



IPWEA

INSTITUTE OF PUBLIC WORKS
ENGINEERING AUSTRALASIA

ANNUAL REPORT

YEAR ENDED 30 JUNE 2022

The financial report was authorised by the Directors on 4 October 2022.
The company has the power to amend and reissue the financial report

TABLE OF CONTENTS

TABLE OF CONTENTS.....	2
DIRECTORS' REPORT	3
AUDITOR'S INDEPENDENCE DECLARATION	6
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME.....	7
STATEMENT OF FINANCIAL POSITION.....	8
STATEMENT OF CHANGES IN EQUITY	9
STATEMENT OF CASH FLOWS	10
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS.....	11
1. SIGNIFICANT ACCOUNTING POLICIES	11
2. REVENUE.....	20
3. EXPENSES	20
4. INCOME TAX.....	21
5. CASH, CASH EQUIVALENTS AND RESTRICTED CASH	21
6. TRADE AND OTHER RECEIVABLES	21
7. CONTRACT ASSETS	22
8. INVENTORIES	22
9. PROPERTY, PLANT AND EQUIPMENT	22
10. RIGHT-OF-USE ASSETS	23
11. INTANGIBLES ASSETS	23
12. TRADE AND OTHER PAYABLES.....	24
13. CONTRACT LIABILITIES.....	24
14. PROVISIONS.....	25
15. LEASE LIABILITIES	25
16. RESERVES	25
17. RELATED PARTIES.....	26
18. REMUNERATION OF AUDITORS.....	26
19. CONTINGENT LIABILITIES.....	26
20. CAPITAL COMMITMENTS	27
21. EVENTS AFTER THE REPORTING PERIOD	27
DIRECTORS' DECLARATION	28
INDEPENDENT AUDITOR'S REPORT	29

DIRECTORS' REPORT

The Directors present their report on the company for the year ended 30 June 2022.

DIRECTORS AND ATTENDANCE IN MEETINGS

The following persons were directors of the company from 1 July 2021 to the date of this report, and their attendance at Board meetings for the financial year 2022 are listed below:

Director	Appointed	Ceased	Attended	Eligible
Rita Excell	15 February 2016	1 November 2021	2	2
Myles Lind	20 October 2017		5	5
Priyani de Silva-Currie	2 October 2020		5	5
Dino De Paoli	6 October 2021		3	4
Paul Breaden	22 April 2020		3	5
Peter Shields	23 December 2020		5	5
Grant Baker	23 December 2020		5	5
Craig Murrell	27 October 2017	12 October 2021	0	1
Seren McKenzie	14 July 2020	12 October 2021	1	1
Andrew Johnson	13 October 2021		3	4
Angela Fry	13 October 2021		3	4
Norbert Michel	20 February 2020		3	5
Debbie Lesson-Rabie	21 October 2020		4	5
Ian Daniels	16 June 2017		5	5
Kimberly Brosztl	21 June 2019		5	5
Rod Ellis	14 December 2020		5	5
Ben Clark	3 December 2021		3	3

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.
- 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.

DIRECTORS' REPORT (continued)

To achieve these objectives, the entity adopted the following key strategic actions for 2021/2022:

- Rollout new educational programs.
- Rollout the new IPWEA Asset Management pathway.
- Refresh our Ask Your Mates online forum.
- Continue delivery of a new content strategy that focuses on the international / national agenda of asset management and public works.
- Continue 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.
- Continue to align marketing and communications strategies.
- Support career development and continue to promote the IPWEA jobs board.
- Refresh of 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 Consolidated entity recorded a deficit for the 2021/22 financial year of \$349,778 (2020/21: surplus of \$562,673). IPWEA recorded a deficit for the 2021/22 financial year of \$269,980 (2020/21: surplus of \$247,990).

The Consolidated entity and IPWEA's result were impacted by COVID-19 conditions causing reduced course registrations and conference attendance; delayed Federation of Canadian Municipalities grant – Municipal Asset Management Program; and intangibles impairment for publications.

