

**INSTITUTE OF PUBLIC WORKS ENGINEERING
AUSTRALASIA (NSW DIVISION) LIMITED
ABN 35 093 562 602**

ANNUAL REPORT

YEAR ENDED 30 JUNE 2020

The financial report was authorised for issue by the Directors on 25 September 2020
The Directors present their report on the company for the year ended 30 June 2020.

DIRECTORS

The name and details of the Company's Directors and Secretary in office during the financial year and until the date of this report are as follows.

Warren Sharpe OAM - President (from 16 October 2014)

Portfolio - Advocacy, Leadership and Brand

BE (Hons), LGE, EE&M, Ass Dip Management, GAICD, MIPWEA Director Infrastructure Services Eurobodalla Shire Council. IPWEA Australasia Board Member. Appointed 18 February 2011.

Peter Shields – Vice President (from 9 November 2017)

Portfolios – Advocacy, Leadership and Brand / Membership Engagement and Development.

BE (Hons) UTS, MBA, Technical Services Manager, City of Sydney, Chair Professional Development Panel. Appointed 16 October 2014.

Gary Woodman

Portfolios - Membership Engagement and Development / Advocacy, Leadership and Brand.

BE (Civil), G. Dip.LGE, LGE, RPEng (Civil), RPEQ, FIPWEA, MLGMA, GAICD
Principal Consultant Director, Gary Woodman Consulting & Project Management.
Appointed 10 November 2002.

Bill Woodcock

Portfolio – Technology and Innovation.

BE, Grad Dip LG Mgt, FIEAust, FIPWEA, LGE, MAITPM, Accredited Mediator with the Australian Institute of Arbitrators and Mediators. Reg., General Manager, Government and Business Services Complete Urban Pty Ltd. Appointed 21 October 2011.

Garry Hemsworth

Portfolios – Public Works Technical Resources / Technology and Innovation.

CPEng, Director Operations, Mid-Western Regional Council. Chair Roads & Transport Directorate Management Committee. Appointed 16 October 2014.

Paul Gallagher

Portfolios – Public Works Technical Resources / Climate, Sustainability and Environment.

Assistant General Manager - Engineering Services Nambucca Shire Council. Appointed 16 October 2014.

Will Barton

Portfolios –Climate, Sustainability and Environment / Advocacy, Leadership and Brand.

BE Civil (Hons), DipEngPrac, Dip Mgt, Executive Officer, City of Canterbury Bankstown Council, IPWEA Australasia Board Member, Skills Shortage Panel. Appointed 16 October 2014.

Nicola Daaboul

Portfolios – Technology and Innovation / Member Engagement and Development / Advocacy, Leadership and Brand.

Bachelor Science; Masters Infrastructure Engineering & Management, Senior Asset Management Consultant - Assetic, YIPWEA Chair Australasia. Appointed 9 November 2017

Mark Roebuck

Portfolios – Technology and Innovation / Climate, Sustainability and Environment.

B.Eng(Civil)Hons, Wollongong, Manager City Works and Services, Wollongong City Council, Appointed 9 November 2017.

ATTENDANCE AT BOARD MEETINGS

During the year ended 30 June 2020, there were 12 meetings of the Board. These included nine held by teleconference. Attendances of Directors were as follows:

Director	Eligible	Attended
Warren Sharpe OAM	12	12
Peter Shields	12	12
Bill Woodcock	12	12
Gary Woodman	12	12
Garry Hemsworth	12	9
William Barton	12	11
Paul Gallagher	12	8
Nicola Daaboul	12	10
Mark Roebuck	12	10

COMPANY SECRETARY

The Company Secretary at the date of this report is:

John Roydhouse GAICD - Chief Executive Officer

Chief Executive Officer IPWEA (NSW) August 2013 to November 2019, Secretary, NSW Municipal Engineering Foundation.

Francine Binns MBA, GAICD - Chief Executive Officer

Chief Executive Officer IPWEA (NSW) since Feb 2020, Secretary, NSW Municipal Engineering Foundation.

PRINCIPAL ACTIVITIES

IPWEA (NSW) is established to be a charity with the purpose of advancing the public works sector in Australia, particularly in NSW by:

- conducting and publishing research into improvements to the processes used in the industry
- working with government at all levels to ensure that the interests of the public works industry are represented in regard to the public decision-making process, and
- providing a forum for all people engaged in the public works to discuss best practice and enhancing the future of the industry

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

COVID 19 has impacted the business of the company with a reduction in Professional Development courses and the CivEnEx tradeshow planned for March 2020 postponed to February 2021.

The loss of income was compensated by Government assistance funding and rent waiver.

There have been no other significant changes in the company's state of affairs during the financial year.

AFTER BALANCE DATE EVENTS

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

SHORT AND LONG TERM OBJECTIVES

The strategic priorities are reflected by the 6 Key Focus Areas listed below. They cover the Portfolios set for Directors and other identified program areas Built into the Strategic objectives are short and long term objectives including twelve month and five year objectives. This strategic approach identifies the specific actions that Staff and Board members are tasked to undertake in each of the 6 strategic objectives taking into account the Vision and Mission of IPWEA, current performance and benchmarks.

