence national policy.
- Development of aligned marketing and communications strategies.
- Support career development and continue to promote the IPWEA jobs board.
- Further diversification of income streams to reduce business risk.
- Centralisation of systems and streamlining processes to support other IPWEA Divisions.
- Audit and Risk Committee to continue monitoring risk and compliance.
- Work collaboratively with other IPWEA Divisions to deliver capacity building programs and professional development opportunities to public works professionals.

## **RESULTS**

The surplus of the Company for the financial year was a surplus of \$247,990 (2020: surplus of \$33,398).

## **MEMBERS LIABILITY**

The Institute of Public Works Engineering Australasia Limited is a company limited by guarantee. In the event of the company being wound up:

"Every member of the Company undertakes to contribute to the property of the Company in the event of the same being wound up while he/she is a member, or within one (1) year after he/she ceases to be a member, for payment of the debts and liabilities of the Company contracted before he/she ceases to be a member, and of the costs, charges, and expenses of winding up and for the adjustment of the rights of the contributions among themselves, such amount as may be required not exceeding all arrears of membership fees and subscriptions and all other moneys due and payable by him/her to the company.

Members of the Company are members of each of the Divisions of the Institute of Public Works Engineering Australasia Limited. Membership payable for the financial year ended 30 June 2021 was \$55.00 for every subscription paying grade member of each of the Divisions excluding Emeritus and Student members.

**DIRECTORS' REPORT (continued)**

**AUDITOR'S INDEPENDENCE DECLARATION**

A copy of the Auditor's Independence Declaration as required under subdivision 60-40 of the *Australian Charities and Non-for-profits Commission Act 2012* given to the Directors by the lead auditor for the audit undertaken by Nexia Sydney Partnership is included on page 6.

Signed in accordance with a resolution of the directors.



**Rita Excell**  
Director

Dated: 30 September 2021

The Board of Directors  
Institute of Public Works Engineers Australasia Limited  
Level 12  
32 Walker Street  
North Sydney NSW 2060

Dear Board Members

**Auditor's Independence Declaration under Subdivision 60-40 of the Australian Charities and Not-for-Profits Commission Act 2012**

As lead auditor for the audit of the financial statements of the Institute of Public Works Engineers Australasia Limited for the financial year ended 30 June 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (b) any applicable code of professional conduct in relation to the audit.

Yours sincerely,



**Nexia Sydney Audit Pty Limited**



**Lester Wills**  
*Director*

Sydney  
Dated: 30 September 2021

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2021**

	<b>IPWEA Australasia</b>		<b>Consolidated</b>		
	<b>Note</b>	<b>2021 \$</b>	<b>2020 \$</b>	<b>2021 \$</b>	<b>2020 \$</b>
Revenue	2	4,016,452	5,347,912	4,716,705	5,905,933
Expenses					
Management fees		(155,639)	(294,316)	(155,639)	(294,316)
Depreciation and amortisation	8 9 10	(313,085)	(198,672)	(313,085)	(198,672)
Insurance		(23,544)	(18,421)	(27,288)	(18,921)
IT & communications		(307,960)	(277,106)	(307,960)	(277,106)
Employee benefits		(1,644,298)	(1,659,372)	(1,691,439)	(1,727,934)
Bad debts and doubtful debts		(5,999)	(3,055)	(5,999)	(3,055)
Project					
- Asset Management Pathway		(344,484)	(279,875)	(299,204)	(279,243)
- Conference		(21,621)	(894,458)	(21,621)	(894,458)
- Subscriptions		(265,358)	(664,639)	(262,674)	(550,679)
- Publications and DVD's		(162,356)	(156,570)	(162,356)	(156,570)
- Street lighting smart control		(60,594)	(41,117)	(60,594)	(41,117)
- eComms		(177,039)	(81,683)	(177,039)	(81,683)
- Federation of Canadian Municipalities – Municipal Asset Management Program		(32,808)	(330,597)	(376,753)	(885,719)
Professional services		(100,489)	(148,214)	(130,529)	(158,366)
Legal fee		(6,664)	(27,230)	(6,677)	(27,230)
Office accommodation		(74,377)	(24,107)	(74,377)	(21,440)
Other		(72,147)	(215,082)	(79,390)	(244,692)
<b>Total expenses</b>		<u>(3,768,462)</u>	<u>(5,314,514)</u>	<u>(4,152,624)</u>	<u>(5,861,201)</u>
Surplus before income tax expense from continued operations		247,990	33,398	564,081	44,732
Income tax expense/(benefit)	3	-	-	-	-
<b>Surplus for the year</b>		<u>247,990</u>	<u>33,398</u>	<u>564,081</u>	<u>44,732</u>
<b>Other comprehensive income</b>					
Items that may be reclassified subsequently to profit or loss					
- Foreign currency translations		-	-	(1,408)	(3,042)
<b>Total Surplus for the year</b>		<u>247,990</u>	<u>33,398</u>	<u>562,673</u>	<u>41,690</u>