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 2022 was \$55.00 for every subscription paying grade member and \$25 for retired members of each of the Divisions excluding Emeritus and Student members. IPWEA Queensland failed to fully make this payment in 2021/22.

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 Audit Pty Ltd is included on page 6.

Signed in accordance with a resolution of the directors.



Myles Lind
Director

Dated: 4 October 2022

The Board of Directors
Institute of Public Works Engineers Australasia Limited
Level 6
99 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 audit director for the audit of the financial statements of the Institute of Public Works Engineers Australasia Limited for the financial year ended 30 June 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements 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 Ltd



Erin Tanyag
Director

Sydney
Dated: 4 October 2022

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2022**

	IPWEA Australasia		Consolidated		
	Note	2022 \$	2021 \$	2022 \$	2021 \$
Revenue	2	4,727,267	4,016,452	5,166,687	4,716,705
Expenses					
Management fees		(159,225)	(155,639)	(159,225)	(155,639)
Depreciation and amortisation	9 10 11	(280,571)	(313,085)	(280,571)	(313,085)
Impairment	3 11	(71,909)	-	(71,909)	-
Insurance		(25,350)	(23,544)	(29,838)	(27,288)
IT & communications		(248,945)	(307,960)	(260,425)	(307,960)
Employee benefits		(1,820,470)	(1,644,298)	(1,936,533)	(1,691,439)
Bad debts and doubtful debts		(51,104)	(5,999)	(61,165)	(5,999)
Project					
- Asset Management Pathway		(279,762)	(344,484)	(275,011)	(299,204)
- Conference		(987,597)	(21,621)	(987,597)	(21,621)
- Subscriptions		(441,917)	(265,358)	(441,961)	(262,674)
- Publications and DVD's		(164,497)	(162,356)	(164,497)	(162,356)
- Street lighting smart control		(59,977)	(60,594)	(59,977)	(60,594)
- eComms		(123,750)	(177,039)	(123,750)	(177,039)
- Federation of Canadian Municipalities – Municipal Asset Management Program		-	(32,808)	(323,375)	(376,753)
Professional services		(86,632)	(100,489)	(139,628)	(130,529)
Legal fee		(30,656)	(6,664)	(31,596)	(6,677)
Office accommodation		(34,736)	(74,377)	(34,736)	(74,377)
Other		(130,149)	(72,147)	(145,722)	(79,390)
Total expenses		<u>(4,997,247)</u>	<u>(3,768,462)</u>	<u>(5,527,516)</u>	<u>(4,152,624)</u>
(Deficit)/surplus before income tax expense from continued operations		(269,980)	247,990	(360,829)	564,081
Income tax (benefit)/expense	4	-	-	-	-
(Deficit)/surplus for the year		<u>(269,980)</u>	<u>247,990</u>	<u>(360,829)</u>	<u>564,081</u>
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss					
- Foreign currency translations		-	-	11,051	(1,408)
Total (Deficit)/surplus for the year		<u>(269,980)</u>	<u>247,990</u>	<u>(349,778)</u>	<u>562,673</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 2022