Key Focus Areas	Strategic Priorities 2017 - 2020	
	Within one year	5 year target
1. Delivery of an enhanced relevant membership experience	<p>Improved participation and engagement in Beaton Survey</p> <p>IPWEA is alert to industry needs and has developed expertise in developing courses to meet these.</p> <p>Progression towards Extension to Scope for RTO</p> <p>IPWEA has marketed the existing resources to all existing members.</p> <p>Young IPWEA participation in Regional Groups</p>	<p>IPWEA is the first point of contact for members when they need professional help – advocacy, training, etc.</p> <p>IPWEA has developed a Certificate or formal qualification in Public Works</p> <p>Australian Public Works Engineers and technical staff are recognised as well skilled and professional.</p> <p>Robust and healthy regional groups engage members at all levels.</p>
2. Effectively engaging with strategic partners and stakeholders	<p>Analysis of who the stakeholders are and what they need has been completed.</p> <p>Board lunches promoted and expanded.</p> <p>IPWEA seeks representation on boards and technical committees, panels, task forces, working parties, etc.</p>	<p>There is a wealth of sponsorship opportunities and diversity of approaches.</p> <p>Board lunches popular and sought after.</p> <p>IPWEA is sought to be a member of boards and technical committees, panels, task forces, working parties.</p>
3. Building Capacity of the Public Works Industry	<p>IPWEA has successfully lobbied for an Engineer to be recognised in the legislation for each LGA.</p> <p>Successful implementation of the State-wide mentoring program has encouraged members to advance their careers.</p> <p>Courses are developed and provided either directly or in partnership with industry suppliers.</p>	<p>IPWEA members are prominent within OLG staff and other relevant agency personnel.</p> <p>Young Engineers aspire to become Engineering Directors within the public works sector.</p> <p>Online summary of CPD points for members is available.</p> <p>CPD is connected to registration for Professional Engineers in NSW.</p> <p>IPWEA NSW can provide courses online to a global audience.</p>
4. Brand Awareness	<p>Marketing and media communications strategy developed and implemented.</p> <p>Develop courses on media training, communication, public speaking, etc.</p> <p>Key themes for mainstream media identified and messages appropriately issued to the sector.</p>	<p>Results of public works professional marketing program reviewed.</p> <p>A program of positive media comments and project showcases has developed IPWEA into the preferred source of comment on Public Works issues.</p> <p>Media packs have been developed and given to chairs and secretaries with appropriate training.</p>

<p>5. Leadership of the Public Works Community</p>	<p>IPWEA advocacy has led to recognition and registration of PW Engineers.</p> <p>IPWEA introduces “Fit for Purpose” terminology and methodology to the assessment of the Local Government reform process</p> <p>Board has developed a program to attract a diverse range and skills onto voluntary committees.</p> <p>Publicity has increased. Usage grows 10% over 2015 levels.</p>	<p>IPWEA provides the ‘state of the industry’ reports for water and other public infrastructure, having assumed these responsibilities from the regulators and government departments.</p> <p>IPWEA has encouraged women to enter the Public Works sector and they now comprise more than 10% of the IPWEA membership.</p> <p>Promotion of Cadet Engineering program.</p>
<p>6. Sustainability of operations</p>	<p>Risk and Audit Committee have finalised review of all policy documents</p> <p>Risk and Audit Committee have completed risk assessment and developed a Risk Management policy</p> <p>Identification of strategic partnerships that could prove revenue generating</p>	<p>IPWEA Board Elections are fiercely contested with candidates aspiring to serve the Board.</p> <p>All Board members and senior staff regularly have attended governance workshops and training.</p>

An annual report is prepared which monitors the current status and trends of the company in these key areas.

MEMBERS’ LIABILITY

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

1. Limited liability of members

The liability of members is limited to the amount of the guarantee in clause 2.

2. The guarantee

*Each member must contribute an amount not more than \$10 (the guarantee) to the property of the **company** if the **company** is wound up while the member is a member, or within 12 months after they stop being a member, and this contribution is required to pay for the:*

- i. debts and liabilities of the **company** incurred before the member stopped being a member, or*
- ii. costs of winding up.*

AUDITOR’S INDEPENDENCE DECLARATION

A copy of the Auditor’s Independence Declaration as required under Section 307C of the Corporations Act 2001 given to the Directors by the lead auditor for the audit undertaken by Cutcher & Neale Assurance Pty Limited is included on page 6.

Signed in accordance with a resolution of the Board of Directors of the Institute of Public Works Engineering Australasia (NSW Division) Limited.



Director

Dated at this Day 25 September 2020

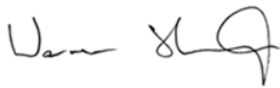
**INSTITUTE OF PUBLIC WORKS ENGINEERING AUSTRALASIA
(NSW DIVISION) LIMITED**

**DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2020**

The directors of the company declare that:

1. In the directors' opinion, the financial statements and accompanying notes set out on pages 11 to 26 are in accordance with the Australian Charities and Not-for-profits Act 2012 and:
 - (a) comply with Australian Accounting Standards – Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Act 2012; and
 - (b) give a true and fair view of the company's financial position as at 30 June 2020 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:



**Warren Sharpe OAM
Director**

**Moruya
25 September 2020**

Auditors Independence Declaration to the Directors of the Institute of Public Works Engineering Australasia (NSW Division) Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2020, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



Cutcher & Neale Assurance Pty Limited
(An authorised audit company)



M.J. O'Connor
Director

31 August 2020

NEWCASTLE

Independent Audit Report to the members of the Institute of Public Works Engineering Australasia (NSW Division) Limited

Report on the Financial Report

Opinion

We have audited the financial report of Institute of Public Works Engineering Australasia (NSW Division) Limited (the Company), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of Institute of Public Works Engineering Australasia (NSW Division) Limited is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2020 and of its financial performance for the year ended on the date; and
- (ii) complying with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Regulations 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 Company in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Australian Charities and Not-for-profits Commission Act 2012*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention in Note 1(b) in the financial statements, which discusses the impact of COVID-19 on the Company's operations and finances. Our opinion is not modified in respect of this matter.

Other Information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report was limited to the Directors Report.

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

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

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

Responsibilities of Directors for the Financial Report

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

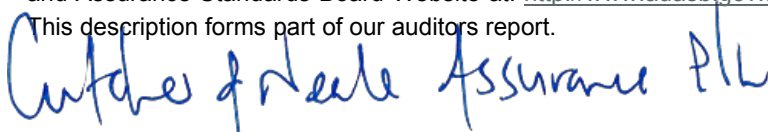
In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board Website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditors report.



Cutcher & Neale Assurance Pty Limited
(An authorised audit company)



M.J. O'Connor
Director

26 September 2020

NEWCASTLE

**INSTITUTE OF PUBLIC WORKS ENGINEERING AUSTRALASIA
(NSW DIVISION) LIMITED**

STATEMENT OF SURPLUS OR DEFICIT AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
Revenue from continuing operations	2	2,234,847	2,504,370
CivEnEx expenses		(75,513)	(88,796)
Events expenses		(521,907)	(560,441)
Directory Services		(830)	(110,435)
Sector Conferences expenses		(84,410)	(155,073)
Professional development programme expenses		(240,152)	(333,232)
Roads and transport directorate expenses		(669,836)	(539,211)
Administration & Membership expenses		(744,919)	(782,059)
Surplus (Deficit)	4	(102,720)	(64,877)
Other Comprehensive Income			
Other comprehensive income		-	-
Total Comprehensive Income for the year		(102,720)	(64,877)

The above statement of surplus or deficit and other comprehensive income should be read in conjunction with the accompanying notes.

