



Australian Institute of
Training and Development

ABN 52 008 516 701

Financial Report

For the year ended

30 June 2020

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DIRECTORS' REPORT

Your Directors present this report on the operations and finances of the Australian Institute of Training and Development (AITD) for the financial year ended 30 June 2020.

PRINCIPAL ACTIVITIES, OBJECTIVES AND STRATEGIES

The principal activities of AITD during the financial year were to deliver its value proposition through a combination of sharing industry relevant content, advocating on issues of relevance to our members, and delivering professional development opportunities through networking events, courses and other programs. These activities assist in the achievement of AITD's principle objective of fostering excellence in individual and organisational learning.

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

The Institute's short-term objectives are to:

- Implement the Strategic Plan.
- Pursue membership growth and retention strategies.
- Continue to provide a range of member benefits.
- Raise and enhance the profile, reputation and recognition of AITD in the professional arena.
- Deliver a high-quality professional development program, including a dynamic national conference.
- Showcase the capability of members through the AITD Excellence Awards.

The Institute's long-term objectives are to:

- Raise the profile and brand of the organisation.
- Sustain and grow the membership.
- Leverage the expertise of the membership.
- Develop relevant products and services to enhance the member value proposition.

In order to meet its above-mentioned long-term objectives, AITD released its Strategic Plan 2019 – 2022 which can be found on the AITD website www.aitd.com.au. To meet AITD's short-term objectives, AITD will continue to:

- Emphasise member and organisation member retention and satisfaction;
- Engage in research into the sector to identify trends; and
- Increase the portfolio of professional development courses and activities both face-to-face and online.

DIRECTORS' REPORT (continued)

REVIEW AND RESULT OF OPERATIONS

The AITD Board at its scheduled board meetings held during the year assesses AITD's performance. Forecast reviews are presented and discussed as to the progress between budget and actual results achieved. The Finance and Audit Committee also reviews the results of operations prior to recommendations made to the AITD Board for its consideration.

For the year ended 30 June 2020, the operations of AITD were severely affected by government restrictions relating to the COVID-19 pandemic. Our main income streams of Conference and face to face professional development courses were negated for the period of March to June 2020 and beyond, resulting in a major impact on our financial results due to the seasonal nature of this income.

The Board also made a strategic decision to generously extend member subscriptions by six months from March 2020, deferring this income stream to the 2021 financial year, and again impacting on revenue.

Total revenue from operating activities for the year amounted to \$782,335 (2019: \$1,216,073) primarily from the three main revenue streams of AITD provided professional development courses 45% (2019: 40%), individual and corporate membership fees 34% (2019: 30%) and National Conference 7% (2019: 20%). These three streams were disproportionately affected by government restrictions due to the COVID-19 crisis, with conference revenue suffering the most.

Total expenditure from operating activities for the year amounted to \$1,330,292 (2019: \$1,280,571) and related to employee expenses 51% (2019: 41%), direct cost of provision of services 34% (2019: 30%), governance 3% (2019: 3%), accounting/audit 6% (2019: 6%) and administration 5% (2019: 11% which included 6% of temporary employee fees not included in employee expenses).

A deficit of \$547,957 was the result for the 2020 financial year, compared to a deficit of \$64,498 in the 2019 financial year. Total Members' Funds at year end was \$1,067,475 (2019: \$1,615,432). This result was positively impacted by access to government funded grants including JobKeeper and Cash Flow Boost Stimulus payments.

Being limited by guarantee, the Australian Institute of Training and Development does not pay dividends.

LIKELY DEVELOPMENTS

Likely developments in the operations of the Australian Institute of Training and Development and the expected results of those operations in future financial years have not been included in this report.

ENVIRONMENTAL ISSUES

AITD's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

DIRECTORS' REPORT (continued)

EVENTS AFTER THE REPORTING PERIOD

During the financial year there have been considerable economic impacts in Australia and globally arising from the outbreak of the COVID-19 virus, and Government actions to reduce the spread of the virus. At the date of signing the financial statements, the Directors are unable to determine what financial effects the outbreak of the virus could have on the Company in the coming financial period. The impacts may include a significant reduction in revenue. The Directors acknowledge their responsibility to continuously monitor the situation and evaluate this impact.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the Company's operations, results or state of affairs or may do so in future years.