	Note	IPWEA Australasia		Consolidated	
		2022 \$	2021 \$	2022 \$	2021 \$
CURRENT ASSETS					
Cash and cash equivalents	5	1,790,070	1,145,823	2,073,985	1,472,215
Trade and other receivables	6	338,976	570,401	247,327	187,806
Contract assets	7	1,349	5,028	345,949	572,658
Inventory	8	10,386	14,339	10,386	14,339
Prepayments		187,593	318,878	189,895	319,933
Total current assets		2,328,374	2,054,469	2,867,542	2,566,961
NON-CURRENT ASSETS					
Restricted cash	5	56,034	56,034	56,034	56,034
Property, plant and equipment	9	19,892	25,629	19,892	25,629
Right-of-use assets	10	103,391	155,134	103,391	155,134
Intangible assets	11	362,307	616,607	362,307	616,607
Total non-current assets		541,624	853,404	541,624	853,404
Total assets		2,869,998	2,907,873	3,409,166	3,420,365
CURRENT LIABILITIES					
Trade and other payables	12	428,894	349,273	517,649	383,406
Contract liabilities	13	950,258	802,134	1,021,655	831,464
Provisions	14	259,623	220,688	259,623	220,688
Lease liabilities	15	46,800	42,423	46,800	42,423
GST payable		42,651	27,985	61,561	37,110
Total current liabilities		1,728,226	1,442,503	1,907,288	1,515,091
NON-CURRENT LIABILITIES					
Provisions	14	10,262	8,360	10,262	8,360
Lease liabilities	15	53,290	108,810	53,290	108,810
Total non-current liabilities		63,552	117,170	63,552	117,170
Total liabilities		1,791,778	1,559,673	1,970,840	1,632,261
Net assets		1,078,220	1,348,200	1,438,326	1,788,104
MEMBERS' FUNDS					
Retained surpluses		1,078,220	1,348,200	1,405,685	1,766,514
Foreign currency translation reserve	16	-	-	32,641	21,590
Total Member's funds		1,078,220	1,348,200	1,438,326	1,788,104

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 2022**

IPWEA Australasia

	Retained Surpluses \$	Reserves \$	Total \$
Balance at 30 June 2021	1,348,200	-	1,348,200
Total comprehensive income for the year			
Deficit for the year	(269,980)	-	(269,980)
Other comprehensive income	-	-	-
Total comprehensive income for the year	(269,980)	-	(269,980)
Total Transactions with Owners	-	-	-
Balance at 30 June 2022	1,078,220	-	1,078,220

Consolidated

	Retained Surpluses \$	Reserves \$	Total \$
Balance at 30 June 2021	1,766,514	21,590	1,788,104
Total comprehensive income for the year			
Deficit for the year	(360,829)	-	(360,829)
Other comprehensive income	-	11,051	11,051
Total comprehensive income for the year	(360,829)	11,051	(349,778)
Total Transactions with Owners	-	-	-
Balance at 30 June 2022	1,405,685	32,641	1,438,326

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 2022**

	Note	IPWEA Australasia		Consolidated	
		2022 \$	2021 \$	2022 \$	2021 \$
Cash flows from operating activities					
Receipts from customers		5,562,261	4,698,832	6,145,946	6,053,230
Interest paid		(10,549)	(9,047)	(10,549)	(9,047)
Payment to suppliers and employees		<u>(4,815,623)</u>	<u>(4,185,024)</u>	<u>(5,452,836)</u>	<u>(5,398,670)</u>
Net cash from operating activities		<u>736,089</u>	<u>504,761</u>	<u>582,561</u>	<u>645,513</u>
Cash flows from investing activities					
Payments for plant and equipment		(10,040)	(12,407)	(10,040)	(12,407)
Payments for development costs		<u>(26,129)</u>	<u>(218,393)</u>	<u>(26,129)</u>	<u>(218,393)</u>
Net cash used in investing activities		<u>(36,169)</u>	<u>(230,800)</u>	<u>(36,169)</u>	<u>(230,800)</u>
Cash flows from financing activities					
Repayments for lease liabilities		<u>(55,673)</u>	<u>(80,564)</u>	<u>(55,673)</u>	<u>(80,564)</u>
Net cash from/(used) in financing activities		<u>(55,673)</u>	<u>(80,564)</u>	<u>(55,673)</u>	<u>(80,564)</u>
Net increase in cash, cash equivalents and restricted cash		644,247	193,397	590,719	334,149
Net foreign exchange differences		-	-	11,051	(1,408)
Cash, cash equivalents and restricted cash at the beginning of the year		<u>1,201,857</u>	<u>1,008,460</u>	<u>1,528,249</u>	<u>1,195,508</u>
Cash, cash equivalents and restricted cash at the end of the year	5	<u>1,846,104</u>	<u>1,201,857</u>	<u>2,130,019</u>	<u>1,528,249</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 2022

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 4 October 2022.