**INSTITUTE OF PUBLIC WORKS ENGINEERING AUSTRALASIA
(NSW DIVISION) LIMITED**

STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2020

	Note	2020 \$	2019 \$
ACCUMULATED FUNDS			
Retained surplus	4	243,071	191,213
Reserves	5	<u>670,057</u>	<u>824,635</u>
Total Members' Funds		<u>913,128</u>	<u>1,015,848</u>
CURRENT ASSETS			
Cash and cash equivalents	6	1,332,787	1,213,404
Trade and other receivables	7	288,030	344,679
Inventory		22,186	-
Other current assets	8	86,537	62,295
Other financial assets		<u>1,242</u>	<u>1,242</u>
Total current assets		<u>1,730,782</u>	<u>1,621,620</u>
NON-CURRENT ASSETS			
Property, plant & equipment	9	40,323	40,345
Prepayments		-	-
Intangibles	10	<u>35,099</u>	<u>52,386</u>
Total non-current assets		<u>75,422</u>	<u>92,731</u>
Total Assets		<u>1,806,204</u>	<u>1,714,351</u>
CURRENT LIABILITIES			
Trade and other payables	11	198,100	88,259
Employee benefits	12	138,279	231,074
Advance revenue	13	-	366,539
Contract liabilities	14	<u>541,283</u>	<u>-</u>
Total current liabilities		<u>877,662</u>	<u>685,872</u>
NON-CURRENT LIABILITIES			
Employee benefits	12	<u>15,414</u>	<u>12,631</u>
Total non-current liabilities		<u>15,414</u>	<u>12,631</u>
Total Liabilities		<u>893,076</u>	<u>698,503</u>
Net Assets		<u>913,128</u>	<u>1,015,848</u>

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

**INSTITUTE OF PUBLIC WORKS ENGINEERING AUSTRALASIA
(NSW DIVISION) LIMITED**

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2020

	Note	Retained Surplus \$	Reserves \$	Total \$
Balance at beginning of the year		191,213	824,635	1,015,848
Total Comprehensive Income for the year				
Surplus/(Deficit) for the year	4	(102,720)	-	(102,720)
		88,493	824,635	913,128
Transaction with owners				
Transfers from reserves	4	154,578	(154,578)	-
Balance at 30 June 2020		243,071	670,057	913,128

	Note	Retained Surplus \$	Reserves \$	Total \$
Balance at beginning of the year		210,158	870,567	1,080,725
Total Comprehensive Income for the year				
Surplus for the year	4	(64,877)	-	(64,877)
		145,281	870,567	1,015,848
Transaction with owners				
Transfers to reserves		45,932	(45,932)	-
Balance at 30 June 2019		191,213	824,635	1,015,848

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

**INSTITUTE OF PUBLIC WORKS ENGINEERING AUSTRALASIA
(NSW DIVISION) LIMITED**

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
	Inflows	Inflows
	(Outflows)	(Outflows)
Cash flows from operating activities:		
Members' subscriptions	138,378	133,101
CivEnEx receipts	200,429	107,445
Events and conferences receipts	791,655	770,974
Administration	188,479	107,747
Professional Development Programme	609,749	651,259
Directory services	2,400	77,734
Roads and Transport Directorate	501,045	483,421
Interest received	31,097	28,046
Payments to suppliers and employees	(2,339,485)	(2,544,201)
	<hr/>	<hr/>
Net cash from (used in) operating activities	123,747	(172,335)
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	-	-
Payments for property, plant and equipment	(4,364)	(53,787)
	<hr/>	<hr/>
Net cash from investing activities	(4,364)	(53,787)
Net increase/ (decrease) in cash held	119,383	(226,122)
Cash and cash equivalents at the beginning of the financial year	1,213,404	1,439,526
	<hr/>	<hr/>
Cash and cash equivalents at the end of the financial year (Note 6)	1,332,787	1,213,404

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

**INSTITUTE OF PUBLIC WORKS ENGINEERING AUSTRALASIA
(NSW DIVISION) LIMITED**

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2020**

1. STATEMENT OF 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.

Registered Address

Institute of Public Works Engineering Australasia (NSW Division) Limited ('the company') has its registered office and principal place of business at:

Level 12
447 Kent Street
SYDNEY NSW 2000

The company is primarily involved in advocacy and member services for persons involved in delivering public works and services.

(a) Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the Australian Charities and Not-for-profits Act 2012. The Institute of Public Works Engineering Australasia (NSW Division) Limited is a not-for-profit entity for the purpose of preparing the financial statements.

The financial report is for the entity Institute of Public Works Engineering Australasia (NSW Division) Limited as an individual entity. The Institute of Public Works Engineering Australasia (NSW Division) Limited is a company limited by guarantee, incorporated and domiciled in Australia.

Comparatives have been reclassified to conform with the current year's presentation (where applicable).

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

New, revised or amended Accounting Standards and Interpretations adopted

The company has adopted all of 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.

The financial statements have been prepared on the historical cost basis except for other financial assets, which are measured at fair value.

The financial statements were approved by the Board of Directors on 18 September 2020.

Functional and Presentation Currency

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

**INSTITUTE OF PUBLIC WORKS ENGINEERING AUSTRALASIA
(NSW DIVISION) LIMITED**

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2020**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Critical Accounting Estimates & Judgements

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 judgement in the process of applying the company's accounting policies. There are no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

Going Concern

The statement of profit or loss and other comprehensive income for the year ending 30 June 2020 reports a deficit of \$102,720 (2019 - a deficit of \$64,877). After excluding the results of the Roads & Transport Directorate, which is funded independently from existing reserves, the operating surplus reported is \$51,858 and compares to a deficit of \$18,945 in the previous year.

The directors and management have developed plans and initiatives over the past 2 years to address the operating deficits which were triggered recently by the cessation of a major trade event that had contributed significant financial surpluses up until 2016. The operating results this year includes a deficit of \$75,513 incurred by the Civenex business unit due to the postponement of the Civenex Trade Show to 2021, as a consequence of the COVID virus, and a deficit of \$17,061 incurred by the Sector Conference business unit.

