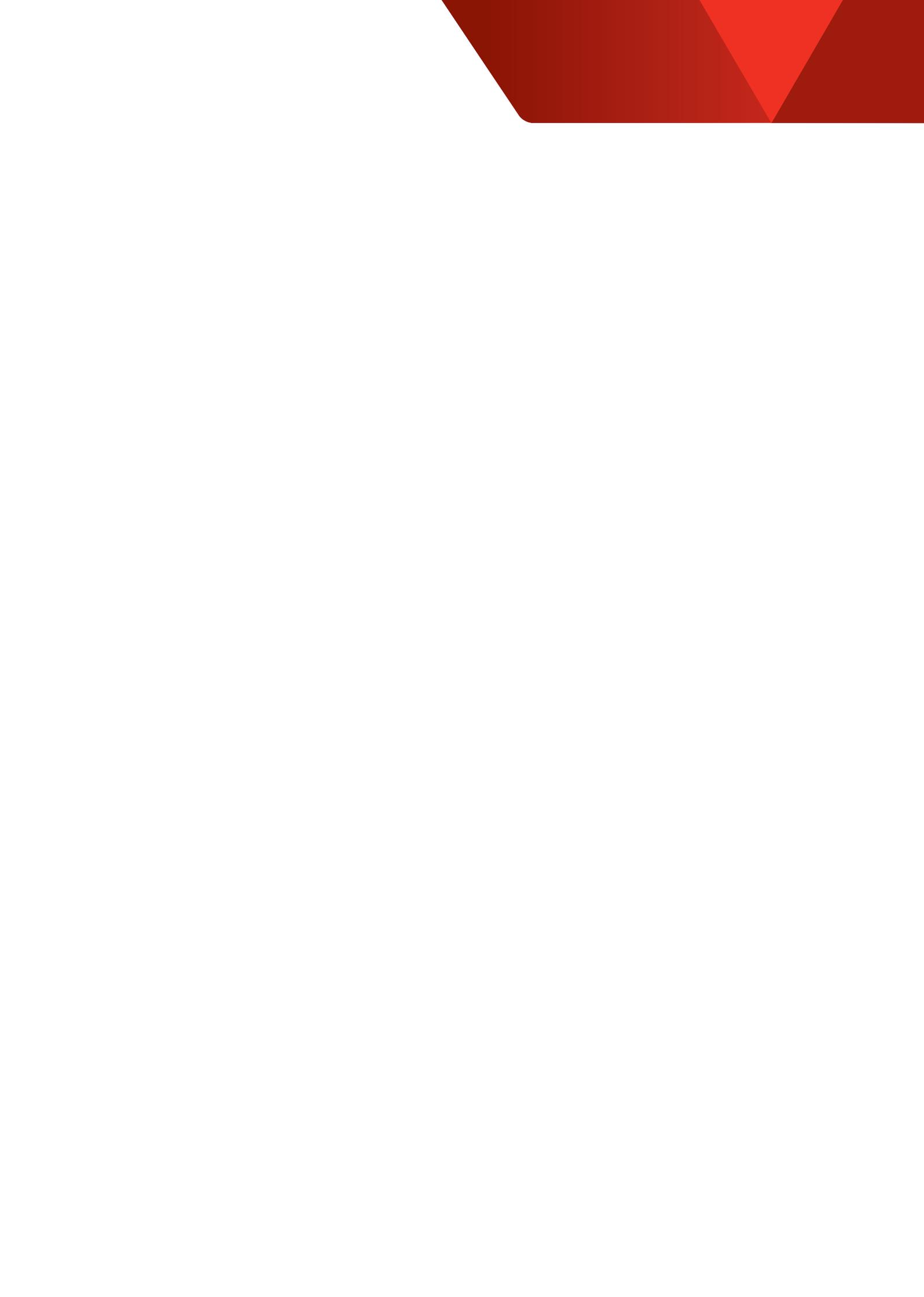


Annual Report 2018



RT0 1907





IFAP Annual Report 2018

ABN 29 008 754 818
RTO Code 1907

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Information

Presidents

IFAP commenced in 1962 as the Industrial Division of the National Safety Council of Western Australia and continued to operate as such for a decade, under the guidance of the following Presidents:

- > Mr C R Bunning, CBE (1961 – 1965)
- > Mr L R Gascoine (1965 – 1967)
- > Mr N G Humphries, CBE (1968 – 1970)

In response to the perceived need for a specific focus on workplace accident prevention and in particular to minimise the incidence of fatalities and serious injuries, the organisation was incorporated in its own right as the Industrial Foundation for Accident Prevention in 1972.

Since that time, the organisation has continued to promote continual improvement in workplace safety and health, under the guidance of the following Presidents:

- > Mr W A Ashton, CBE (1970 – 1973)
- > Mr A McA Batty (1973 – 1976)
- > Mr L F Ogden (1976 – 1979)
- > Mr C R Leith, DFC (1979 – 1982)
- > Mr D Piggford (1982 – 1983)
- > Mr D W Bibby (1983 – 1986)
- > Mr R G Bunning (1986 – 1988)
- > Mr G R Greig (1988 – 1991)
- > Mr I F Burston (1991 – 1997)
- > Mr D A Smetana (1997 – 2001)
- > Mr W J Murphy (2001 – 2005)
- > Mr D A Smetana (2006 – 2011)
- > Dr D R Leith (2011 – 2015)
- > Mr R R Mehan (2015 – 2019)
- > Ms M G Saraceni (2019 - Present)

Life Members

Any Director who has made a significant contribution to IFAP over a sustained period, may, upon retirement from the Board, be nominated by the Directors for Life membership of IFAP. The criteria for becoming a Life member are:

1. serving on the Board for more than 15 years;
2. service on the Board of Directors for a period of greater than 10 years and holding the position of President, Vice President or Treasurer for more than 3 years;
3. serving on the Board of Directors for less than 10 years but holding the position of President, Vice President or Treasurer for more than 5 years.