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

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2021**

	Note	IPWEA Australasia		Consolidated	
		2021 \$	2020 \$	2021 \$	2020 \$
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	4	1,145,823	926,249	1,472,215	1,113,296
Trade and other receivables	5	570,401	316,878	187,806	75,180
Contract assets	6	5,028	40,559	572,658	357,236
Inventory	7	14,339	16,412	14,339	16,412
Prepayments		318,878	166,510	319,934	170,263
Total current assets		2,054,469	1,466,608	2,566,961	1,732,747
<b>NON-CURRENT ASSETS</b>					
Restricted cash	4	56,034	82,211	56,034	82,211
Property, plant and equipment	8	25,629	71,858	25,629	71,858
Right-of-use assets	9	155,134	68,452	155,134	68,452
Intangible assets	10	616,607	595,218	616,607	595,218
Total non-current assets		853,404	817,739	853,404	817,739
<b>Total assets</b>		<b>2,907,873</b>	<b>2,284,347</b>	<b>3,420,365</b>	<b>2,550,486</b>
<b>CURRENT LIABILITIES</b>					
Trade and other payables	11	349,273	505,116	383,406	558,991
Contract liabilities	12	802,134	297,923	831,464	369,160
Provisions	13	220,688	263,109	220,688	263,109
Lease liabilities	14	42,423	70,813	42,423	70,813
GST payable		27,985	9,776	37,110	25,582
Total current liabilities		1,442,503	1,146,737	1,515,091	1,287,655
<b>NON-CURRENT LIABILITIES</b>					
Provisions	13	8,360	37,400	8,360	37,400
Lease liabilities	14	108,810	-	108,810	-
Total non-current liabilities		117,170	37,400	117,170	37,400
<b>Total liabilities</b>		<b>1,559,673</b>	<b>1,184,137</b>	<b>1,632,261</b>	<b>1,325,055</b>
<b>Net assets</b>		<b>1,348,200</b>	<b>1,100,210</b>	<b>1,788,104</b>	<b>1,225,431</b>
<b>MEMBERS' FUNDS</b>					
Retained surpluses		1,348,200	1,100,210	1,766,514	1,202,433
Foreign currency translation reserve	15	-	-	21,590	22,998
<b>Total Member's funds</b>		<b>1,348,200</b>	<b>1,100,210</b>	<b>1,788,104</b>	<b>1,225,431</b>

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

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2021**

**IPWEA Australasia**

	<b>Retained Surpluses \$</b>	<b>Reserves \$</b>	<b>Total \$</b>
<b>Balance at 30 June 2020</b>	<b>1,100,210</b>	-	<b>1,100,210</b>
<b>Total comprehensive income for the year</b>			
Surplus for the year		-	
Other comprehensive income	247,990	-	247,990
<b>Total comprehensive income for the year</b>	<b>247,990</b>	-	<b>247,990</b>
Total Transactions with Owners	-	-	-
<b>Balance at 30 June 2021</b>	<b>1,348,200</b>	-	<b>1,348,200</b>