At balance date, the Company reported positive working capital where current assets exceeded current liabilities by \$853,120 (2019 \$935,748). For net assets, excluding the funds of the Roads and Transport Directorate reserves, the Company's net asset position as at 30 June 2020 was \$243,071.

The Directors and Management recognise that an extended period of negative operating results is unsustainable. The strategies developed to improve income and the profitability of all business activities, have been conservatively forecast for the 2021 financial year. The forecasts demonstrate that the Company will generate sufficient funds from its core activities in Professional Development, Events and Membership Services to maintain the necessary investment in the new business units whilst at least maintaining the existing level of reserves. With regard to the Roads & Transport Directorate, there has been a conscious management decision to reduce some of the surplus held in order to deliver additional services to the Members.

On this basis the going concern accounting policy continues to be applied.

(b) Significant changes in the current report period

Impact of COVID-19 on Operations

In March 2020 the World Health Organisation (WHO) declared the Coronavirus disease 2019 (COVID-19) to be a pandemic. In response to this, the Australian Government together with State and Territory Premiers announced a series of social distancing, travel and other restrictive measures aimed at preventing the spread of the SARS-CoV-2 virus, which have had an adverse effect on the Australian economy, including effects on the events and training sector. These measures have had a significant deleterious impact on IPWEA, financially and operationally.

The Board and Management implemented a range of operational and financial strategies in order to minimise the impact of the enforced closure/downturn in operations. On the 24th March IPWEA activated its Business Continuity Plan, with all staff subsequently working from home until further notice and all face-to-face meetings replaced with remote videoconferencing. IPWEA also enrolled for government support initiatives including JobKeeper and Cash Boost payments.

**INSTITUTE OF PUBLIC WORKS ENGINEERING AUSTRALASIA
(NSW DIVISION) LIMITED**

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2020**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Restrictions on travel, indoor meetings and social contact resulted in the postponement of Civenex 2020 trade show, the cancellation or disruption of many other planned 2020 education events and partnership activities, with a consequent estimated reduction in revenue of over 30%. Since the commencement of the outbreak regional forum conferences and education courses have transitioned from face to face, to a combination of face to face and on line events. These will be further developed into the future and new education course products will be offered. The transition to on-line events/course offerings will result in a lower cost structure and assist in ongoing viability.

Further assessment of impact has been documented in note 1(a).

(c) Adoption of new and revised accounting standards

During the current year, the Company adopted all of the new and revised Australian Accounting Standards and interpretations applicable to its operations which became mandatory.

The Company applies for the first time, AASB 15: Revenue from Contracts with Customers and AASB 16: Leases. The application of these new accounting standards did not have an impact on the Company's accounting policies, nor did it require current period or retrospective adjustments.

i. AASB 15: Revenue from Contracts with Customers

The Company has adopted AASB 15: Revenue from Contracts with Customers with an initial application date of 1 July 2019.

The Standard introduces a single, principles based, five step model for recognising revenue and introduces the concept of recognising revenue when an obligation to a customer is satisfied. The new standard has been adopted using the modified retrospective approach. Under this approach, the cumulative effect of initial application is recognised as an adjustment to the opening balance of accumulated funds as at 1 July 2019 and comparatives are not restated. In accordance with the transition guidance, AASB 15 has only been applied to contracts that are incomplete as at 1 July 2019.

The Company has assessed that the application of AASB 15 has not impacted the measurement or timing of recognition of any other revenue from contracts with customers.

ii. AASB 1058: Income of Not-for-Profit Entities and associated Amending Standards (applicable to annual reporting periods on or after 1 January 2019)

The Standard replaces the existing requirements in AASB 1004: Contributions and clarifies the income recognition requirements that apply to Not-for-Profit entities, in conjunction with AASB 15: Revenue from Contracts with Customers. On initial adoption of AASB 1058 there was no change to revenue recognition.

iii. AASB 16: Leases

The Company has adopted AASB 16: Leases with a date of initial application of 1 July 2019. As a result, the Company has changed its lease accounting policy as detailed in the significant accounting policies note.

AASB 16 replaces the provisions of AASB 117: Leases and provides a new lessee accounting model. The new model requires a lessee to recognise a right-of-use asset and lease liability for all leases with a term of more than 12 months, unless the underlying asset is of low value. Lessor accounting remains the same under AASB 16 when compared to the requirements of AASB 117.

**INSTITUTE OF PUBLIC WORKS ENGINEERING AUSTRALASIA
(NSW DIVISION) LIMITED**

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2020**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

As at the date of initial application the Company did not have any arrangements that satisfy the definition of an operating lease in accordance with AASB 16. As such, there has been no impact to the Company's income statement or statement of financial position.

(d) 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 in excess of 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.

The depreciable amount of all fixed assets acquired prior to the financial year ended 30 June 2011 are depreciated on a diminishing value basis over their estimated useful lives to the company commencing from the time the asset is held ready for use. Assets acquired post 1 July 2011 are depreciated on a straight line basis.

The estimated useful lives for the current and comparative periods are as follows:

	<u>2020</u>
Computers	3-5.5 years
Office equipment	10 years
Furniture, fixtures & fittings	8-20 years

(e) Intangible Assets

Software has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It has an estimated useful life of 3-5 years.

Amortisation

Amortisation is recognised in the statement of surplus or deficit and other comprehensive income on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(f) Trade and Other Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off. A provision for doubtful debts is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying value amount and the nominal value of estimated future cash flows. The amount of the provision is recognised in the statement of surplus or deficit and other comprehensive income.

**INSTITUTE OF PUBLIC WORKS ENGINEERING AUSTRALASIA
(NSW DIVISION) LIMITED**

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2020**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Lease Payments

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee the risks and benefits incidental to ownership of the leased property, and operating leases, under which the lessor effectively retains all such risks and benefits.

Operating lease payments are charged to expense in the periods in which they are incurred

(h) Revenue from contracts with customers and other revenue

Current year

Partnership contracts and government grants

When the Company receives revenue from partnership agreements and government grants, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance with Accounting Standard *AASB 15: Revenue from Contracts with Customers*. When both these conditions are satisfied, the Company:

- Identifies each performance obligation relating to the agreement;
- Recognises a contract liability for its obligations under the agreement; and
- Recognises revenue as it satisfies its performance obligations.