AUDITOR'S INDEMNIFICATION

AITD has not, during or since the end of the financial year, in respect of any person who is or has been an auditor of AITD or a related body corporate, indemnified or made any relevant agreement for indemnifying against a liability incurred as an auditor, including costs and expenses in successfully defending legal proceedings, or paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an auditor for the costs or expenses to defend legal proceedings.

DIRECTORS' QUALIFICATIONS, EXPERIENCE AND SPECIAL RESPONSIBILITIES

Continuing members of the AITD board at the date of this report are Jane Calleja, Michael Werle, Siobhan Sutherland Rogers, Graham Doering, Andrew Hart and Rob Turner. Julie Peters resigned from the board on 24 July 2020. All directors named were members of the AITD board from 1 July 2019 to 30 June 2020.

Name	Qualifications	Experience	Special Responsibilities
<p>Jane Ann Calleja</p>	<p>MAITD Master of Education Grad Cert in Education Cert IV in First line management Cert IV in Life Coaching Cert IV in TAE</p>	<p>Member of AITD since 1999. Member of AITD SA Council since March 2010. Past President of the AITD SA Council. AITD Board Director since November 2014. AITD Vice President (2015 – 2017) AITD Treasurer (2017)</p> <p>Over 28 years in learning and development in numerous industries including finance, retail, sales and marketing, telecommunications and hospitality.</p> <p>Currently employed as National Training Manager at R McDonald Co Pty Ltd for Australia and New Zealand.</p>	<ul style="list-style-type: none"> • National President • Remuneration committee chair

DIRECTORS' REPORT (continued)

DIRECTORS' QUALIFICATIONS, EXPERIENCE AND SPECIAL RESPONSIBILITIES

Name	Qualifications	Experience	Special Responsibilities
<p>Graham Carl Doering</p>	<p>FAITD Master of Education (Adult Education) Cert IV in TAE Graduate Diploma Community Counselling Diploma of Management Bachelor of Applied Science (Health Education) LeanSixSigma Yellow Belt</p>	<p>Member of AITD since 2001. AITD Fellow since 2016. Member of AITD ACT Council since 2011. Past President of the AITD ACT Council.</p> <p>AITD Board Director since November 2014.</p> <p>Over 20 years in learning and development in government, not-for-profit and commercial organisations.</p>	<ul style="list-style-type: none"> • Governance committee member
<p>Andrew Adrian Hart</p>	<p>AFAITD Bachelor of Education Cert IV TAE Diploma of Business Cert IV Competitive Systems & Practices</p>	<p>Member of AITD since 2011. AITD Associate Fellow since 2015. Member of AITD WA Council since 2012. AITD Board Director since November 2013. AITD Treasurer 2013-2016, 2018-2020.</p> <p>Andrew has 34 years in teaching, learning and development roles in education, construction and resources industries, and is currently employed as Learning Specialist at Roy Hill.</p> <p>Andrew has also served in community organisations in a voluntary capacity as a School board member (serving as Chair of Council) and a not for profit management committee member (serving as treasurer), and is also a director of Soter Analytics Pty Ltd.</p>	<ul style="list-style-type: none"> • Finance & Audit committee member • Treasurer (from Nov 2019) • Finance & Audit committee chair (from Nov 2019) • Remuneration committee member (from Nov 2019)

DIRECTORS' REPORT (continued)