Life Members are:

- > Dr Ian Burston, AM (2000)
- > Mr Bob Bunning (2000)
- > Mr Graham Greig (2000)
- > Mr Brian King, AM MBE (2000)
- > Mr Warren J Murphy (2006)
- > Mr Neil Scott (2000)

IFAP Board Members

President

- > Mr Richard R Mehan
Individual Member

Vice President

- > Ms Maria G Saraceni
Individual Member

Members

- > Ms Susan E Fleming (Ceased March 2018)
Managing Director
ACT Consulting Training Australia
- > Mr Vaughan J Fulmer (Appointed August 2018)
- > Mr Graham D Hogg (Ceased November 2018)
Partner
KPMG
- > Mr Craig Renner
Individual Member
- > Mr Dan A Smetana
Non-Executive Director (Former Chairman)
Joyce Corporation Limited

Board Sub-Committees

Audit Committee

- > Mr V J Fulmer (Chair)
- > Mr R R Mehan
- > Mr D A Smetana

Human Resources Sub-Committee

- > Ms M G Saraceni (Chair)
- > Mr R R Mehan

Legal and Administrative Information

Australian Business Number (ABN)

29 008 754 818

Registered Office

128 Farrington Road
North Lake WA 6163

Chief Executive Officer and Company Secretary

- > Mr Mathew Sambrailo (Interim Chief Executive Officer) December 2018
- > Mr Matthew Hallinan (Chief Executive Officer)
Resigned December 2018
- > Mr Richard R Mehan (Company Secretary)

Auditors

Deloitte Touche Tohmatsu
Tower 2 - Brookfield Place
123 St Georges Terrace
Perth WA 6000

Bankers

WestPac Banking Corporation
218 St Georges Terrace
Perth WA 6000

Insurance Brokers

Willis Temby Insurance Brokers
7 Alvan Street
Mt Lawley WA 6050

Legal Advisors

Lavan Legal
1 William Street
Perth WA 6000





Highlights of 2018



\$6.927m

revenue generated for the 12 month period ending 31 December 2018

In 2018 there were 1,247 members comprising of:



8,730

participants attended IFAP training and e-learning programs



1,067
Alumni
Members



147
Corporate
Members



33
Individual
Members

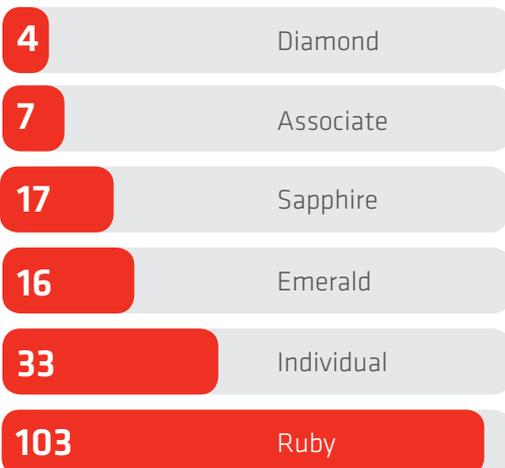


166

participants attended our Conference.



Distribution of user-pays memberships by category



40

entrants in the Annual Safe Way Awards.



2,392
followers



1,272
followers



678
followers

From the President



IFAP experienced a 2018 similar to the broader Western Australian economy. Our training numbers and revenue were steady without achieving the return to growth we were hoping for. Offshore activity in the oil and gas sector was slightly weaker than the previous year and this was reflected in the business performance of our Offshore and Maritime Training Centre.

We needed to continue our focus on cost reduction while continuing to deal with the compliance issues arising from Federal regulator, ASQA's audit processes. I am pleased to report that by late 2018 we had satisfied all of ASQA's concerns and had our RTO status confirmed in all respects.

In 2018 two of our Directors resigned from the Board at different times, all because of workplace pressures on them. I am pleased to say that we had Vaughan Fulmer join the Board in the second half of the year, a well-qualified Director. In December, CEO Matt Hallinan resigned to return to a role in the oil and gas industry.

On 1st April, 2019 Jane Mahon joined IFAP as Chief Executive Officer. Jane will work closely with the Board to continue the review and improvement in IFAP's business. We are investigating new opportunities in the health and maritime sectors as well as a review of our membership structure.

I would like to thank our Directors and staff for their ongoing efforts throughout the year.

Mr Richard Mehan
President

A handwritten signature in blue ink, appearing to read 'R Mehan'.

From the Interim CEO



On behalf of Management, the team at IFAP and as Interim CEO, I am pleased to present this 2018 Annual Report to our Members.

2018 was again another challenging year for IFAP amidst the legacy of the 2017 issues confronted by the organisation, namely being IFAP's suspension as an RTO in August 2017 and the ongoing PFAS environmental issue. These two issues have significantly impacted on IFAP's financial performance over the past three years and restricted any growth aspirations in the short to medium term. Along with those challenges, in December 2018 IFAP's CEO, Mr Matthew Hallinan resigned to pursue opportunities to work closer to home. Mr Hallinan's commitment to the wellbeing of IFAP and its staff during what was a tumultuous time for the organisation was unquestionable. On behalf of all of those who served on the Executive Management Team and within the organisation as a whole, we wish to thank Mr Hallinan for his leadership during his tenure.

A large part of moving forward was to commit to creating a positive workplace culture where we had improved cross functional communication and education of staff

In December 2018, IFAP President, Mr Richard Mehan invited me to act in the role of Interim CEO until the appointment of a new CEO in 2019, a role which I was honoured to perform. I am proud to say that in the later part of 2018, the Executive Management Team went about consolidating IFAP's operations and finances to overcome those ongoing challenges.

A significant move within the organisation was the focus on governance and the way IFAP conducted its day to day business. All matters within the organisation were overseen by the Compliance business unit to ensure IFAP maintains its outstanding reputation in the Education and Training Industry. A large part of moving forward was to commit to creating a positive workplace culture where we had improved cross functional communication and education of staff in the importance of adhering to the regulatory framework which IFAP operates in today.

In keeping with that commitment, the IFAP Board agreed to support every Trainer in the organisation to upgrade to the new Certificate IV in Training and Assessment (40116) which, at the commencement of 2019, saw every trainer at IFAP successfully complete their upgrade. This has provided a springboard to move into 2019 with a great deal of optimism in IFAP re-establishing itself as one of Western Australia's top providers of training in the Health and Safety sector. Whilst the efforts across the entire organisation have been vigilant, special acknowledgement and thanks must be given to Ms Tanja Van Haght and the Compliance Team who managed to get IFAP's RTO registration reinstated. In the current VET regulatory environment, this is a significant achievement. The success in the lifting of IFAP's suspension as an RTO allowed us to dissolve our short term partnerships and once again deliver Nationally Recognised Training through our Offshore Marine Training Centre and at our North Lake Training Centre.

On behalf of the Executive Team at IFAP and all its staff, we wish to thank those organisations who partnered IFAP during those difficult times.

Mr Mathew Sambrailo
Interim Chief Executive Officer





Corporate Governance Statement

Board of Directors

The Board is responsible for the overall corporate governance of IFAP, including its strategic direction and monitoring the organisation's performance against strategic and budget targets.

The Board meets regularly in order to properly discharge these responsibilities and monitor executive management.

Business Risk and Internal Control Framework

The Board acknowledges that it is responsible for the overall internal controls framework, but recognises that no cost effective internal control system will preclude all errors and irregularities.

To assist in discharging this responsibility the Board has established a reporting structure which ensures appropriate financial, operational and strategic matters are brought to its notice. The Board has also established a business risk management process with the assistance of appropriately qualified personnel to ensure these risks are effectively managed.