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the Company:

- Recognises the asset received in accordance with the recognition requirements of other applicable Accounting Standards;
- Recognises related amounts (for example lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer); and
- Recognises income immediately in surplus or deficit as the difference between the initial carrying amount of the asset and the related amount.

If a contract liability is recognised as a related amount above, the Company recognises income in surplus or deficit when or as it satisfies its obligations under the contract.

Conference, professional development and education event revenue

Conference and education event revenue is recognised as revenue in the period to which the event takes place.

Membership revenue

Membership subscription revenue is recognised when cash is received following the issue of membership renewal invitations. Any revenue received during the current financial year that relates to the next financial year is deferred as membership fees in advance.

Interest revenue

Interest revenue is recognised using the effective interest method.

**INSTITUTE OF PUBLIC WORKS ENGINEERING AUSTRALASIA
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**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2020**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Provision of services

Revenue recognition relating to the provision of services is recognised on delivery of service to the customer.

All revenue is stated net of the amount of goods and services tax (GST).

Prior year

Membership Revenue

Membership subscription revenue is recognised when cash is received following the issue of membership renewal invitations. Any revenue received during the current financial year that relates to the next financial year is deferred as membership fees in advance.

Events, Conferences, Directory and Professional Development

CivEnEx, Conference and Professional Development revenue is recognised when sales invoices are raised following the completion of the event. Directory revenue is also recognised when the invoices issued following the listing is published on the Directory.

Other Revenue

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

Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid.

(i) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalent includes deposits which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts.

(j) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Company during the reporting period which remain unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(k) 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 company 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 service.

**INSTITUTE OF PUBLIC WORKS ENGINEERING AUSTRALASIA
(NSW DIVISION) LIMITED**

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2020**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 company contributes to superannuation accumulation plans as nominated by the company's employees.

(I) Impairment of assets

i 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 to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its current fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in the statement of profit or loss and other comprehensive income. Any cumulative loss in respect of an available-for-sale financial asset recognised previously in equity is transferred to the statement of profit or loss and other comprehensive income.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised directly in equity.

ii Non-financial assets

The carrying amounts of the company's non-financial assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the statement of profit or loss and other comprehensive income. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

**INSTITUTE OF PUBLIC WORKS ENGINEERING AUSTRALASIA
(NSW DIVISION) LIMITED**

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2020**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(m) Income tax

The Company is exempt from income tax under Div 50 of the Income Tax Assessment Act 1997

On 4 August 2015, the company was endorsed for charity tax concessions by the Australian Taxation Office. The eligibility for Income tax exemptions and GST concessions was granted from 23 July 2015. The company is since registered with the Australian Charities and Not-for-profits Commissions (ACNC).

(n) Financial Instruments

Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and other securities, trade and other receivables, cash and cash equivalents and trade and other payables.

Non-derivative 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 company's contractual rights to the cash flows from the financial assets expire or if the company 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 that the company commits itself to purchase or sell the asset. Financial liabilities are derecognised if the company's obligations specified in the contract expire or are discharged or cancelled.

Cash and cash equivalents comprise cash balances and call deposits.

Accounting for finance income and expense is discussed in note 1(h).

Assets values at amortised cost

If the company has the positive intent and ability to hold debt securities to maturity, then they are classified as held-to-maturity. Held-to-maturity investments are measured at amortised cost using the effective interest method, less any impairment losses.

Other

Other non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment losses.

**INSTITUTE OF PUBLIC WORKS ENGINEERING AUSTRALASIA
(NSW DIVISION) LIMITED**

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2020**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Goods and Services Tax

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.

(p) 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.

(q) Investments and other financial assets

i) Classification

From 1 July 2018, the Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

The Company is using the measured at amortised cost method for all its financial assets, namely trade and other receivables. Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

**INSTITUTE OF PUBLIC WORKS ENGINEERING AUSTRALASIA
(NSW DIVISION) LIMITED**

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2020**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

iii) Measurement

Subsequent to initial recognition, financial assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income and impairment for expected credit losses are recognised in the profit or loss. Gain or loss on derecognition is recognised in profit or loss.

iv) Impairment

Impairment of financial assets is recognised on an expected credit loss (ECL) – forward looking – basis for all financial assets measured at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Company considers reasonable and supportable information that is relevant and available, including both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment, including forward looking information.

(r) Investments and other financial assets

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

(s) Financial liabilities

i) Classification

The Company is using the measured at amortised cost method for all its financial liabilities. The financial liabilities of the Company comprise trade payables.

Liabilities measured at amortised cost are financial liabilities where the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii) Recognition and derecognition

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

**INSTITUTE OF PUBLIC WORKS ENGINEERING AUSTRALASIA
(NSW DIVISION) LIMITED**

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2020**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Contract liabilities

When an amount of consideration is received from a customer prior to the Company transferring the service to the customer, the Company presents the unsatisfied (or partially unsatisfied) performance obligations as a contract liability.

(u) New Accounting Standards and Interpretations

Accounting standards and interpretations issued by the AASB that are not yet mandatorily applicable to IPWEA, together with an assessment of the potential impact of such pronouncements on IPWEA when adopted in future periods, are discussed below:

- AASB 1060 - General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (applicable to annual reporting periods beginning on or after 1 July 2021) The standard sets out a new, separate disclosure standard containing all the requirements for an entity preparing General Purpose Financial Statements Tier 2 (GPFS-Tier 2).

The new standard applies to all entities preparing GPFS-Tier 2 and replaces the current Reduced Disclosure Requirements (RDR) Framework.

While entities that comply with this Standard need to apply the recognition and measurement requirements in other Standards, they are exempt from the disclosure requirements in specified paragraphs in other Standards.

Tier 2 entities are also not required to comply with other Standards that deal only with presentation and disclosure.

(v) Civenex Trade Show Revenue

Revenue from Civenex trade show is recognised as 35% net revenue after sharing with Sydney Build, per agreement, entitled to 65%.