**Consolidated**

	<b>Retained Surpluses \$</b>	<b>Reserves \$</b>	<b>Total \$</b>
<b>Balance at 30 June 2020</b>	<b>1,202,433</b>	<b>22,998</b>	<b>1,225,431</b>
<b>Total comprehensive income for the year</b>			
Surplus for the year	564,081	-	564,081
Other comprehensive income	-	(1,408)	(1,408)
<b>Total comprehensive income for the year</b>	<b>564,081</b>	<b>(1,408)</b>	<b>562,673</b>
Total Transactions with Owners	-	-	-
<b>Balance at 30 June 2021</b>	<b>1,766,514</b>	<b>21,590</b>	<b>1,788,104</b>

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

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2021**

	Note	IPWEA Australasia		Consolidated	
		2021 \$	2020 \$	2021 \$	2020 \$
<b>Cash flows from operating activities</b>					
Receipts from customers		4,698,832	6,343,007	6,053,230	6,296,437
Interest paid		(9,047)	(1,331)	(9,047)	(1,331)
Payment to suppliers and employees		<u>(4,185,024)</u>	<u>(5,765,346)</u>	<u>(5,398,670)</u>	<u>(5,942,730)</u>
<b>Net cash from operating activities</b>		<u>504,761</u>	<u>576,330</u>	<u>645,513</u>	<u>352,376</u>
<b>Cash flows from investing activities</b>					
Payments for plant and equipment		(12,407)	(23,283)	(12,407)	(23,283)
Payments for development costs		<u>(218,393)</u>	<u>(243,898)</u>	<u>(218,393)</u>	<u>(243,898)</u>
<b>Net cash from/(used) in investing activities</b>		<u>(230,800)</u>	<u>(267,181)</u>	<u>(230,800)</u>	<u>(267,181)</u>
<b>Cash flows from financing activities</b>					
Repayments for lease liabilities		<u>(80,564)</u>	<u>(84,248)</u>	<u>(80,564)</u>	<u>(84,248)</u>
<b>Net cash from/(used) in financing activities</b>		<u>(80,564)</u>	<u>(84,248)</u>	<u>(80,564)</u>	<u>(84,248)</u>
Net increase in cash, cash equivalents and restricted cash		193,397	224,901	334,149	947
Net foreign exchange differences			-	(1,408)	(3,042)
Cash, cash equivalents and restricted cash at the beginning of the year		<u>1,008,460</u>	<u>783,559</u>	<u>1,195,508</u>	<u>1,197,603</u>
<b>Cash, cash equivalents and restricted cash at the end of the year</b>	4	<u><b>1,201,857</b></u>	<u><b>1,008,460</b></u>	<u><b>1,528,249</b></u>	<u><b>1,195,508</b></u>

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

## **NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021**

### **1. SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial report is presented in the Australian currency.

#### **The Reporting Entity**

Institute of Public Works Engineering Australasia Limited ('the company' or 'IPWEA') is a company limited by guarantee, incorporated, and domiciled in Australia. Its registered office and principal place of business is Suite 6.03 Level 6, 99 Walker Street, North Sydney NSW 2060. The company is a not-for profit entity and is primarily involved in advocacy and member services for persons involved in delivering public works and services.

The financial statements were approved by the Board of Directors on 30 September 2021.

#### **(a) Basis of Preparations**

This general purpose financial report has been prepared in accordance with the Australian Charities and Not-for-Profits Commission ('ACNC') Act 2012 and Australian Accounting Standards – Reduced Disclosure Requirements, and complies with other requirements of the law.

##### *New, revised or amended Accounting Standards and Interpretations adopted*

The company has adopted all the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period and did not have any significant impact on the financial performance or position of the Company. Any new or amended Accounting Standards or Interpretation that are not yet mandatory have not been early adopted.