Composition of Board

The composition of the Board is prescribed by the company's Constitution, which require:

- > a minimum of three (3) and maximum of twelve (12) Directors; and
- > the rotation of one third (rounded down) of the Directors at each Annual General Meeting.

The Chief Executive Officer may be elected a Director and be a member of the Board, and may hold (as deemed necessary), the role of Company Secretary.

The composition of the Board is regularly considered by the full Board to ensure an appropriate mix of skills and experience. Appointments made throughout the year are referred to the members at the next Annual General Meeting for re-election.

Audit Committee

The Audit Committee comprises two non-Executive Directors and one Executive, the Chief Executive Officer.

The Audit Committee meetings are attended



by the Management Representative from the Accounts and Corporate Services business unit, and when appropriate, the external auditors and the President of the Board of Directors.

Terms of reference / charter are in place to ensure effective delineation of responsibilities and communication between the Committee and the full Board. This ensures a direct link between the Board and the audit functions, and requires the Audit Committee to meet usually twice per annum to:

- > review the results and findings of the audit and the adequacy of accounting and financial controls; and
- > to review the draft financial statements and audit reports.

Human Resources Sub-Committee

Senior Management remuneration and compliance with employment and occupational safety and health law is conducted under the auspices of the Human Resources (HR) Sub-Committee, which comprises at least three non-

Executive Directors and one Executive, the Chief Executive Officer.

Terms of reference / charter are in place to ensure effective delineation of responsibilities and communication between the Committee and the full Board. This ensures a direct link between the Board and the HR functions.

Giving Back to the Community

IFAP sponsored a TedX style event at the Safety Institute of Australia Symposium held at Edith Cowan University (ECU) with a panel of 10 notable industry leaders on “SafetyGenX” on 28 September 2018 which was a phenomenal success.

We also entered into an agreement with ECU to sponsor PhD research into “Mental Health of Employees: A risk based approach for Australian workplaces of interest” over the next 4 years.

Directors' Report

The Directors of Industrial Foundation for Accident Prevention ("IFAP" or "the Company") present their report together with the financial statements of the Company for the year ended 31 December 2018 and the auditor's report thereon.

Directors

The names of the Directors in office at any time during or since the end of the financial year are:

- > M G Saraceni (Appointed President May 2019)
- > R R Mehan (President June 2015 until May 2019)
- > S E Fleming (Appointed June 2017, Retired March 2018)
- > G D Hogg (Resigned November 2018)
- > C Renner (Resigned February 2019)
- > D A Smetana
- > V J Fulmer (Appointed August 2018)
- > M Morgan (Appointed February 2019)

IFAP being a public Company limited by guarantee does not have any shareholders and so no Director has an interest in shares.

Company Secretary

Mr. Richard Mehan held the position of Company Secretary from October 2016 to May 2019 and was then succeeded by Mr. Vaughan Fulmer.

Principal Activities

The principal activities of the Company during the year were the promotion of occupational safety and health in workplaces in Western Australia by providing training and consulting services, and furthering the workplace safety and health profession.

Changes in State of Affairs

IFAP applied for ASQA re-registration as its current registration was due to end on the 10th of December 2018 and ASQA granted this re-registration until December 2025 with the following condition:

For the entire period of its current registration IFAP must securely retain and provide to the Australian Skills Quality Authority (ASQA) on request copies of all completed student assessment items for each student (as per the definition in ASQA's General Direction -



Retention requirements for completed student assessment items) and copies of master assessment tools used for each assessment for a period of 2 years from the date on which the judgement of competence for each relevant unit of competency is made.

Operating Results

The deficit of the Company for the financial year was \$658,697 (2017: \$800,527).

Significant Events after Reporting Date

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

Environmental Regulation and Performance

In November 2017 the Department of Water and Environmental Regulation (DWER) designated the North Lake site as “Contaminated – Remediation Required”. During 2018, further

investigation of potential sources of PFAS contamination in soil was undertaken at the site. This was in consultation with environmental consultants Ramboll, the accredited Contaminated Sites Auditor, and DWER.

IFAP monitoring of PFAS levels in groundwater will be ongoing during 2019 as required by DWER.

Non-Audit Services

Deloitte Touché Tohmatsu provided IFAP with non-audit professional services regarding our privacy act and policies during the current financial year to the sum of \$12,650.

Auditor’s Independence Declaration

The auditor’s independence declaration under Subdivision 60-C of the Australian Charities and Not-for-profits Commission Act 2012 is set out on page 18.





Directors' Report

Richard R Mehan **President (Non-Executive)**

Qualifications Bachelor of Economics, Monash University

Experience President since June 2015 until May 2019
Board Member since May 2006

Mr Mehan has over 30 years' experience in the resources industry, the majority of which has involved positions in the iron ore industry.

Mr Mehan joined Portman Ltd in 1998 after 15 years with Rio Tinto working in a broad range of commercial roles.

He was appointed Managing Director and Chief Executive Officer in 2005, having previously held the positions of General Manager - Marketing and Chief Operating Officer.

In 2007 Mr Mehan was appointed as President and CEO of Cliffs Asia Pacific, a subsidiary of Cliffs Natural Resources.

On leaving Cliffs in 2011, Mr Mehan was appointed Managing Director and CEO of Jupiter Mines, and also joined the Board of Tshipi Borwa in the same year.

In 2012 Mr Mehan was appointed Managing Director and CEO of Grange Resources. After leaving that position in 2013, he was appointed Non-Executive Chairman of Pluton Resources, a position he held until June 2014.

Special Responsibilities Human Resources Sub-Committee Member (Appointed June 2016)



Cav. Maria G Saraceni

Vice President (Non-Executive)

Qualifications

Bachelor of Jurisprudence; LLB - University of Western Australia
Bachelor of Education (Hons) - University of Western Australia
Bachelor of Arts - University of Western Australia

Honours

Cavaliere of the Order of the Star of the Italian Republic

Experience

Appointed President May 2019
Vice President since June 2015
Board Member since October 2011

Maria is a barrister practising in regulatory law, specialising in occupational health and safety and employment related matters. Maria is also an Adjunct Professor at the Murdoch Law School where she lectures in both work health and safety and employment law.

Previously, Maria was a Partner in a multinational law firm and a large independent locally based firm. She was also President of the Law Society of WA and a Director of the Law Council of Australia.

Maria holds the following Board positions:

- > Member, North Metropolitan Health Services Board (Ceased June 2018);
- > Member, Construction Industry Portable Paid Long Service Leave Payments Board (Ceased September 2018);
- > Director (non-executive), Law Access Limited;
- > Director (non-executive), Lost and Found Opera Inc.; and
- > Member, Curtin Health Innovation Research Institute Advisory Board.

Maria is frequently invited to speak at conferences, workshops and seminars on health and safety topics.