**INSTITUTE OF PUBLIC WORKS ENGINEERING AUSTRALASIA
(NSW DIVISION) LIMITED**

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2020**

	2020	2019
	\$	\$
2. REVENUE FROM CONTINUING OPERATIONS		
Revenue from Contracts with Customers		
Membership subscriptions	138,378	133,911
Conferences and Events registration fees, sponsorship and other income	765,901	884,381
Professional development programme registration fees, publication and other income	506,244	746,239
Management, Administration fees and other income	102,479	98,379
Directory advertising & listings income	2,400	12,139
CivEnEx exhibition and catalogue fees	-	105,300
Roads & Transport Directorate Membership and other income	500,262	449,844
Roads & Transport Directorate Congress income	14,995	43,435
Total	2,030,659	2,473,628
Other Revenue		
JobKeeper	63,000	-
Government Cash Boost	100,000	-
Finance income	17,841	30,742
Sundry income	23,347	-
Total	204,188	30,742
Total revenue	2,234,847	2,504,370

3. EXPENSES

Profit / loss for the year includes:

Depreciation	21,674	18,334
Employee benefits	1,097,941	1,192,349
Rental expense		
Minimum lease payments	-	109,692
Short-term lease expense	77,900	-

**INSTITUTE OF PUBLIC WORKS ENGINEERING AUSTRALASIA
(NSW DIVISION) LIMITED**

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2020**

	2020	2019
	\$	\$
4. RETAINED SURPLUS		
Retained surplus at the beginning of the year	191,213	210,158
Transfers (to)/from reserves	154,578	45,932
Surplus(Deficit) for the year	<u>(102,720)</u>	<u>(64,877)</u>
Retained surplus at the end of the year	<u>243,071</u>	<u>191,213</u>

5. RESERVES

General Reserve – Roads & Transport Directorate	670,057	824,635
Retained surplus at the end of the year	<u>670,057</u>	<u>824,635</u>

Nature and Purpose of reserves

General Reserve – IPWEA NSW Roads and Transport Directorate Reserve

This reserve is used to record the value of funds held on behalf of Roads and Transport Directorate department of the Company. The reserve is used to pay for Road and Transport Directorate related activities.

6. CASH AND CASH EQUIVALENTS

Cash at bank and on hand	69,704	63,886
Cash on deposit, at call	713,083	95,026
Cash on term deposit	<u>550,000</u>	<u>1,054,192</u>
	<u>1,332,787</u>	<u>1,213,404</u>
Held on behalf of:		
IPWEA – NSW	566,987	261,082
Roads & Transport Directorate	<u>765,800</u>	<u>952,322</u>
	<u>1,332,787</u>	<u>1,213,404</u>

The interest rate applicable to cash at bank is the variable rate applicable to cheque accounts and online savers. At year end, the cheque account rate was 0% (2019: 0%) while average at call saver rate was 0.43% (2019: 0.12%).

At year end, the average interest rate applicable to deposits was 1.99% (2019: 2.77%).

**INSTITUTE OF PUBLIC WORKS ENGINEERING AUSTRALASIA
(NSW DIVISION) LIMITED**

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2020**

	2020	2019
	\$	\$
7. TRADE AND OTHER RECEIVABLES		
Seminar and conference debtors-net of non material impairment	276,535	270,494
Civenex debtors	11,495	74,185
	<u>288,030</u>	<u>344,679</u>
8. OTHER CURRENT ASSETS		
Amounts due from IPWEA	-	-
Amounts due from Municipal Engineering Foundation	-	-
Interest receivable	425	13,681
Prepayments	86,112	48,614
	<u>86,537</u>	<u>62,295</u>
9. PROPERTY, PLANT AND EQUIPMENT		
Computers - at cost	112,380	108,016
Less: accumulated depreciation	<u>(105,506)</u>	<u>(103,867)</u>
	6,874	4,149
Office equipment - at cost	36,732	36,732
Less: accumulated depreciation	<u>(30,538)</u>	<u>(32,229)</u>
	6,194	6,503
Furniture, fixtures and fittings - at cost	70,638	70,638
Less: accumulated depreciation	<u>(43,383)</u>	<u>(40,945)</u>
	27,255	29,693
Total	<u>40,323</u>	<u>40,345</u>

**INSTITUTE OF PUBLIC WORKS ENGINEERING AUSTRALASIA
(NSW DIVISION) LIMITED**

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2020**

	2020	2019
	\$	\$
PROPERTY, PLANT AND EQUIPMENT (continued)		
Reconciliations		
Reconciliations of the carrying amounts of each class of property, plant and equipment are set out below:		
Computers		
Carrying amount at beginning of period	4,149	13,401
Additions	4,364	3,326
Disposals	-	-
Depreciation	(1,640)	(12,578)
	6,873	4,149
Carrying amount at end of period	6,873	4,149
Office Equipment		
Carrying amount at beginning of period	6,503	9,724
Additions	-	-
Disposals	-	-
Depreciation	(308)	(3,221)
	6,195	6,503
Carrying amount at end of period	6,195	6,503
Furniture, Fixtures & Fittings		
Carrying amount at beginning of period	29,693	34,153
Additions	-	-
Disposals	-	(1,925)
Depreciation	(2,438)	(2,535)
	27,255	29,693
Carrying amount at end of period	27,255	29,693
	40,323	40,345

10. INTANGIBLE ASSETS

Computer Software

Carrying amount at beginning of period	52,386	-
Additions	-	52,386
Disposals	-	-
Depreciation	17,287	-
	35,099	52,386
Carrying amount at end of period	35,099	52,386

11. TRADE AND OTHER PAYABLES

Trade creditors and accruals	196,715	68,071
Amounts due to IPWEA Australasia	-	968
GST Payable	1,385	19,220
	198,100	88,259

**INSTITUTE OF PUBLIC WORKS ENGINEERING AUSTRALASIA
(NSW DIVISION) LIMITED**

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2020**

12. EMPLOYEE BENEFITS

	2020 \$	2019 \$
Current		
Annual leave provisions	66,010	110,420
Long service leave provisions	72,269	120,654
	138,279	231,074
 Non-Current		
Long service leave provisions	15,414	12,631
	15,414	12,631

13. ADVANCE REVENUE

Advance revenue	-	366,539
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14. CONTRACT LIABILITIES

Member subscriptions	27,973	-
Conference and events registrations	352,657	-
Exhibitor deposits	160,654	-
	541,283	-

15. COMMITMENTS

Commitments in relation to operating leases contracted for at balance date but not recognised as liabilities, payable:

Within one year	-	3,814
Later than one year but not later than 5 years	-	-
	-	3,814

**INSTITUTE OF PUBLIC WORKS ENGINEERING AUSTRALASIA
(NSW DIVISION) LIMITED**

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2020**

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.