(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 – Simplified Disclosures, 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.

The following Accounting Standard was most relevant to the Company:

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

The company has adopted ASSB 1060 from July 1, 2021. The standard provides a new Tier 2 reporting framework with simplified disclosures that were based on the requirements of IFRS for SMEs. As a result, there are increased disclosure in these financial statements for remuneration of auditors.

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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 – Simplified Disclosures 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.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

(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

Subscription revenue, including international membership, 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 subscription revenue and membership fees in advance.

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

Divisional 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.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

(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.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

(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 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.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

(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) 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 2022**

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) Financial comparatives

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

(r) 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

(s) 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.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

(t) 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 2022**

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) 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.

(v) 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 2022**

2. REVENUE

	IPWEA Australasia		Consolidated	
	2022 \$	2021 \$	2022 \$	2021 \$
Revenue from contracts with customers				
Asset Management Pathway registrations	1,325,464	1,362,657	1,371,186	1,661,218
Conference registrations	1,153,930	50,400	1,153,930	50,400
Subscriptions	1,283,515	1,027,854	1,321,673	1,136,690
Publication and DVD sales	283,444	199,913	283,444	199,913
Grants and subsidies	-	14,170	-	14,170
Sponsorship, donations and commissions	76,236	100,386	76,236	100,386
Capitation fees	146,531	156,063	146,531	156,063
Bank interest	683	3,300	683	3,300
Administration fees	204,109	182,291	204,109	182,291
Federation of Canadian Municipalities – Municipal Asset Management Program	56,324	455,389	411,851	689,009
Jobkeeper and cashflow boost	-	276,000	-	276,000
Other revenue	197,031	188,029	197,044	247,265
Total Revenue	4,727,267	4,016,452	5,166,687	4,716,705

Disaggregation of revenue

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

	2022 \$	2021 \$
<i>Geographical regions</i>		
Australia	4,557,166	3,226,840
Canada	609,521	1,489,865
	5,166,687	4,716,705

3. EXPENSES

	IPWEA Australasia		Consolidated	
	2022 \$	2021 \$	2022 \$	2021 \$
(Deficit) before income tax includes the following specific expenses:				
Impairment expense	71,909	-	71,909	-
Superannuation expense	187,205	171,657	187,205	171,657

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

4. 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.

5. CASH, CASH EQUIVALENTS AND RESTRICTED CASH

	IPWEA Australasia		Consolidated	
	2022 \$	2021 \$	2022 \$	2021 \$
Current				
Cash on deposit, at call	1,078,271	985,300	1,078,271	985,300
Cash at bank	711,799	160,523	995,714	486,915
	1,790,070	1,145,823	2,073,985	1,472,215
Non-Current				
Restricted Cash	56,034	56,034	56,034	56,034
Total cash, cash equivalents and restricted cash	1,846,104	1,201,857	2,130,019	1,528,249

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.

6. TRADE AND OTHER RECEIVABLES

	IPWEA Australasia		Consolidated	
	2022 \$	2021 \$	2022 \$	2021 \$
Current				
Trade and other receivables:				
- Other parties	284,567	175,380	290,430	184,473
- IPWEA NSW	-	3,301	-	3,301
- IPWEA NZ	-	32	-	32
- IPWEA NAMS Canada	97,512	391,688	-	-
	382,079	570,401	290,430	187,806
Less: allowance for expected credit loss	(43,103)	-	(43,103)	-
	338,976	570,401	247,327	187,806

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

7. CONTRACT ASSETS

	IPWEA Australasia		Consolidated	
	2022	2021	2022	2021
	\$	\$	\$	\$
Current				
Accrued revenue for services rendered	1,349	5,028	345,949	572,658
	1,349	5,028	345,949	572,658