##### *Historical cost convention*

These financial statements have been prepared under the historical cost convention, except for financial assets and liabilities denominated in foreign currencies, which are revalued at the exchange rates prevailing at year-end. Comparative information is reclassified where appropriate to enhance comparability.

##### *Functional and Presentation Currency*

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

##### *Critical Accounting Estimates and Judgments*

The preparation of financial statements in conformity with Australian Accounting Standards – Reduced Disclosure Requirements may require the use of certain critical accounting estimates. It may also require management to exercise its judgment in the process of applying the company's accounting policies. There are no areas involving a

high degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements.

**(b) Basis of consolidation**

The consolidated financial statements comprise the financial statements of Institute of Public Works Engineering Australasia Limited and its controlled entity (NAMS Canada) as at 30 June each year ('the Group' or 'the Consolidated entity').

Subsidiaries are consolidated from the date on which control is transferred to IPWEA and cease to be consolidated from the date on which control is transferred out of IPWEA. Where there is loss of control of a subsidiary, the consolidated financial statements include the results for the part of the reporting period during which IPWEA has control.

The financial statements of the controlled entity is prepared for the same reporting period as the parent company, using consistent accounting policies. Adjustments are made to bring any dissimilar accounting principles that may exist.

**(c) Foreign currency translation**

The presentation currency of Institute of Public Works Engineering Australasia Limited and its controlled entities is Australian dollars (A\$).

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

The functional currency of the overseas controlled entity (NAMS Canada) is Canadian Dollars (C\$).

At the reporting date the assets and liabilities of this overseas controlled entity are translated into the presentation currency at the exchange rate ruling at the balance sheet date and the income statements are translated at the average exchange rates for the year.

**(d) Income tax**

On 5 April 2013, the company was endorsed as a charitable institution effective 1 July 2010 by the Australian Taxation Office. The company is therefore income tax exempt under Subdivision 50-B of the Income Tax Assessment Act 1997.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

**1. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(e) Revenue recognition**

The Company and the Group recognise revenue as follows:

*Revenue from contracts with customers*

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

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.

*(i) Subscription Revenue*

Membership subscription revenue is recognised when sales invoices are raised following the receipt of membership renewal applications. Any revenue received during the current financial year that relates to the next financial year is deferred as membership fees in advance.

*(ii) Membership Revenue (Australasian Membership/Capitation Fee)*

Membership revenue is recognised when sales invoices are raised to IPWEA Divisions following confirmation of membership numbers annually.

*(iii) Events and Conferences*

Conference and event revenue is recognised when the event is complete.

*(iv) Professional Development*

Professional Development revenue is recognised when the professional development course has been provided.

*(v) Other Revenue*

Other revenue is recognised when sales invoices are raised following the despatch of goods or performance of service.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

**1. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(f) Trade and other receivables**

All trade debtors are recognised at the amounts receivable as they are due for settlement no more than 90 days from the date of recognition.

Collectability of trade debtors is reviewed on an on-going basis. Debts which are known to be uncollectable are written off. An allowance for impairment of receivables is raised when there are expected credit losses.

Receivables are recognised at cost, less any allowance for expected credit losses.

**(g) Impairment of assets**

*Financial Assets*

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

*Non- Financial Assets*

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use.

**(h) Cash, Cash equivalents and Restricted cash**

For the purpose of the statement of cash flows, cash includes deposits which are readily convertible to cash on hand and are subject to an insignificant risk of change in value. Cash and cash equivalents comprise cash balances and at call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Any deposits that cannot be converted into cash 'on demand' and is not available to meet short-term needs are classified as Restricted cash.