Special Responsibilities

Human Resources Sub-Committee Member (Chair)

Directors' Report

Vaughan J Fulmer

Non-Executive

Qualifications

Certificate of Governance Practice (Governance Institute of Australia)
Graduate Diploma of Energy Law (University of Western Australia)
Graduate Diploma Legal Practice College of Law
Bachelor of Laws (University of New England)
Master of Occupational Health and Safety (Curtin University)
Post Graduate Diploma Health Science (Curtin University)
Bachelor of Social Science (Curtin University)

Experience

Board Member since August 2018

Founding Director of ACT Australia and New Zealand. The company is a unique industrial theatre Prior to becoming a lawyer Vaughan spent a decade working in site based and corporate Occupational Health & Safety Roles for organisations such as Newcrest, Brambles and Rio Tinto. He went on from his time practicing in a global private practice law firm in Australia and Indonesia to occupy a commercial role with BHP Mineral Exploration covering the regions of PNG and Indonesia. Since 2012 he has been the Director, Company Secretary and General Counsel of the Norilsk Nickel Australia Group.

Special Responsibilities

Audit Committee Member (Chair) – Commenced November 2018

Graham D Hogg

Non-Executive

Qualifications

Bachelor of Business (Wellington College of Education)
Fellow, Chartered Accountants Australia and New Zealand
Registered Company Auditor

Experience

Board Member since 2011; Resigned 8 November 2018

Graham Hogg is a registered Company Auditor and a Partner with KPMG. Graham has been working with KPMG for over 26 years, in six countries, with over 13 of those years as Partner.

Graham delivers audit, technical accounting advice, due diligence and advisory services to a range of clients primarily within the energy and natural resources sector, with significant clients in oil and gas, mining, exploration and ENR services. A further focus of Graham's is in sustainability assurance.

Special Responsibilities

Audit Committee Member (Chair) – Ceased November 2018

Craig Renner

Non-Executive

Qualifications

Executive MBA (AGSM)
Bachelor of Engineering
(1st Class Honours; Canterbury University, NZ)
Post Graduate Diploma in Dairy Science and Technology
(Massey University; NZ)

Experience

Board Member since May 2015; Resigned February 2019

Mr Renner specialises in the development and delivery of robust business strategy and planning outcomes together with guiding major capital and technology investments.

He has significant experience providing business and strategy consulting services to major corporates across a wide range of service, resource and utility businesses both in Australia and overseas.

He has also built substantial corporate experience as a senior executive with BHP Billiton, Bluescope Steel and SKILLED Group in the strategy, planning and investor relations areas.

Special Responsibilities

Nil

Daniel A Smetana

Non-Executive

Qualifications

Dip Com FCPA FAIM FAICD

Experience

President December 2005 to May 2011
President 1997 – 2000
Board Member since 1990

Mr Smetana has been Chairman of Joyce Corporation Ltd since 1984 and Chairman of Bedshed Franchising Pty Ltd since 1986. Director of KORAB Resources and Polymetalica Australia Ltd.

Mr Smetana was previously, Deputy Chairman Western Power Corporation and Chairman of the Department of Training and Employment, Science & Technology Advisory Group; past WA Chairman and National Councillor the Defence Reserves Support Council; and was also previously Director West Australian Symphony Orchestra; Deputy Chairman Youth Focus Charities Trust and until 2011, Vice President and Councillor of the WA Federation of Police and Community Youth Centres (Inc). Director EDGE Employment Solutions – Resigned 2013.

Mr Smetana received the Centenary Medal for Service to Commerce and the Community (2003); the Ian Chisholm Award 2007 for Distinguished National Service to OH&S; and has also received the 1988 WA Business Executive of the Year Award.

Special Responsibilities

Audit Committee Member

Directors' Report

Meetings of Directors

During the financial year meetings of Directors were held. Attendances were:

Directors	Directors' Meetings		Audit Committee Meetings		Human Resource Sub-Committee Meetings	
	Number Eligible to Attend	Number Attended	Number Eligible to Attend	Number Attended	Number Eligible to Attend	Number Attended
R R Mehan	5	5	1	1	-	-
M G Saraceni	5	5	-	-	-	-
S E Fleming	1	1	-	-	-	-
V J Fulmer	2	1	-	-	-	-
G D Hogg	4	2	1	1	-	-
C Renner	5	3	-	-	-	-
D A Smetana	5	5	1	-	-	-

Indemnification and Insurance of Officers and Auditors

During or since the end of the financial year the Company has given an indemnity or entered an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

The Company has paid premiums to insure each of 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 the Company, other than conduct involving a wilful breach of duty in relation to the Company.

Signed in accordance with a resolution of the Board of Directors.



DIRECTOR



DIRECTOR

Dated this 18th day of June 2019.

The Board of Directors
Industrial Foundation for Accident Prevention
128 Farrington Road
NORTH LAKE WA 6163

19 June 2019

Dear Board Members,

Industrial Foundation for Accident Prevention

In accordance with Subdivision 60-C of the *Australian Charities and Not-for profits Commission Act 2012*, I am pleased to provide the following declaration of independence to the directors of Industrial Foundation for Accident Prevention.

As lead audit partner for the audit of the financial statements of Industrial Foundation for Accident Prevention for the financial year ended 31 December 2018, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) 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) any applicable code of professional conduct in relation to the audit.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



Nicole Meneses

Partner

Financials

Statement of Profit or Loss and Other Comprehensive Income

for the year ended 31 December 2018	Note	31 Dec 2018	31 Dec 2017
		\$	\$
Continuing Operations Revenue			
Rendering of services	3a	6,431,456	6,674,791
Members' subscriptions		140,553	160,656
Revenue from Partnerships		278,964	763,191
Sale of goods		3,676	8,670
Other income	3b	69,553	156,304
Interest received		3,384	20,021
		6,927,586	7,783,633
Changes in inventory of finished goods		-	-
Advertising		(77,448)	(55,779)
Cleaning		(65,765)	(122,988)
Computer expenses		(117,321)	(182,346)
Consultancy fees		(376,343)	(305,788)
Course costs		(1,256,380)	(1,225,352)
Employee benefits expenses	3c	(3,935,755)	(4,449,123)
Depreciation expense		(268,845)	(363,453)
Amortisation expense		(21,341)	(73,243)
Insurance		(119,827)	(122,596)
Interest		(8,913)	(6,548)
Maintenance		(245,589)	(267,998)
Members' expenses		(33,861)	(20,453)
Partnership Expenses		(206,369)	(503,996)
Other expenses from ordinary activities	3d	(369,517)	(357,430)
Programme costs		(3,775)	(8,852)
Rent and outgoing		(391,748)	(387,850)
Travel and accommodation		(29,125)	(29,362)
Vehicle expenses		(58,360)	(101,004)
		(7,586,282)	(8,584,159)
Deficit for the year from continuing operations	14	(658,696)	(800,527)
Total Deficit for the year		(658,696)	(800,527)
Other comprehensive income			
Other comprehensive income for the year		-	-
Total comprehensive loss for the year		(658,696)	(800,527)

The accompanying notes form part of these financial statements.