DIRECTORS' QUALIFICATIONS, EXPERIENCE AND SPECIAL RESPONSIBILITIES

Name	Qualifications	Experience	Special Responsibilities
<p>Julie Peters</p>	<p>FAITD MBA Master of Health Grad Dip Airport Management Bachelor of Nursing Cert IV TAE Cert IV Quality Management Certified Lead Auditor</p>	<p>Member of AITD since 2007. AITD Fellow since 2016. Member of AITTD QLD/NT Council since 2007. AITD Board Director 2017-2020.</p> <p>Julie has over 26 years' experience in senior and consultancy positions across a myriad of industries including aviation, health, construction, retail, mining and manufacturing here in Australia as well as in New Zealand, PNG and Japan.</p> <p>Within these roles her responsibilities have encompassed all areas of learning, training & organisational development.</p> <p>Additionally, she has extensive experience in generalist HR and Workplace Health and Safety domains.</p>	<ul style="list-style-type: none"> • Company Secretary • Governance committee chair
<p>Siobhan Sutherland Rogers</p>	<p>MAITD GAICD Cert IV TAE Prosci ADKAR Change Management Accredited Masters in Business Administration</p>	<p>Member of AITD since 2009. Member of AITD NSW Council since 2010. AITD Board Director since November 2015. Past President and past Vice President of AITD NSW Council. Council Member of the Year 2013. AITD Company Secretary 2015-18.</p> <p>Siobhan has over 17 years' experience covering training, change management, organisational development, marketing and communications. Her global experience includes UK, Europe, Asia Pacific and the USA. International author of Change Management Mastery and Smarter learning with Neuroscience. A practicing Non-Executive Director, serving on councils and advisory committees.</p>	<ul style="list-style-type: none"> • Treasurer (to Nov 2019) • Finance & Audit committee chair (to Nov 2019) • Finance & Audit committee member • Remuneration committee member (to Nov 2019)

DIRECTORS' REPORT (continued)

DIRECTORS' QUALIFICATIONS, EXPERIENCE AND SPECIAL RESPONSIBILITIES

Name	Qualifications	Experience	Special Responsibilities
<p>Robert Blair Turner</p>	<p>MAITD Grad Dip Corporate Governance Bachelor of Electrical Engineering</p>	<p>Member of AITD since 2016. AITD Board Director since May 2016.</p> <p>Rob is Senior Consultant at Sydney based Management Consulting firm, Doll Martin Associates, providing clients services covering strategic planning, information management, business improvement and program management. He has worked on major Government ICT programs and held senior ICT management positions in a number of large organisations. His experience includes significant roles and engagements within TAFE and the education sector.</p>	<ul style="list-style-type: none"> • Governance committee member • Risk committee member

DIRECTORS' REPORT (continued)

DIRECTORS' QUALIFICATIONS, EXPERIENCE AND SPECIAL RESPONSIBILITIES

Name	Qualifications	Experience	Special Responsibilities
<p>Michael Anthony Werle</p>	<p>MAITD Grad Dip HRM Masters of Business Administration with an HRM specialisation</p>	<p>Member of AITD since 2009. Member of AITD Vic/Tas Council since 2009. AITD Board Director since November 2013. Past President and past Vice President of the AITD Vic/Tas Council. AITD Council Member of the Year 2011. AITD National President 2014-2017.</p> <p>Michael is the Director of Melbourne based consultancy HR Consulting Melbourne. Michael is a senior human resources business partner with deep experience across a range of strategic human resource functions. His experience extends into both the public and private sectors (local, global, multi-site and matrix environments) within various industries including not for profit, resort & marine operations, tourism & hospitality, telecommunications, emergency services, records and information management, construction, retail, manufacturing, infrastructure, health and transport. Michael is a Non-Executive Director of the Australasian Corrosion Association, member of the Australian Human Resources Institute and Systems Leadership Development Association.</p>	<ul style="list-style-type: none"> • Vice-President • Risk committee chair • Remuneration committee member

DIRECTORS' REPORT (continued)

DIRECTORS' INTERESTS AND BENEFITS

As AITD is limited by guarantee, none of the Directors holds an interest in AITD but each, as a member of AITD, is liable to the extent of their undertaking under the AITD Constitution.

During or since the end of the financial year, AITD has paid premiums to insure the Directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director of AITD other than conduct involving a wilful breach of duty in relation to AITD. Premiums were paid for each of the Directors listed in this report. The insurance contract entered into by AITD prohibits disclosure of the nature of the liabilities insured by the insurance contract and the amount of the premiums.