8. INVENTORIES

	IPWEA Australasia		Consolidated	
	2022	2021	2022	2021
	\$	\$	\$	\$
Current				
Publications	10,386	14,339	10,386	14,339
	10,386	14,339	10,386	14,339

9. PROPERTY, PLANT AND EQUIPMENT

	IPWEA Australasia		Consolidated	
	2022	2021	2022	2021
	\$	\$	\$	\$
Non-Current				
Computer equipment (cost)	97,960	87,920	97,960	87,920
Less: Provisions for depreciation	(82,574)	(68,593)	(82,574)	(68,593)
Office equipment	11,053	11,053	11,053	11,053
Less: Provisions for depreciation	(9,048)	(8,154)	(9,048)	(8,154)
Office furniture and fittings	5,414	5,414	5,414	5,414
Less: Provisions for depreciation	(2,913)	(2,011)	(2,913)	(2,011)
	19,892	25,629	19,892	25,629
Reconciliation				
Reconciliation of the carrying amounts of property, plant and equipment are set out below:				
Opening	25,629	71,858	25,629	71,858
Add: Additions	10,040	12,407	10,040	12,407
Less: Disposal	-	(5,251)	-	(5,251)
Less: Depreciation	(15,777)	(53,385)	(15,777)	(53,385)
Carrying amount at the end of the year	19,892	25,629	19,892	25,629

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

10. RIGHT-OF-USE ASSETS

	IPWEA Australasia		Consolidated	
	2022 \$	2021 \$	2022 \$	2021 \$
Non-current				
Office and office equipment	165,157	165,157	165,157	165,157
Less: Provisions for amortisation	(61,766)	(10,023)	(61,766)	(10,023)
	103,391	155,134	103,391	155,134
Reconciliation				
Reconciliation of the carrying amounts of Right-of-Use Assets are set out below:				
Opening	155,134	68,452	155,134	68,452
Add: Additions	-	165,157	-	165,157
Less: Disposal	-	(2,850)	-	(2,850)
Less: Amortisation	(51,743)	(75,626)	(51,743)	(75,626)
Carrying amount at the end of the year	103,391	155,134	103,391	155,134

The Consolidated entity leases office premises and equipment under agreements expiring in 2024 with no options to extend.

11. INTANGIBLES ASSETS

	IPWEA Australasia		Consolidated	
	2022 \$	2021 \$	2022 \$	2021 \$
Non-Current				
AIFMM development costs	42,467	42,467	42,467	42,467
Less: Amortisation for AIFMM	(42,467)	(33,974)	(42,467)	(33,974)
IIFM development costs	94,793	156,930	94,793	156,930
Less: Amortisation for IIFM	(75,743)	(44,357)	(75,743)	(44,357)
NAMS+ Software As A Service	463,224	463,224	463,224	463,224
Less: Amortisation for NAMS+	(260,564)	(144,758)	(260,564)	(144,758)
IIMM development costs	91,391	91,391	91,391	91,391
Less: Amortisation for IIMM	(50,772)	(20,309)	(50,772)	(20,309)
Pro Cert IFM development costs	114,073	114,073	114,073	114,073
Less: Amortisation for Pro Cert IFM	(30,895)	(8,080)	(30,895)	(8,080)
Practice Note 10.6 development costs	20,888	-	20,888	-
Less: Amortisation for Practice Note 10.6	(4,088)	-	(4,088)	-
	362,307	616,607	362,307	616,607
Reconciliation				
Reconciliation of the carrying amounts of intangibles are set out below:				
Opening	616,607	595,218	616,607	595,218
Add: Additions	30,660	205,463	30,660	205,463
Less: Amortisation	(213,052)	(184,074)	(213,052)	(184,074)
Less: Impairment	(71,909)	-	(71,909)	-
Carrying amount at the end of the year	362,307	616,607	362,307	616,607

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

Material intangibles

The Consolidated entity provides NAMS+ Software As A Service, an online guided pathway for Asset Management Planning to model and communicate asset management data. The carrying amount of NAMS+ Software As A Service is \$202,660 (2021: \$318,466) will be fully amortised in 2 years (2021: 3 years).