The directors of the company are also members of the company. During the year the directors paid membership subscriptions based on normal terms and conditions. The following transaction occurred in relation to the directors during the year:

Payment to directors for preparation and presentation of Professional Development courses	3,480	-
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Key Management Personnel

Key management personnel compensation for the year ended 30 June 2020 and 2019 is set out below. The key management personnel are directors of the company who receive no remuneration, and the executives involved in the strategic direction and management of the company.

Key Management Personal Compensation	264,105	193,891
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Other Transactions with Related Parties

The company provides administration services to the Municipal Engineering Foundation. It also had provided/received administration services with Institute of Public Works Engineering Australasia Limited previously with this arrangement concluding as at 31st August 2016.

Charged to:	2020	2019
	\$	\$
Municipal Engineering Foundation	25,464	24,779
	<u>25,464</u>	<u>24,000</u>

Paid to:

Rental paid to Municipal Engineering Foundation	43,505	72,475
	<u>43,505</u>	<u>72,475</u>

Amounts due from and to related parties are included in notes 8 and 11.

Administration services and rental fees are charged on commercial terms and conditions.

Municipal Engineering Foundation granted rent relief during year and waived rent from February to June resulting in a saving of \$31,075.

**INSTITUTE OF PUBLIC WORKS ENGINEERING AUSTRALASIA
(NSW DIVISION) LIMITED**

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2020**

17. CONTINGENT LIABILITIES

Civenex Trade Expo Refunds

The COVID-19 health pandemic, and the restrictions imposed by government to limit the number of people attending large events has created significant uncertainty as to whether major events will proceed as planned. The Company is party to commercial arrangements that may expose it to additional costs should some events be cancelled.

Cancellation of the Civenex Trade Expo may result in the Company incurring obligations to refund amounts received in advance in respect of events. The full exposure not already accounted for in the financial statements is estimated to be \$76,257.

The financial liability will be reduced if the Civenex Trade Expo is rescheduled or amounts received in advance are credited towards another event to be held in the future.

**INSTITUTE OF PUBLIC WORKS ENGINEERING AUSTRALASIA
(NSW DIVISION) LIMITED**

**INFORMATION FOR THE DIRECTORS
ON THE 2018-19 FINANCIAL STATEMENTS**

DETAILED INCOME STATEMENT

DISCLAIMER

The additional financial information presented on the following pages are in accordance with the books and records of Institute of Public Works Engineering Australasia (NSW Division) Limited which have been subjected to the auditing procedures applied in our statutory audit of the company for the year ended 30 June 2020.

It will be appreciated that our statutory audit did not cover all details of the additional financial information. Accordingly, we do not express an opinion on such financial information and no warranty of accuracy or reliability is given.

In accordance with our firm policy, we advise that neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any person (other than the company) in respect of the additional financial information, including any errors or omissions therein, arising through negligence or otherwise however caused.



**Cutcher & Neale Assurance Pty Limited
(An authorised audit company)**



**Mark O'Connor
Partner**

25 September 2020

UNAUDITED

INSTITUTE OF PUBLIC WORKS ENGINEERING AUSTRALASIA
(NSW DIVISION) LIMITED

STATEMENT OF INCOME & EXPENDITURE

FOR THE YEAR ENDED 30 JUNE 2020

	Schedule	2020 \$	2019 \$
NET SURPLUS (DEFICIT)			
Net surplus (deficit) from:			
CivEnEx	1	(75,513)	16,504
Events	2	176,645	201,508
Administration & Membership	3	(299,874)	(519,027)
Professional Development Programme	4	266,092	413,007
Sector Conferences	5	(17,061)	(32,641)
Directory Services	6	1,570	(98,296)
Less Roads and transport directorate	7	<u>(154,579)</u>	<u>(45,932)</u>
NET (DEFICIT)		<u>(102,720)</u>	<u>(64,877)</u>

INSTITUTE OF PUBLIC WORKS ENGINEERING AUSTRALASIA
(NSW DIVISION) LIMITED

STATEMENT OF OPERATING INCOME & EXPENDITURE

FOR THE YEAR ENDED 30 JUNE 2020

CIVENEX

	2020 \$	2019 \$
INCOME		
Exhibition fees	-	105,300
Catalogue and other income	-	-
	<u>-</u>	<u>105,300</u>
EXPENDITURE		
Advertising		-
Contractors and outside services	4,042	3,092
Computer expenses	-	723
Printing, postage and stationery		785
General	29	1,279
Salaries, wages and administration	54,077	19,044
Temporary Staff	12,583	56,221
Superannuation	4,782	1,933
Legal Expenses	-	5,000
Travel and accommodation	-	81
Venue and equipment hire	-	638
	<u>75,513</u>	<u>88,796</u>
Total Expenditure	75,513	88,796
NET (DEFICIT)	<u>(75,513)</u>	<u>16,504</u>

INSTITUTE OF PUBLIC WORKS ENGINEERING AUSTRALASIA
(NSW DIVISION) LIMITED

STATEMENT OF OPERATING INCOME & EXPENDITURE

FOR THE YEAR ENDED 30 JUNE 2020

EVENTS

	2020	2019
	\$	\$
INCOME		
Registration fees	289,028	328,880
Sponsorship	409,524	433,069
	<u>698,552</u>	<u>761,949</u>
EXPENDITURE		
Advertising	25,784	13,798
Awards and trophies	5,825	-
Computer expenses	-	5,285
Contractors and outside services	99,652	57,663
Equipment hire	9,406	41,126
General expenses	7,153	6,495
Entertainment	-	401
Printing, postage and stationery	6,866	9,122
Salaries, wages and administration	151,463	146,938
Superannuation	13,776	13,372
Staff training	-	545
Travel and accommodation	25,958	18,352
Venue and equipment hire	176,023	247,344
	<u>521,907</u>	<u>560,441</u>
Total Expenditure	521,907	560,441
NET SURPLUS	<u>176,645</u>	<u>201,508</u>