AITD's constitution allows for the inclusion of indemnities in favour of persons who are or have been a Director or officer of AITD. To the extent permitted by law, AITD indemnifies every person who is or has been a Director or officer against any liability to any person incurred while acting in that capacity in good faith, and against costs and expenses incurred by that person in that capacity in successfully defending legal proceedings and ancillary matters and operates to the extent that the loss or liability is not covered by a valid and current insurance policy.

Payment to the Directors, and to entities from which the Directors may benefit for services by the Directors or entities, are disclosed in Notes 13 and 14 to the Financial Statements. No other Directors of AITD, during or since the end of the financial year, received or have become entitled to receive, a benefit (other than the benefit included in the aggregate amount of emoluments received or due and receivable by the Directors disclosed in Notes 13 and 14 to the Financial Statements) by reason of a contract made by AITD with one of the Directors or with a firm of which they are a member or with a company in which they have a substantial financial interest.

ATTENDANCE AT DIRECTORS' MEETINGS

During the 2020 financial year attendance by individual Directors at meetings was as set out in the table below.

Name	Attended	Held
Jane Ann Calleja	8	8
Graham Carl Doering	7	8
Andrew Adrian Hart	8	8
Julie Peters	6	8
Siobhan Sutherland Rogers	6	8
Robert Blair Turner	7	8
Michael Anthony Werle	8	8

Details of Directors' qualifications, experience and special responsibilities can be found on pages 5-9 of this report.

DIRECTORS' REPORT (continued)

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of court to bring proceedings on behalf of AITD or intervene in any proceedings to which AITD is a party for the purpose of taking responsibility on behalf of AITD for all or any part of those proceedings. AITD was not a party to any such proceedings during the year.

LIABILITY OF MEMBERS ON WINDING UP

The liability of members (or within one year after ceasing to be a member) on winding up is limited to an amount not exceeding \$20. The total amount as at 30 June 2020 that members of the company are liable to contribute if the company is wound up is \$31,980 (2019: \$30,880)

CORPORATE GOVERNANCE

AITD continually reviews all underpinning Governance documents for the Board and the Board Committees. Copies of the AITD Constitution and By Laws are available on the AITD website – www.AITD.com.au The By Laws are in addition to and supplement provisions contained in Articles of the Constitution, which govern, regulate and affect the proceedings, powers and affairs of Members and Divisional Councils.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under Section 307C of the Corporations Act 2001, is set out on page 12.



Jane Calleja

Chair: Board of Directors



Andrew Hart

Chair: Finance & Audit Committee

On behalf of the Board by resolution of the Directors, as signed above.

24 October 2020

**AUDITOR'S INDEPENDENCE DECLARATION UNDER S 307C OF THE CORPORATIONS ACT 2001 TO
THE DIRECTORS OF AUSTRALIAN INSTITUTE OF TRAINING AND DEVELOPMENT**

In accordance with the requirements of section 307C of the Corporations Act 2001, I declare that, to the best of my knowledge and belief, during the year ended 30 June 2020 there have been no contraventions of:

- a) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- b) any applicable code of professional conduct in relation to the audit.

**Moore Australia Audit NSW
Chartered Accountants**



Charles Oosthuizen
Partner

Dated: 26th October 2020

Sydney

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
Revenue			
Membership fees		269,301	366,830
Conference fees		54,773	244,749
AITD courses fees		351,351	488,164
Gala Dinner and Excellence Awards		41,400	53,124
Magazine subscriptions and copyright		16,780	18,486
Sponsorship and advertising income		30,890	14,156
Other income	2	17,840	30,564
Total revenue from operating activities		782,335	1,216,073
Expenses			
Membership expenses		(41,399)	(3,294)
Conference expenses		(99,739)	(30,998)
AITD courses expenses		(195,909)	(210,405)
Gala Dinner and Excellence Awards expenses		(32,386)	(68,287)
Communications and Magazine expenses		(76,569)	(70,070)
Governance and other expenses		(40,817)	(40,501)
Strategic plan implementation expenses		(82,289)	-
Employee benefits expenses		(672,495)	(529,921)
Government COVID-19 offsets		123,000	-
Property and occupancy expenses		(33,261)	(32,708)
Administration expenses		(143,183)	(259,346)
Depreciation, amortisation and disposals	3	(35,246)	(35,041)
Total expenses from operating activities		1,330,292	1,280,571
Loss before income tax		(547,957)	(64,498)
Income tax expense	1(s)	-	-
Loss for the year		(547,957)	(64,498)
Total comprehensive (loss) for the year		(547,957)	(64,498)