Statement of Financial Position

as at 31 December 2018	Note	31 Dec 2018 \$	31 Dec 2017 \$
Current Assets			
Cash and cash equivalents	6	707,617	777,789
Trade and other receivables	7	367,097	811,239
Inventories		5,792	11,472
Prepayments		250,827	252,191
Total Current Assets		1,331,333	1,852,691
Non-Current Assets			
Property, plant and equipment	8	2,328,518	2,587,439
Intangible assets	9	4,321	25,662
Total Non-Current Assets		2,332,839	2,613,101
Total Assets		3,664,172	4,465,792
Current Liabilities			
Trade and other payables	10	504,631	676,094
Interest-bearing loans and borrowings	11	125,950	119,004
Provisions	12	334,928	322,163
Total Current Liabilities		965,509	1,117,261
Non-Current Liabilities			
Provisions	12	13,915	5,087
Total Non-Current Liabilities		13,915	5,087
Total Liabilities		979,424	1,122,348
Net Assets		2,684,748	3,343,444
Members Funds			
Reserves	13	1,300,000	1,300,000
Accumulated Surplus	14	1,384,748	2,043,444
Total Members Funds		2,684,748	3,343,444

The accompanying notes form part of these financial statements.

Statement of Cash Flows

for the year ended 31 December 2018	Note	31 Dec 2018 \$	31 Dec 2017 \$
Cash Flows from Operating Activities			
Receipts from customers		8,024,495	8,497,221
Payments to suppliers and employees		(8,083,705)	(8,935,242)
Interest received		3,384	20,021
Interest paid		(8,916)	(6,548)
Net cash used in operating activities	16(b)	(64,742)	(424,548)
Cash Flows from Investing Activities			
Acquisition of non-current assets		(15,376)	(181,540)
Sale of non-current assets		3,000	-
Net cash used in investing activities		(12,376)	(181,540)
Cash Flows from Financing Activities			
Receipts from borrowings		211,069	198,400
Repayment of borrowings		(204,123)	(209,048)
Net cash generated from financing activities		6,946	10,648
Net decrease in cash held		(70,172)	(616,736)
Balance at the beginning of the year		777,789	1,394,525
Balance at the end of the year	16(a)	707,617	777,789

Statement of Changes in Equity

for the year ended 31 December 2018	Reserves	Accumulated Surplus	Total
	\$	\$	\$
At 1 January 2017	1,300,000	2,843,971	4,143,971
Deficit for the year	(800,527)	(800,527)	4,143,971
Other comprehensive income for the year	-	-	-
Total comprehensive loss for the year	-	(800,527)	(800,527)
At 31 December 2017	1,300,000	2,043,444	3,343,444
Deficit for the year	(658,696)	(658,696)	3,343,444
Other comprehensive income for the year	-	-	-
Total comprehensive loss for the year	(658,696)	(658,696)	-
At 31 December 2018	1,300,000	1,384,748	2,684,748

The accompanying notes form part of these financial statements.

Notes to the Financial Statements for the year ended 31 December 2018

Note 1: Corporate Information

The financial report of IFAP for the year ended 31 December 2018 was authorised for issue in accordance with a resolution of the Directors on the 10th of June 2019.

IFAP is a public Company limited by guarantee incorporated in Australia and is registered as a not for profit entity.

The nature of the Company's operation and principal activities are described in the Director's Report.

Registered office of the Company is:

128 Farrington Road, North Lake WA 6163

Principal place of business is:

128 Farrington Road, North Lake WA 6163

Note 2: Significant Accounting Policies

(a) Statement of Compliance

The financial report is a general-purpose financial report which has been prepared in accordance with the Australian Charities and Not-for-profits Commission Act 2012, applicable Australian Accounting Standards and Interpretations, and complies with other requirements of the law. For the purposes of preparing the financial report, the Company is a not for profit entity.

(b) Basis of Preparation

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The financial report is presented in Australian dollars.

The following is a summary of the material accounting policies adopted by the Company

in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(c) New Standards and Interpretations

The Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current financial year. New and revised Standards and amendments thereof and Interpretations effective for the current year that are relevant to the Company include:

- > AASB 9 'Financial Instruments', and the related amending standards

AASB 9 introduced new requirements for the classification and measurement of financial assets and financial liabilities, impairment of financial assets and general hedge accounting. On initial adoption being 1 January 2018, the directors assessed its financial assets and financial liabilities in terms of the requirements of AASB 9 and there were no classifications or measurement changes identified.

The new impairment model requires the recognition of impairment provisions based on expected credit losses (ECL) rather than only incurred credit losses as is the case under AASB 139. This applies to the Company's trade receivables. The Company has applied the simplified approach to recognise lifetime expected credit losses for its trade receivables based on the nature of service fees being generally less than 12 months or less in nature. On initial adoption being the 1 January 2018, the Accounts Team Leader have assessed the adequacy of ECL's on its trade receivables and concluded that adequate credit losses were recognised.

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue, but not yet effective.

The impact of these recently issued or amended standards and interpretations are currently being assessed by Management.

New or revised requirement	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 16 'Leases'	1 January 2019	31 December 2019
AASB 1058 Income of Not-for-Profit Entities, AASB 2016-8 Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities	1 January 2019	31 December 2019
AASB 2017-1 Amendments to Australian Accounting Standards - Transfer of Investment Property, Annual Improvements 2014-2016 Cycle and Other Amendments	1 January 2019	31 December 2019
AASB 2016-7 Amendments to Australian Accounting Standards - Deferral of AASB 15 for Not-for-Profit Entities	1 January 2019	31 December 2019
AASB Interpretation 22 Foreign Currency Transactions and Advanced Consideration	1 January 2019	31 December 2019
AASB 2018-1 Amendments to Australian Accounting Standards - Annual Improvements 2015-2017 Cycle	1 January 2019	31 December 2019
AASB 15 Revenue from Contracts with Customers	1 January 2019	31 December 2019
AASB 2018-7 Amendments to Australian Accounting Standards - Definition of Material	1 January 2020	31 December 2020

(d) Property Plant and Equipment

Plant and equipment is stated at cost less accumulated depreciation and any impairment in value.

Land and buildings are measured at cost less depreciation.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Class of Fixed Asset	Depreciation Rate
Buildings	5 - 20%
Plant and equipment and vehicles	10 - 20%

The useful lives and residual values of property, plant and equipment are reviewed on the annual basis.

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined by the cash generating unit to which the asset belongs.

If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-

generating units are written down to their recoverable amount.