INSTITUTE OF PUBLIC WORKS ENGINEERING AUSTRALASIA
(NSW DIVISION) LIMITED

STATEMENT OF OPERATING INCOME & EXPENDITURE

FOR THE YEAR ENDED 30 JUNE 2020

ADMINISTRATION & MEMBERSHIP

	2020	2019
	\$	\$
INCOME		
Management fees – Foundation	25,464	24,779
- Roads and Transport	75,800	73,600
Member subscriptions	138,378	133,911
Interest income	17,841	30,742
Sundry income	24,562	-
Government receipts – COVID-19	163,000	-
	445,045	263,032
EXPENDITURE		
Advertising and Member promotions	10,743	6,899
Audit and accounting	13,150	16,800
Bad and doubtful debts	5,734	-
Bank charges	3,522	7,955
Board related expense	16,918	11,593
Capitation fee	30,085	31,632
Cleaning and security services	-	-
Computer expenses	55,855	30,148
Contracted services	22,573	13,053
Depreciation	21,674	18,334
Electricity	3,275	3,493
General expenses	21,793	30,975
Insurance	11,907	12,273
Printing, postage and stationery	34,467	36,754
Rental expense	43,505	72,475
Salaries and wages	339,849	359,366
Staff training and recruitment	42,517	33,223
Superannuation	31,754	32,738
Telephone	17,294	17,120
Travel and accommodation	15,811	41,580
Venue and equipment hire	2,493	2,648
	744,919	782,059
Total Expenditure	744,919	782,059
NET (DEFICIT)	(299,874)	(519,027)

INSTITUTE OF PUBLIC WORKS ENGINEERING AUSTRALASIA
(NSW DIVISION) LIMITED

STATEMENT OF OPERATING INCOME & EXPENDITURE

FOR THE YEAR ENDED 30 JUNE 2020

PROFESSIONAL DEVELOPMENT PROGRAMME

	2020	2019
	\$	\$
INCOME		
Registration fees	494,425	745,621
Gangers Handbook sale	11,819	618
	<u>506,244</u>	<u>746,239</u>
EXPENDITURE		
Engaged Speakers	67,201	103,909
Computer expenses	1,999	3,355
Contractors and outside services	34,142	37,064
Gangers handbook – cost of sales	2,589	341
General expenses	2,615	6,702
Printing, postage and stationery	14,855	14,869
Salaries, wages and administration	86,391	78,947
Superannuation	7,983	7,808
Staff training	-	1,047
Sponsorships, Licence fees	3,785	13,012
Travel and accommodation	6,702	12,091
Venue and equipment hire	11,890	41,900
	<u>240,152</u>	<u>333,232</u>
Total Expenditure	240,152	333,232
NET SURPLUS	<u>266,092</u>	<u>413,007</u>

INSTITUTE OF PUBLIC WORKS ENGINEERING AUSTRALASIA
(NSW DIVISION) LIMITED

STATEMENT OF OPERATING INCOME & EXPENDITURE

FOR THE YEAR ENDED 30 JUNE 2020

SECTOR CONFERENCES

	2020 \$	2019 \$
INCOME		
Registration fees	52,349	104,932
Sponsorship	15,000	17,500
	<u>67,349</u>	<u>122,432</u>
EXPENDITURE		
Advertising	50	3,051
Computer expenses	-	1,776
Contractors and Speakers	10,309	24,206
General expenses	678	2,831
Printing, postage and stationery	1,831	2,689
Salaries, wages and administration	49,407	51,848
Superannuation	4,342	4,071
Staff training	-	600
Travel and accommodation	2,604	6,090
Venue and equipment hire	15,189	57,911
	<u>84,410</u>	<u>155,073</u>
Total Expenditure	84,410	155,073
NET (DEFICIT)/SURPLUS	<u>(17,061)</u>	<u>(32,641)</u>

INSTITUTE OF PUBLIC WORKS ENGINEERING AUSTRALASIA
(NSW DIVISION) LIMITED

STATEMENT OF OPERATING INCOME & EXPENDITURE

FOR THE YEAR ENDED 30 JUNE 2020

DIRECTORY SERVICES

	2020 \$	2019 \$
INCOME		
Advertising (listings) income	2,400	12,139
Sponsorships	-	-
	<u>2,400</u>	<u>39,505</u>
EXPENDITURE		
Advertising	-	1,331
Computer expenses	830	3,792
Contractors and Speakers	-	6,300
Equipment hire	-	-
General expenses	-	495
Printing, postage and stationery	-	869
Salaries, wages and administration	-	89,832
Superannuation	-	7,668
Travel and accommodation	-	148
Venue and equipment hire	-	-
Total Expenditure	<u>830</u>	<u>110,435</u>
NET (DEFICIT)	<u>1,570</u>	<u>(98,296)</u>

INSTITUTE OF PUBLIC WORKS ENGINEERING AUSTRALASIA
(NSW DIVISION) LIMITED

STATEMENT OF OPERATING INCOME & EXPENDITURE

FOR THE YEAR ENDED 30 JUNE 2020

ROADS & TRANSPORT DIRECTORATE

	2020 \$	2019 \$
INCOME		
Subscriptions	472,157	436,482
Roads Congress registration fees and sponsorships	14,995	36,410
Other income	28,105	-
	<u>515,257</u>	<u>472,892</u>
EXPENDITURE		
Benchmarking Project	68,536	-
Accessible Open space project	-	14,185
Road Safety Project	6,410	26,797
Grey Nomads Project	3,485	14,634
Bridge Inspection Project	8,840	5,920
Long Vehicle Research	29,850	-
Travel, accommodation and meals	13,239	20,351
General	7,000	-
Project staff Salaries and wages	324,060	294,272
Superannuation	28,852	-
Staff recruitment	37,753	-
Roads congress expenses	3,314	41,664
Seminars, conferences and general	32,919	36,279
Supervisors handbooks	6,400	-
Printing, postage and stationary	23,378	11,409
Support costs – IPWEA NSW	75,800	73,600
	<u>669,836</u>	<u>539,211</u>
NET (DEFICIT)	<u>(154,579)</u>	<u>(45,932)</u>