The Notes are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	Note	2020 \$	2019 \$
Current Assets			
Cash and cash equivalents	4	946,308	1,499,751
Trade and other receivables	5	27,268	54,792
Prepayments and other assets	6	115,838	33,833
Total Current Assets		1,089,414	1,588,376
Non-Current Assets			
Property, plant and equipment	7	370,061	398,867
Total Non-Current Assets		370,061	398,867
Total Assets		1,459,475	1,987,243
Current Liabilities			
Trade and other payables	8	115,156	107,253
Income in advance	9	247,798	247,147
Employee provisions	10	26,839	17,411
Total Current Liabilities		389,792	371,811
Non-Current Liabilities			
Employee provisions	10	2,208	-
Total Non-Current Liabilities		2,208	-
Total Liabilities		392,000	371,811
Net Assets		1,067,475	1,615,432
Members' Funds (Equity)			
Retained earnings		1,067,475	1,615,432
Total Members' Funds (Equity)		1,067,475	1,615,432

The Notes are an integral part of these financial statements.

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

	Note	2020 \$	2019 \$
Members' Funds (Equity)			
Retained earnings from previous year		1,615,432	1,679,930
Total comprehensive loss for the year		(547,957)	(64,498)
Total Members' Funds (Equity)		1,067,475	1,615,432

The Notes are an integral part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
Cash flows from operating activities			
Receipts from members, customers and sponsors		884,071	1,360,334
Payments to suppliers and employees		(1,442,473)	(1,426,511)
Interest received		11,398	25,145
Net cash flows (used in) operating activities		(547,004)	(41,032)
Cash flows from investing activities			
Payment for plant and equipment		(6,439)	(31,007)
Net cash flows (used in) investing activities		(6,439)	(31,007)
Net increase (decrease) in cash and cash equivalents		(553,443)	(72,039)
Cash and cash equivalents at the beginning of the year		1,499,751	1,571,790
Cash and cash equivalents at the end of the year	4	946,308	1,499,751

The Notes are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Australian Institute of Training and Development applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards. Australian Institute of Training and Development is an individual entity, incorporated and domiciled in Australia, and is a company limited by guarantee. The financial statements were authorised for issue in accordance with a resolution of directors on 24 October 2020.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Material accounting policies adopted in the preparation of these financial statements are set out below have been applied consistently unless stated otherwise.

Basis of Preparation:

(a) Statement of Compliance

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

(b) Basis of Measurement

The financial statements have been prepared on the basis of historical cost, except for certain financial instruments that are measured at fair value. Historical cost is generally based on the fair values of the consideration given in exchange for goods and services. The amounts presented in the financial statements have been rounded to the nearest dollar.

(c) Use of Estimates and Judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

(d) Functional and Presentation Currency

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (cont.)

(e) Going Concern

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business for a period of at least 12 months from the date these financial statements are approved.

(f) Property, Plant and Equipment

Property, plant and equipment are measured on the cost basis less depreciation and impairment losses. Property, plant and equipment that have been contributed at no cost or for nominal cost are valued and recognised at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets is depreciated over their estimated useful lives to AITD commencing from the time the asset is held ready for use.

The depreciation rates and methods used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate	Depreciation Method
Buildings	2.5%	Straight-line
Computer equipment	25-50.0%	Straight-line
Office equipment	10-33.33%	Straight-line
Office furniture	5-15%	Straight-line

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains or losses on disposals are determined by comparing proceeds with carrying amounts. These gains or losses are recognised in the Statement of Surplus or Deficit in the period in which they arise.