The recoverable amount of plant and equipment is the greater of fair value less costs to sell and value in use. 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.

Impairment losses are recognised in the statement of profit or loss and other comprehensive income.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the statement of profit & loss in the period the item is derecognised.

(e) Intangible Assets

Intangible assets are capitalised at cost as at the date of acquisition. Following initial recognition, the cost model is applied to the class of intangible assets.

The useful lives of these intangible assets are assessed to be either finite or indefinite.

Where amortisation is charged on assets with finite lives, this expense is taken to the statement of profit or loss and other comprehensive income through the 'amortisation expenses' line item.

Intangible assets, excluding development costs, created within the business are not capitalised and expenditure is charged against profits in the period in which the expenditure is incurred.

Intangible assets are tested for impairment where an indicator of impairment exists and in

the case of indefinite lived intangibles annually, either individually or at the cash generating unit level. Useful lives are also examined on an annual basis and adjustments, where applicable, are made on a prospective basis.

Research and development costs

Research and development costs are expensed as incurred.

Patents and Licences

Useful lives	Finite
Method used	3 years - Straight line
Internally generated / acquired	Acquired
Impairment test / Recoverable amount testing	Amortisation methods reviewed at each financial year-end; Reviewed annually for indicator of impairment

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss and other comprehensive income when the asset is derecognised.

(f) Income Tax

The Company is exempt from income tax under the provisions of the Income Tax Assessment Act.

(g) Goods and Services Tax

Revenues, 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 Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense.

Receivables and payables are shown inclusive of GST.

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.

(h) Recoverable Amount of Assets

At each reporting date, IFAP assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, IFAP makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount. Any excess of the asset's carrying value over its recoverable amount is recognised in profit or loss.

Where the future economic benefits of the asset are not primarily dependent on the asset's ability to generate net cash inflows and when the IFAP would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an assets class, IFAP estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

(i) Inventories

Inventories are valued at the lower of cost and net realisable value.

(j) Trade and Other Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. IFAP's trade and most other receivables fall into this category of financial instruments.

The provision for doubtful debts was calculated using the expected credit loss model, noting that 0.05% of all credit sales estimated not to

be recovered based on past experience.

(k) Cash and Cash Equivalents

Cash and short-term deposits in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(l) Borrowing Costs

Borrowing costs include interest.

Borrowing costs are expensed as incurred in connection with arrangement of borrowings.

(m) Financial Liabilities

IFAP's financial liabilities include borrowings and trade and other payables.

Financial liabilities are measured subsequently at amortised cost using the effective interest method.

All interest-related charges and, if applicable, changes in an instrument's fair value are reported in profit or loss.

(n) Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to reporting date. Employee benefits, expected to be settled within one year, together with benefits arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled, plus related on costs. Other 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.

Contributions are made by the Company to

employee superannuation funds and are charged as expense when incurred.

(o) Income in Advance

Members' annual subscription is levied in advance for the 12 months to 31 December 2019. Subscriptions received prior to 31 December 2018 in respect of the following year are recorded in the financial statements as income received in advance.

Course fees that are invoiced prior to a course being delivered are recorded as income in advance in the financial statements.

(p) Leases

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessee, are charged as expenses in the periods in which they are incurred.

Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the IFAP will retain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

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 life of 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.

(q) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably

measured. The following specific recognition criteria must also be met before revenue is recognised:

Rendering of Services (including training courses, assessments, consultancy and programmes).

Revenue from the provision of consultancy and training services is recognised for short duration projects at the end of the project and for long duration projects, revenue is recognised when courses have been delivered/services provided.

Sale of Goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and can be measured reliably. Risks and rewards are considered passed to the buyer at the time of delivery of the goods to the customer.

Interest

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

(r) Donated Assets

The Company recognises donated assets at fair value and recognises the corresponding value as a deferred income liability. The deferred income liability is recognised in the profit and loss over the depreciable life of the asset.

(s) Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of Australian Accounting Standards, management is required to make judgments, estimates

and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or

in the period of the revision and future periods if the revision affects both current and future periods.

Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. However, as described in Note 2(q), specific recognition criteria must also be met before revenue is recognised from rendering of services (including training courses, assessments, consultancy and programmes), sale of goods and interest income.

Useful lives of Property, Plant and Equipment

As described in Note 2(d) above, the Company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. During the current year, the directors determined that the useful lives of property, plant and equipment were appropriate and did not significantly differ from the last reporting period.

Note 3: Revenue and Expenses

	31 Dec 2018	31 Dec 2017
	\$	\$
(a) Rendering of Services		
Public Training Courses	5,701,321	5,658,977
Corporate Training Courses	557,536	806,072
Assessments	47,920	24,300
Consultancy and Services	114,424	174,438
Programmes	10,255	11,004
	6,431,456	6,674,791
(b) Other Income		
Gain on disposal of property, plant and equipment	1,000	-
Bad Debts Recovered	-	2,176
Unclaimed Refunds	24,943	16,680
Hire Charges	41,610	117,448
Donations	-	20,000
	69,553	156,304
(c) Employee Benefits		
Wages and salaries	3,432,470	4,061,931
Superannuation	316,935	348,250
Other employee benefits	186,350	38,942
	3,935,755	4,449,123
(d) Other Expenses		
Net loss on disposal of non-current assets	3,452	524
Bad and doubtful debts - trade debtors	35,170	345
Remuneration of auditor - audit of financial statements	27,726	24,072
Remuneration of auditor - ASQA	1,527	30,869
Purchases - Resale Other	8,156	7,809
Bank fees	32,871	39,452
Other General Operating Expenses - Postage, Stat, Light etc	257,615	254,359
	369,517	357,430
The auditors of IFAP is Deloitte Touche Tohmatsu		
(e) Rental on Operating Leases		
Minimum lease payments	326,990	354,323

Note 4: Remuneration of Directors

Directors Remuneration

Non-Executive Directors receive no remuneration.

Income paid or payable to all Key Management Personnel of the Company and any related parties	31 Dec 2018	31 Dec 2017
	\$	\$
	326,990	354,323

Number of Key Management Personnel whose income was within the following bands:	\$0 - \$99,999	6	6
	\$100,000 - \$199,999	1	-
	\$200,000 - \$211,011	-	-
	Over \$211,012	1	-

Note 5: Members' Guarantee

The Company is limited by guarantee. If the Company is wound up, the Articles of Association state that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the Company.

A review of the IFAP membership structure in 2014 was fully implemented in 2015. The review embraced the concept of 'user-pays' membership categories, whereby member organisations can nominate an appropriate category of membership commensurate with their perceived needs. In all, the implementation of the revised membership approach was well received by our members and stakeholders.