**(i) Trade creditors**

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

**1. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(j) Financial instruments**

Financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs, except as described below. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date, i.e., the date the company commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

**(k) Goods and Services Tax (GST)**

Revenue, expenses, and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

**(l) Finance income and expenses**

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues, using the effective interest method.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

**1. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(m) Employee benefits**

The policy for the calculation of leave liabilities is as follows:

**(i) Wages, Salaries and Annual Leave**

The provisions for employee entitlements to wages, salaries and annual leave represent the amount which the Group has a present obligation to pay resulting from employees' services provided up to the balance date. The provision for leave has been calculated at nominal amounts based on wage and salary rates expected to apply when the leave is taken and includes related on-costs.

- (ii) Long service leave** is provided for all employees after five years from the date of commencement of employment and includes related on-costs. Entitlements accrue at the rate of 1.3 weeks per year of services.

The directors believe that this method provides an estimate of the liability that is not materially different from the estimate that would be obtained by using the present value basis of measurement.

- (iii) Superannuation** The Group contributes to superannuation accumulation plans as nominated by the company's employees.

**(n) Inventories**

Goods held for sale are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less estimated costs to make the sale.

**(o) Fair value measurement**

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

**1. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(p) Current and non-current classification**

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

**(q) Change in accounting Policy**

There has been no change in Accounting Policies.

**(r) Financial comparatives**

Comparative financial information may be reclassified to achieve consistency and comparability with current year classifications and disclosures.

**(s) Plant and equipment**

Plant and equipment is measured using the cost basis, being cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. The carrying amount of plant and equipment is reviewed annually by the directors to ensure it is not more than the recoverable amount for those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets' employment and subsequent disposal. Plant and equipment is depreciated on a straight line basis over the useful life of the assets.

The estimated useful life of plant and equipment is as follows:

Computers	3 years
Office Fitout, furniture, and equipment	5 years

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

**1. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(t) 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.

**(u) Intangible assets**

**(i) Development of courses and software**

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the income statement as an expense as incurred.

Expenditure on development activities, whereby research findings are applied to a plan or design to produce new or substantially improved products and processes, is capitalised if the product or process is technically and commercially feasible and the Group has sufficient resources to complete development.

The expenditure capitalised includes the cost of materials, direct labour, and an appropriate proportion of overheads. Other development expenditure is recognised in the income statement as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and impairment losses.

**(ii) Subsequent expenditure**

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

**(iii) Amortisation**

Amortisation is recognised in the statement of comprehensive income on a straight-line basis over the estimated useful lives of the intangible assets from the date they are available for use. The estimated useful lives for the current and comparative periods are as follows:

Capitalised development expenditure: 3-5 years

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

**1. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(v) Lease liabilities**

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.

**(w) Contract liabilities**

Contract liabilities represent the Group's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Group recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the consolidated entity has transferred the goods or services to the customer.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

**2. REVENUE**

	IPWEA Australasia		Consolidated	
	2021	2020	2021	2020
	\$	\$	\$	\$
<b>Revenue from contracts with customers</b>				
Asset Management Pathway registrations	1,362,657	1,074,293	1,661,218	1,312,924
Conference registrations	50,400	1,172,098	50,400	1,172,098
Subscriptions	1,027,854	1,215,269	1,136,690	1,254,860
Publication and DVD sales	199,913	249,362	199,913	249,362
Grants and subsidies	14,170	7,396	14,170	7,396
Sponsorship, donations and commissions	100,386	228,056	100,386	228,056
Capitation fees	156,063	160,905	156,063	160,905
Bank interest	3,300	4,871	3,300	4,871
Training and education		-		29,046
Administration fees	182,291	295,621	182,291	295,621
Federation of Canadian Municipalities – Municipal Asset Management Program	455,389	671,339	689,009	919,954
Jobkeeper and cashflow boost	276,000	150,682	276,000	150,682
Other revenue	188,029	118,020	247,265	120,158
<b>Total Revenue</b>	<b>4,016,452</b>	<b>5,347,912</b>	<b>4,716,705</b>	<b>5,905,933</b>