(g) Intangible Assets

Software

Expenditure on software will be capitalised when software is operational and able to derive future economic benefits and when these benefits are reliably measured. Software is amortised using straight-line method over its estimated useful life of 5 years.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (cont.)

Website

Expenditure on major website development will be capitalised when the website is operational and able to derive future economic benefits and when these benefits can be reliably measured. Website costs are amortised using straight-line method over its estimated useful life of 5 years.

(h) Impairment of Assets

At the end of each reporting period, AITD assesses whether there is any indication that an asset may be impaired. The assessment will include considering external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset. The recoverable amount is the value in use of the asset. As AITD is a not-for-profit entity the future economic benefits of an asset are not primarily dependent on the asset's ability to generate net cash inflows. Therefore, the value in use is the depreciated replacement cost of the asset. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Profit or Loss and other comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, AITD estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

(i) Employee Provisions

Provision is made for AITD's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Provisions include the associated on-costs. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on Milliman corporate discount rates with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(j) Other Provisions

Provisions are recognised when AITD has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result, and that outflow can be reliably measured. Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (cont.)

(k) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

(l) Other Financial Assets

Other financial assets comprise of bank term deposits with an original maturity greater than three months or where it is considered unlikely that AITD will have access to withdraw from the facility within the next twelve months.

(m) Revenue and Other Income

AITD recognises revenue as follows:

Revenue from Contracts with Customers

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

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

Membership Services and Other Services

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

Membership Fees

Annual membership subscriptions are recognised as revenue pro rata over the period of the membership. The date of payment of the initial annual membership subscriptions runs from the date of joining for 12 months and is not refundable. Subscriptions relating to periods beyond the current financial year are shown in the Statement of Financial Position as income in advance.

Finance Income

Finance income comprises interest income on funds invested with financial institutions that are recognised in the Statement of Profit or Loss and Other Comprehensive Income. Interest income is recognised as it accrues in the Statement of Profit or Loss and Other Comprehensive Income, using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (cont.)

(n) Trade and Other Receivables

Trade and other receivables include amounts due from customers for services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised when they are originated and initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. AITD has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped on days overdue. Refer to Note 1(h) for further discussion on the determination of impairment losses.

(o) Prepayments

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

(p) 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 AITD during the reporting period which remains unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(q) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

Cash flows are presented in the Statement of Cash Flows on a gross basis, except for the GST components of investing and financing activities, which are disclosed as operating cash flows.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (cont.)

(r) Comparative Figures

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

(s) Income Tax

No provision for income tax has been raised as AITD is exempt from income tax under Div. 50 of the *Income Tax Assessment Act 1997*.

(t) Leases

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

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

(u) Critical Accounting Estimates and Judgements

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

Key Estimates

(i) *Deferred Revenue*

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

(ii) *Useful lives of Intangible Assets*

As described in Note 1(g) above, AITD reviews the estimated useful lives of intangible assets at the end of each reporting period.

Key Judgements

(i) *Allowance for Expected Credit Losses*

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (cont.)

(ii) *Employee benefits*

For the purpose of measurement, AASB 119: *Employee Benefits* defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. As the entity expects that most employees will not use all of their annual leave entitlements in the same year in which they are earned or during the 12-month period that follows, the directors believe that obligations for annual leave entitlements satisfy the definition of other long-term employee benefits and, therefore, are required to be measured at the present value of the expected future payments to be made to employees.

(v) **Adoption of New and Revised Accounting Standards**

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

Initial application of AASB 15 and AASB 1058

The Entity has applied AASB 15: Revenue from Contracts with Customers and AASB 1058: Income of Not-for-Profit Entities using the cumulative effective method of initially applying AASB 15 and AASB 1058 as an adjustment to the opening balance of equity at 1 July 2019. Therefore, the comparative information has not been restated and continues to be presented under AASB 118: Revenue and AASB 1004: Contributions.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (cont.)