Following the implementation of the revised membership structure in 2015, the distribution of members as at December 2018* was:

Category	Number
Associate	7
Ruby	103
Sapphire	17
Emerald	16
Diamond	4
Total Corporate Members	147
Individuals	33
Alumni	1,067
Total Individuals	1,100

NOTE - Branch members are not included in this analysis.

Note 6: Cash and Cash Equivalents

	31 Dec 2018	31 Dec 2017
	\$	\$
Cash at bank	705,117	775,289
Cash on hand	2,500	2,500
	707,617	777,789

Cash at bank earns interest at floating rates based on daily bank rates.

Note 7: Trade and Other Receivables

	31 Dec 2018	31 Dec 2017
	\$	\$
Current		
Trade debtors	324,908	744,565
Allowance for impairment loss (a)	(4,000)	(4,000)
	320,908	740,565
Other receivables	46,189	70,674
	367,097	811,239

(a) Allowance for Impairment Loss

Trade receivables are non-interest bearing and are generally on 14 days terms. A provision for impairment loss is recognised when there is objective evidence that an individual trade receivable is impaired. An impairment allowance of \$4,000 (2017: \$4,000) has been recognised by IFAP.

At 31 December, the ageing analysis of trade receivables is as follows:

	Total	0 - 30 Days	31 - 60 Days	+61 Days PDNI *	+61 Days CI **
2018	320,908	161,498	102,352	57,058	4,000
2017	740,565	290,108	173,529	276,928	4,000

*Past due not impaired ('PDNI')

**Considered impaired ('CI')

Note 8: Property, Plant and Equipment

	31 Dec 2018	31 Dec 2017
	\$	\$
Land and Buildings		
Land:		
At cost	1,300,000	1,300,000
	1,300,000	1,300,000
Buildings:		
At cost	5,212,112	5,212,112
Accumulated depreciation	(4,543,167)	(4,468,645)
	668,945	743,467
Total Land and Buildings	1,968,945	2,043,467
Plant and Equipment		
At cost	4,323,369	4,330,501
Accumulated depreciation	(3,963,796)	(3,786,530)
Total Plant and Equipment	359,573	543,972
Total Property, Plant and Equipment	2,328,518	2,587,439

(a) Movements in Carrying Amounts

Movement in carrying amounts for each class of property, plant and equipment between the beginning and end of the current financial year.

2017	Land	Buildings	Leasehold Buildings	Plant & Equipment	Total
	\$	\$	\$	\$	\$
Balance at beginning of year					
Additions / Adjustments	1,300,000	561,264	258,765	649,847	2,769,876
Disposals	-	-	-	181,539	181,539
Depreciation expense	-	0	-	(524)	(524)
Carrying amount at end of year	-	(48,574)	(30,153)	(284,726)	(363,453)
	1,300,000	512,690	228,612	546,136	2,587,439
2018	Land	Buildings	Leasehold Buildings	Plant & Equipment	Total
	\$	\$	\$	\$	\$
Balance at beginning of year	1,300,000	512,690	228,612	546,136	2,587,439
Additions / Adjustments	-	-	-	15,376	15,376
Disposals	-	-	-	(5,452)	(5,452)
Depreciation expense	-	(44,370)	(30,153)	(194,322)	(268,845)
Carrying amount at end of year	1,300,000	468,321	198,459	361,738	2,328,518

On 7th September 1993 the State Government gazetted the transfer of title in the land at 128 Farrington Road, North Lake to the Company by way of Crown Grant in Trust.

Note 9: Intangible Assets

	31 Dec 2018	31 Dec 2017
	\$	\$
Historical Cost at beginning of year	208,146	384,799
Additions	-	-
Disposals	-	(176,654)
Accumulated Amortisation	(203,825)	(182,484)
Carrying amount at end of year	<u>4,321</u>	<u>25,662</u>

In 2017 the WSA Business Premium royalties which had been purchased in 2010 and were completely amortised were written off in full as IFAP no longer uses this service.

Note 10: Trade and Other Payables

	31 Dec 2018	31 Dec 2017
	\$	\$
Current		
Trade payables	202,492	372,851
Accruals	20,535	25,884
Subscriptions in advance	50,100	23,693
GST liability	10,655	10,696
Income in advance	94,119	147,313
Other payables	126,730	95,657
	<u>540,631</u>	<u>676,094</u>

Trade payables are non-interest bearing and are normally settled on 30-day terms.

Note 11: Interest-Bearing Loans and Borrowings

Current	Effective Interest Rate %	Maturity	31 Dec 2018	31 Dec 2017
			\$	\$
Other loans:				
Insurance Premium Loan:	4.82% (2017: 3.98%)	30 June 2018	125,950	119,004

Note 12: Provisions

	31 Dec 2018	31 Dec 2017
	\$	\$
Current		
Annual Leave	164,104	156,242
Long Service Leave	170,824	165,920
	<u>334,928</u>	<u>322,163</u>
Non-Current		
Long Service Leave	<u>13,915</u>	<u>5,087</u>

Note 13: Reserves

	31 Dec 2018	31 Dec 2017
	\$	\$
Capital Reserve	1,300,000	1,300,000

The capital reserve records the revaluation increment on independent valuation of Crown Grant in Trust of property at 128 Farrington Road, North Lake. As at 1 July 2000 the Company has adopted the cost basis for land and as a consequence \$1,300,000 of the capital reserve is now the deemed cost and hence is no longer available for asset write-downs.

Note 14: Accumulated Surplus

	31 Dec 2018	31 Dec 2017
	\$	\$
Accumulated surplus at the beginning of the financial year	2,043,444	2,843,971
Net deficit attributable to members of the Company	(658,696)	(800,527)
Accumulated surplus at the end of the financial year	1,384,748	2,043,444

Note 15: Capital and Leasing Commitments

(a) Operating Lease Commitments

Non-cancellable operating leases contracted for, but not capitalised in the financial statements

Payable: -

- not later than 1 year

- later than 1 year but not longer than 5 years

- later than 5 years

	31 Dec 2018	31 Dec 2017
	\$	\$
- not later than 1 year	319,944	293,700
- later than 1 year but not longer than 5 years	-	617,400
- later than 5 years	-	-
	319,944	911,100

The property lease (Lots R9 and Part Lot 10, Rous Head Industrial Park, Fremantle) which commenced on 1 January 1994, is a non-cancellable lease with a 21-year term, with rent payable monthly in advance. Fremantle Port Authority has advised that this has been extended through to 31 December 2020. The lease allows for sub-letting of all lease areas.

The operating Lease agreement with EasiFleet expired in November 2017 and IFAP are currently adopting a month-by-month lease agreement. A 1 year lease on 2 vehicles was signed in 2019, following the appointment of the new CEO in early 2019 and a decision will then need to be made regarding the other 2 vehicles currently on a rolling month-by-month lease

Mortgages are held over the property at 128 Farrington Road, North Lake and the leased property at Rous Head Industrial Park, Fremantle.