*Disaggregation of revenue*

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

	2021	2020
	\$	\$
<i>Geographical regions</i>		
Australia	3,226,840	4,481,614
Canada	1,489,865	1,424,319
	<b>4,716,705</b>	<b>5,905,933</b>

**3. INCOME TAX**

On 5 April 2013, the company was endorsed by the Australian Taxation Office as a charitable institution effective 1 July 2010. This means that the company is tax exempt under Subdivision 50-B of the Income Tax Assessment Act 1997. Both the company and its controlled entity, IPWEA NAMS Canada, are exempt from income tax.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

**4. CASH, CASH EQUIVALENTS AND RESTRICTED CASH**

	IPWEA Australasia		Consolidated	
	2021 \$	2020 \$	2021 \$	2020 \$
<b>Current</b>				
Cash on deposit, at call	985,300	764,412	985,300	764,412
Cash at bank	160,523	161,837	486,915	348,884
	<b>1,145,823</b>	<b>926,249</b>	<b>1,472,215</b>	<b>1,113,296</b>
<b>Non-Current</b>				
Restricted Cash	56,034	82,211	56,034	82,211
<b>Total cash, cash equivalents and restricted cash</b>	<b>1,201,857</b>	<b>1,008,460</b>	<b>1,528,249</b>	<b>1,195,507</b>

Restricted cash relates to principal sum held in term deposit that is prevented to be used for any purpose other than providing the Lessor of the rented office with a right of set-off to secure payment of rent, contributions, GST or other money or damages IPWEA defaults on the payments.

**5. TRADE AND OTHER RECEIVABLES**

	IPWEA Australasia		Consolidated	
	2021 \$	2020 \$	2021 \$	2020 \$
<b>Current</b>				
Trade and other receivables:				
- Other parties	175,380	27,907	184,473	63,590
- IPWEA NSW	3,301	-	3,301	-
- IPWEA NZ	32	6,000	32	6,000
- IPWEA SA	-	3,995	-	3,995
- IPWEA WA	-	1,485	-	1,485
- IPWEA TAS	-	110	-	110
- IPWEA NAMS Canada	391,688	277,381	-	-
	570,401	316,878	187,806	75,180
Less: allowance for expected credit loss *	-	-	-	-
	<b>570,401</b>	<b>316,878</b>	<b>187,806</b>	<b>75,180</b>

\* Disclosures in relation to the movement in allowance for expected credit losses were not considered necessary because the overall balance is trivial.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

**6. CONTRACT ASSETS**

	IPWEA Australasia		Consolidated	
	2021 \$	2020 \$	2021 \$	2020 \$
<b>Current</b>				
Accrued revenue for services rendered	5,028	40,559	572,658	357,236
	<b>5,028</b>	<b>40,559</b>	<b>572,658</b>	<b>357,236</b>

**7. INVENTORIES**

	IPWEA Australasia		Consolidated	
	2021 \$	2020 \$	2021 \$	2020 \$
<b>Current</b>				
Publications	14,399	16,412	14,399	16,412
	<b>14,399</b>	<b>16,412</b>	<b>14,399</b>	<b>16,412</b>

**8. PROPERTY, PLANT AND EQUIPMENT**

	IPWEA Australasia		Consolidated	
	2021 \$	2020 \$	2021 \$	2020 \$
<b>Non-Current</b>				
Computer equipment (cost)	87,920	81,013	87,920	81,013
Less: Provisions for depreciation	(68,593)	(54,402)	(68,593)	(54,402)
Office equipment	11,053	14,102	11,053	14,102
Less: Provisions for depreciation	(8,154)	(11,060)	(8,154)	(11,060)
Office furniture and fittings	5,414	227,971	5,414	227,971
Less: Provisions for depreciation	(2,012)	(185,766)	(2,012)	(185,766)
	<b>25,629</b>	<b>71,858</b>	<b>25,629</b>	<b>71,858</b>
<b>Reconciliation</b>				
Reconciliation of the carrying amounts of property, plant and equipment are set out below:				
Opening	71,858	110,296	71,858	110,296
Add: Additions	12,407	23,283	12,407	23,283
Less: Disposal	(5,251)	-	(5,251)	-
Less: Depreciation	(53,385)	(61,721)	(53,385)	(61,721)
Carrying amount at the end of the year	<b>25,629</b>	<b>71,858</b>	<b>25,629</b>	<b>71,858</b>