NOTE 2: OTHER INCOME	2020	2019
	\$	\$
Commissions	5,442	5,108
Interest received	11,398	25,145
Other revenue	1,000	310
Total other income	17,840	30,564
NOTE 3: DEPRECIATION AND AMORTISATION	2020	2019
	\$	\$
Depreciation and amortisation		
Depreciation of land and buildings	14,431	14,414
Depreciation of plant and equipment	17,521	12,476
Asset write-offs – plant and equipment	3,293	8,151
Total depreciation and amortisation	35,246	35,041
NOTE 4: CASH AND CASH EQUIVALENTS	2020	2019
	\$	\$
Current		
Cash at bank	48,269	51,752
Cash on deposit	898,039	1,447,999
Total cash and cash equivalents	946,308	1,499,751
NOTE 5: TRADE AND OTHER RECEIVABLES	2020	2019
	\$	\$
Current		
Trade receivables	27,268	54,792
Total current trade and other receivables	27,268	54,792

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (cont.)

	2020 \$	2019 \$
NOTE 6: OTHER ASSETS		
Current		
Sundry receivables	79	67
Prepayments	115,759	33,766
Total current other assets	115,838	33,873
	2020 \$	2019 \$
NOTE 7: PROPERTY, PLANT AND EQUIPMENT		
Land and Buildings		
Buildings at cost	577,259	577,259
<i>Less accumulated depreciation</i>	<i>(227,387)</i>	<i>(212,956)</i>
Total Land and Buildings	349,872	364,303
Plant and Equipment		
Computer equipment at cost	34,291	38,284
<i>Less accumulated depreciation</i>	<i>(25,177)</i>	<i>(15,650)</i>
	9,115	22,634
Office equipment at cost	8,378	7,033
<i>Less accumulated depreciation</i>	<i>(3,582)</i>	<i>(2,516)</i>
	4,796	4,518
Furniture at cost	22,306	22,306
<i>Less accumulated depreciation</i>	<i>(16,028)</i>	<i>(14,895)</i>
	6,278	7,412
Total plant and equipment	20,189	34,563
Total property, plant and equipment	370,061	398,867

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (cont.)

Movements in Carrying Amounts	Buildings	Computer equipment	Office equipment	Furniture	Total \$
Carrying amount at the beginning of the year	364,303	22,634	4,518	7,412	398,867
Additions	-	5,095	1,344	-	6,439
Disposals	-	(3,293)	-	-	(3,293)
Depreciation expense	(14,431)	(15,321)	(1,066)	(1,134)	(31,952)
Carrying amount at the end of the year	349,872	9,115	4,796	6,278	370,061

NOTE 8: TRADE AND OTHER PAYABLES

	2020 \$	2019 \$
Current		
Trade payables	107,007	96,845
Other creditors and accrued expenses	8,149	10,408
Total current trade and other payables	115,156	107,253

NOTE 9: INCOME IN ADVANCE

	2020 \$	2019 \$
Current		
Membership fees	218,956	226,843
Prepaid conference sponsorship	4,545	-
AITD courses fees	24,296	20,304
Total income in advance	247,798	247,147

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (cont.)

NOTE 10: EMPLOYEE PROVISIONS	2020	2019
	\$	\$
Current		
Annual leave	26,839	17,411
Total current employee provisions	26,839	17,411
Non-Current		
Long service leave	2,208	-
Total non-current employee provisions	2,208	-
Number of employees at year end (FTE)	6.8	6.4

NOTE 11: REMUNERATION OF AUDITORS

During the year, \$7,700 in fees were paid or payable for services provided by the auditor Moore Australia NSW Audit.

NOTE 12: MEMBERS' GUARANTEE

Every member of the Australian Institute of Training and Development undertakes to contribute to the property of the company in the event of the company being wound up while the member is a member, or within one year after the member ceases to be a member, for the debts and liabilities of the company (contracted before the member ceases to be a member) and of the costs, charges and expenses of winding up and for the adjustment of the rights of the contributories among themselves, such amount as may be required but not exceeding fifty dollars (\$20) per member. The company has 1,599 members (2019: 1,544) at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (cont.)

NOTE 13: KEY MANAGEMENT PERSONNEL

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

(a) Directors

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

- Jane Ann Calleja
- Graham Carl Doering
- Andrew Adrian Hart
- Julie Peters
- Siobhan Sutherland Rogers
- Robert Blair Turner
- Michael Anthony Werle

All directors held office for the full financial year.