12. TRADE AND OTHER PAYABLES

	IPWEA Australasia		Consolidated	
	2022 \$	2021 \$	2022 \$	2021 \$
Current				
IPWEA NSW	16,743	2,584	16,743	2,584
IPWEA NZ	972	-	972	-
IPWEA QLD	-	1,650	-	1,650
IPWEA SA	46,266	8,051	46,266	8,051
IPWEA TAS	17,065	1,050	17,065	1,050
IPWEA VIC	12,689	-	12,689	-
IPWEA WA	7,724	584	7,724	584
Other creditors and accruals	327,435	335,354	416,190	369,487
	428,894	349,273	517,649	383,406

13. CONTRACT LIABILITIES

	IPWEA Australasia		Consolidated	
	2022 \$	2021 \$	2022 \$	2021 \$
Current				
Income received in advance:				
- NAMS.PLUS subscriptions	183,484	179,469	216,794	208,799
- IPWEA FLEET subscriptions	75,704	72,099	75,704	72,099
- Practice Note 12.2	-	35,000	-	35,000
- Practice Note 12.3	20,000	-	20,000	-
- ebooks subscriptions	182,446	114,413	182,446	114,413
- Australasia conference	-	63,333	-	63,333
- Yardstick	88,170	152,265	88,170	152,265
- Workshop registration fees	242,905	32,380	280,992	32,380
- IIMM subscriptions	154,249	148,675	154,249	148,675
- Buildings Plus subscriptions	1,650	-	1,650	-
- International memberships	1,650	4,500	1,650	4,500
Total Contract Liabilities	950,258	802,134	1,021,655	831,464

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

14. PROVISIONS

	IPWEA Australasia		Consolidated	
	2022 \$	2021 \$	2022 \$	2021 \$
Current				
Employee benefits	259,623	220,688	259,623	220,688
Non-Current				
Employee benefits	10,262	8,360	10,262	8,360

15. LEASE LIABILITIES

	IPWEA Australasia		Consolidated	
	2022 \$	2021 \$	2022 \$	2021 \$
Current				
Lease liability	46,800	42,423	46,800	42,423
Non-Current				
Lease liability	53,290	108,810	53,290	108,810

Refer to note 10 for more information on leased assets.

Future lease payments

Future lease payments are due as follows:

Within one year	46,800	42,423	46,800	42,423
One to five years	53,290	108,810	53,290	108,810
More than five years	-	-	-	-
	100,090	151,233	100,090	151,233

16. 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).

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

17. 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	
	2022 \$	2021 \$	2022 \$	2021 \$
Key management personnel remuneration	829,927	747,453	829,927	747,453

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 6 and 12.

18. REMUNERATION OF AUDITORS

During the financial year the following fees were paid or payable for services provided by Nexia Sydney Audit Pty Ltd.

	IPWEA Australasia		Consolidated	
	2022 \$	2021 \$	2022 \$	2021 \$
Audit Services – Nexia Sydney Audit Pty Ltd Audit of the financial statements	30,500	29,300	30,500	29,300

19. CONTINGENT LIABILITIES

The company had no contingent liabilities as at 30 June 2022 and 30 June 2021.

20. CAPITAL COMMITMENTS

The company had no capital commitments for expenditure as at 30 June 2022 and 30 June 2021.

21. EVENTS AFTER THE REPORTING PERIOD

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it had a financial impact on the company up to 30 June 2022, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

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

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 - Simplified Disclosures 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 2022 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:



Myles Lind
Director

Dated: 4 October 2022

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 2022, 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 Division 60 of 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 2022 and of its financial performance for the year then ended; and
- ii) complying with Australian Accounting Standards - Simplified Disclosures 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 2022, 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 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_responsibilities/ar4.pdf. This description forms part of our auditor's report.

Nexia

Nexia Sydney Audit Pty Ltd



Erin Tanyag

Director

Dated: 4 October 2022