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

**9. RIGHT-OF-USE ASSETS**

	IPWEA Australasia		Consolidated	
	2021 \$	2020 \$	2021 \$	2020 \$
<b>Non-current</b>				
Office and office equipment	165,157	155,061	165,157	155,061
Less: Provisions for amortisation	(10,023)	(86,609)	(10,023)	(86,609)
	<b>155,134</b>	<b>68,452</b>	<b>155,134</b>	<b>68,452</b>
<b>Reconciliation</b>				
Reconciliation of the carrying amounts of Right-of-Use Assets are set out below:				
Opening	68,452	-	68,452	-
Add: Adjustment	-	155,061	-	155,061
Add: Additions	165,157	-	165,157	-
Less: Disposal	(2,850)	-	(2,850)	-
Less: Amortisation	(75,626)	(86,609)	(75,626)	(86,609)
Carrying amount at the end of the year	<b>155,134</b>	<b>68,452</b>	<b>155,134</b>	<b>68,452</b>

The Consolidated entity leases office premises and equipment under agreements expiring in 2024 with no options to extend. During the year the Consolidated entity entered a new office premises and equipment leases totalling \$165,157.

**10. INTANGIBLES ASSETS**

	IPWEA Australasia		Consolidated	
	2021 \$	2020 \$	2021 \$	2020 \$
<b>Non-Current</b>				
AIFMM development costs	42,467	42,467	42,467	42,467
Less: Amortisation for AIFMM	(33,974)	(25,480)	(33,974)	(25,480)
IIFM development costs	156,930	156,930	156,930	156,930
Less: Amortisation for IIFM	(44,357)	(12,971)	(44,357)	(12,971)
NAMS.PLUS4 development costs	463,224	463,224	463,224	463,224
Less: Amortisation for NAMS.PLUS4	(144,758)	(28,952)	(144,758)	(28,952)
IIMM development costs	91,391	-	91,391	-
Less: Amortisation for IIMM	(20,309)	-	(20,309)	-
Pro Cert IFM development costs	114,073	-	114,073	-
Less: Amortisation for Pro Cert IFM	(8,080)	-	(8,080)	-
	<b>616,607</b>	<b>595,218</b>	<b>616,607</b>	<b>595,218</b>
<b>Reconciliation</b>				
Reconciliation of the carrying amounts of intangibles are set out below:				
Opening	595,218	401,736	595,218	401,736
Add: Additions	205,463	243,898	205,463	243,898
Less: Disposal	-	-	-	-
Less: Amortisation	(184,074)	(50,416)	(184,074)	(50,416)

Carrying amount at the end of the year **616,607** **595,218** **616,607** **595,218**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

**11. TRADE AND OTHER PAYABLES**

	IPWEA Australasia		Consolidated	
	2021 \$	2020 \$	2021 \$	2020 \$
<b>Current</b>				
IPWEA NSW	2,584	-	2,584	-
IPWEA QLD	1,650	957	1,650	957
IPWEA SA	8,051	3,982	8,051	3,982
IPWEA TAS	1,050	2,610	1,050	2,610
IPWEA VIC	-	2,780	-	2,780
IPWEA WA	584	638	584	638
Other creditors and accruals	335,358	494,149	369,487	548,024
	<b>349,273</b>	<b>505,116</b>	<b>383,406</b>	<b>558,991</b>