(b) Senior Management

The names of Senior Management during the financial year or as at the date of this report are as follows:

- Lynette Kay Pinder, Chief Executive Officer

(c) Compensation of Key Management Personnel

(i) Director Compensation

The non-executive Directors of the company are appointed on an honorary basis and as a result do not receive any remuneration either directly or indirectly in their capacity as a director of AITD or any related party. Non-executive Directors are reimbursed for travel and accommodation expenses incurred for performing their duties as a Director. Transactions with Directors and their related parties have been under the company's normal terms and conditions of trading. Related party transactions during the financial year are in Note 14.

(ii) Senior Management Compensation

The company aims to reward senior management with a level of compensation commensurate with their position, responsibilities and delivery so as to:

- recognise senior management for the company, functional area and individual performance against targets set to appropriate benchmarks;
- link salary with the strategic goals and performance of the company; and
- ensure total compensation is competitive by market standards within company's funding capability.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (cont.)

NOTE 13: KEY MANAGEMENT PERSONNEL (continued)

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

	2020	2019
	\$	\$
Key management personnel compensation	153,634	161,091
	153,634	161,091

In 2019 an additional \$20,000 was paid to a current Director of the AITD, Siobhan Sutherland Rogers via AttainHQ for interim CEO consultancy services.

NOTE 14: RELATED PARTY TRANSACTIONS

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel individually or collectively with their close family members. Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other persons unless otherwise stated.

There were no related party transactions recorded in 2020 other than those listed above.

NOTE 15: EVENTS AFTER THE REPORTING PERIOD

During the financial year there have been considerable economic impacts in Australia and globally arising from the outbreak of the COVID-19 virus, and Government actions to reduce the spread of the virus. At the date of signing the financial statements, the Directors are unable to determine what financial effects the outbreak of the virus could have on the Company in the coming financial period. The impacts may include a significant reduction in revenue. The Directors acknowledge their responsibility to continuously monitor the situation and evaluate this impact. No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the Company's operations, results or state of affairs or may do so in future years.

NOTE 16: FINANCIAL RISK MANAGEMENT

AITD is not exposed to any significant financial risks in respect to the financial instruments that it held at the end of the reporting period. The Board of Directors have the overall responsibility for identifying and managing operational and financial risks.

AITD's financial instruments consist mainly of deposits with banks, trade and other receivables and trade and other payables.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020 (cont.)

NOTE 16: FINANCIAL RISK MANAGEMENT (continued)

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

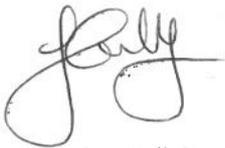
	2020 \$	2019 \$
Financial Assets		
Cash and cash equivalents	946,308	1,499,751
Trade and other receivables	27,268	54,792
	973,576	1,554,543
Financial Liabilities		
Trade and other payables	115,156	107,253
	115,156	107,253

DIRECTORS' DECLARATION

In the opinion of the Directors of the company:

1. The financial statements and notes, are in accordance with the *Corporations Act 2001*, including:
 - a. complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - b. giving a true and fair view of the entity's financial position as at 30 June 2020 and of its performance for the year ended on that date; and
2. There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This Declaration is made in accordance with a resolution of the Board of Directors:



Jane Ann Calleja

Chair: Board of Directors

Dated this 24 October 2020



Andrew Adrian Hart

Chair: Finance and Audit Committee

Dated this 24 October 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AUSTRALIAN INSTITUTE OF TRAINING AND DEVELOPMENT

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Australian Institute of Training and Development (the entity), which comprises the statement of financial position as at 30 June 2020, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of Australian Institute of Training and Development is in accordance with the Corporations Act 2001, 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 then ended; and
- II. complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001*

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's: APES 110: *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Responsibilities of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Moore Australia Audit NSW
Chartered Accountants



Charles Oosthuizen
Partner

Signed at Level 14, 9 Castlereagh Street, SYDNEY NSW 2000 on 26 October 2020