**12. CONTRACT LIABILITIES**

	IPWEA Australasia		Consolidated	
	2021 \$	2020 \$	2021 \$	2020 \$
<b>Current</b>				
Income received in advance:				
- NAMS.PLUS subscriptions	179,470	67,772	208,800	139,009
- IPWEA FLEET subscriptions	72,099	55,526	72,099	55,526
- Practice Note 12.2	35,000	-	35,000	-
- ebooks subscriptions	114,413	59,425	114,413	59,425
- Australasia conference	63,333	45,000	63,333	45,000
- Yardstick	152,265	70,200	152,265	70,200
- Workshop registration fees	32,380	-	32,380	-
- IIMM subscriptions	148,675	-	148,675	-
- Buildings Plus subscriptions	4,500	-	4,500	-
<b>Total Contract Liabilities</b>	<b>802,134</b>	<b>297,923</b>	<b>831,464</b>	<b>369,160</b>

**13. PROVISIONS**

	IPWEA Australasia		Consolidated	
	2021 \$	2020 \$	2021 \$	2020 \$
<b>Current</b>				
Employee benefits	220,688	263,109	220,688	263,109
<b>Non-Current</b>				
Employee benefits	8,360	-	8,360	-

Make-good provision	-	37,400	-	37,400
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

**14. LEASE LIABILITIES**

	IPWEA Australasia		Consolidated	
	2021 \$	2020 \$	2021 \$	2020 \$
<b>Current</b>				
Lease liability	42,423	70,813	42,423	70,813
<b>Non-Current</b>				
Lease liability	108,810	-	108,810	-

Refer to note 9 for more information on leased assets.

**15. RESERVES**

**Nature and purpose of foreign currency translation reserve**

The foreign exchange translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign controlled entity (NAMS Canada).

**16. RELATED PARTIES**

**Directors**

The names of each person who held the position of Director of the company during the whole of the year are set out in the accompanying Directors' Report.

**Key Management Personnel Compensation**

The key management personnel are the Directors of the company who receive no remuneration, the chief executive officer and senior leadership team involved in the strategic direction and management of the company.

	IPWEA Australasia		Consolidated	
	2021 \$	2020 \$	2021 \$	2020 \$
Key management personnel remuneration	747,453	598,245	747,453	598,245

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

**Other Transactions with Related Parties**

The company provides finance and administration services to various Divisions. Administration services were charged on commercial terms and conditions. Amounts due from and to related parties is included in notes 5 and 11.

## **DIRECTORS' DECLARATION**

The directors of the company declare that:

1. In the directors' opinion, the financial statements and accompanying notes set out on pages 7 to 27 are in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012* and:
  - (a) comply with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Regulation 2013*; and
  - (b) give a true and fair view of the company and consolidated entity's financial position as at 30 June 2021 and of its performance for the year ended on that date;
2. In the directors' opinion, 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 and is signed for and on behalf of the directors by:



**Rita Excell**

Director

Dated: 30 September 2021

## **Independent Auditor's Report to the Members of Institute of Public Works Engineering Australasia Limited**

### **Report on the Audit of the Financial Report**

#### **Opinion**

We have audited the financial report of Institute of Public Works Engineering Australasia Limited (the Company and its subsidiaries (the Group)), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and 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 Australian Charities and Not-for-profits Commission Act 2012, including:

- i) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

#### **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 ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Other information**

The directors are responsible for the other information. The other information comprises the information in Institute of Public Works Engineering Australasia Limited's annual report for the year ended 30 June 2021, but does not include the financial report and the auditor's report thereon. Our opinion on the financial report does not cover the other information and 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 the other information we are required to report that fact. We have nothing to report in this regard.

### **Directors' responsibility 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 Australian Charities and Not-for-profits Commission Act 2012 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 Group's ability 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 responsibility 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 the 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.

A further description of our responsibilities for the audit of the financial report is located at The Australian Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_files/ar4.pdf](http://www.auasb.gov.au/auditors_files/ar4.pdf). This description forms part of our auditor's report.



### **Nexia Sydney Audit Pty Limited**



### **Lester Wills**

Director

Dated: 30 September 2021