Note 16: Cash Flow Information

	31 Dec 2018	31 Dec 2017
	\$	\$
(a) Reconciliation of Cash		
Cash at the end of the financial period as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:		
Cash on hand and at bank	707,617	777,789
(b) Reconciliation of Cash Flow from Operations with Accumulated Surplus from Ordinary activities		
Deficit from ordinary activities	(658,696)	(800,527)
Non-cash flows in accumulated surplus from ordinary activities:		
Net Loss / (Gain) on disposal of plant and equipment	2,452	524
Depreciation	268,845	363,453
Amortisation	35,170	73,243
Working Capital item movements:		
(Increase) / Decrease in trade and other receivables	408,972	(42,752)
(Increase) / Decrease in inventory	5,684	3,984
(Increase) / Decrease in prepayments	1,363	78,322
Increase / (Decrease) in trade and other payables	(171,463)	46,076
Increase / (Decrease) in provisions	21,593	(146,872)
Cash flows used in operations	(64,742)	(424,549)

(c) Credit Stand-by Arrangements with Banks

The Company has a bank overdraft facility with Westpac Bank Ltd (with a fixed and floating charge) amounting to a total of \$550,000. At 31 December 2018 this facility was not used and Interest rates are variable.

(d) Non-Cash Transactions

During the current year, the Company did not enter into any non-cash investing and financing activities.

(e) Reconciliation of Liabilities arising from Financing Activities

	2017	Net Cash Flows	Non-Cash Changes	2018
Short-term Borrowings	119,004	6,946	-	125,950
Variable Rate Instruments	119,004	6,946	-	125,950

Note 17: Financial Risk Management Objectives and Policies

The Company's financial instruments include cash and short-term deposits and other financial instruments such as trade receivables, trade payables and interest bearing loans and borrowings, which arise directly from its payables.

The main purpose of these financial instruments is to provide finance for the Company's operations.

It is, and has been throughout the year under review, the Company's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the Company's financial instruments are interest rate risk, liquidity risk and credit risk. The Company uses different methods to measure and manage different types of risks to which it is exposed. Ageing analyses and monitoring of specific credit allowances are undertaken to manage credit risk and liquidity risk is monitored through the development of future rolling cash flow forecasts.

The Executive Management Team reviews and agrees policies for managing each of these risks as summarised below.

Primary responsibility for identification and control of financial risks rests with the Executive Management Team and the Team Leader - Accounts. The Executive Management Team reviews and agrees policies for managing each of the risks identified below, including credit allowances, and future cash flow forecast projections.

(a) Interest Rate Risk

The Company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

Interest Rate Risk Profile

At the reporting date the interest rate profile of the Company's and the Company's interest-bearing financial instruments was:

	Carrying amount	
	31 Dec 2017	31 Dec 2016
Fixed Rate Instruments		
Interest Bearing Loans and Borrowings	(119,004)	(129,652)
	(119,004)	(129,652)
Variable Rate Instruments		
Cash at Bank	777,789	1,394,525
Interest Bearing Loans and Borrowings	-	-
	777,789	1,394,525

Fair Value Sensitivity Analysis for Fixed Rate Instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 200 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss for the Company by \$14,152 (2017: 15,556). This analysis assumes that all other variables remain constant.

(b) Credit Risk

Credit risk arises from the financial assets of IFAP, which comprise cash and cash equivalents, trade and other receivables. IFAP's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments.

IFAP does not request collateral nor is it IFAP's policy to securitise its trade and other receivables. It is IFAP's policy that members are offered credit terms. Non members can apply for credit and are subject to credit verification procedures including an assessment of their independent credit rating, financial position, past experience and industry reputation. Both members and non members must supply valid purchase order numbers as part of the credit terms. If a breach of credit terms occurs the Financial Controller may revoke the credit terms and place the offending party on a "Cash only" list. It is IFAP's policy that before any long term contracts are signed, regardless of member status, credit terms will be subject to credit verification procedures being conducted. In addition, receivable balances are monitored on an ongoing basis.

(c) Net Fair Values

The net fair value of financial assets and financial liabilities approximate the values disclosed in the Statement of Financial Position and notes to the financial statements.

(d) Liquidity Risk

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

The tables include both interest and principal cash flows. To the extent that interest flows are at a floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

The tables below includes the weighted average effective interest rate and a reconciliation to the carrying amount in the statement of financial position as an example of summary quantitative data about exposure to interest rates at the end of the reporting period that an entity may provide internally to key management personnel.

31 December 2018	Weighted Average Effective Interest Rate %	Less than a Month to 6 Months	6 Months to a Year	1-5 Years	5 + Years	Total
Non Interest bearing	-	202,492	-	-	-	202,492
Insurance Premium Loan	4.82	125,950	-	-	-	125,950
Total		328,442	-	-	-	328,442
31 December 2017						
Non Interest bearing	-	372,851	-	-	-	372,851
Insurance Premium Loan	3.98	119,004	-	-	-	119,004
Total		491,855	-	-	-	491,855

The Company has sufficient cash assets to maintain liquidity to meets its debts as and when they fall due. Bank reconciliations are prepared on a monthly basis to ensure sufficient cash is available to pay debts.

Note 18: Events After the Reporting Period

Other than already noted in the financial statements there are no other material subsequent events affecting the accounts after reporting date have been identified.

Note 19: Contingent Liabilities

The contamination identified during 2017 at the North Lake campus is continuing to be monitored as per Directors Report - Environmental Regulation and Performance. No other contingent liabilities have been identified.

Note 20: Related Party Information

The names of the Company's Directors who have held office during the financial year are:

- > M G Saraceni (Appointed President May 2019)
- > R R Mehan (President from June 2015 to May 2019)
- > D A Smetana
- > V J Fulmer (Appointed August 2018)
- > S E Fleming (Appointed June 2017, Resigned March 2018)
- > G D Hogg (Resigned November 2018)
- > C Renner (Resigned February 2019)
- > M Hallinan CEO (Resigned December 2018)
- > M Sambrailo Interim CEO (Appointed December 2018)

Note 21: Segment Information

The Company operates in one business and geographical segment being the provision of training and consulting services for occupational safety and health in workplaces in Australia.

Directors' Declaration

The Directors declare that:

- (a) 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; and
- (b) in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Company.

Signed in accordance with a resolution of the board members made pursuant to s.60.15 of the Australian Charities and Not-for-profits Commission Regulation 2013.

On behalf of the Directors,



DIRECTOR



DIRECTOR

Dated this 18th day of June 2019

Independent Auditor's Report to the members of Industrial Foundation for Accident Prevention

Opinion

We have audited the financial report of Industrial Foundation for Accident Prevention (the "Entity") which comprises the statement of financial position as at 31 December 2018, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Entity is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* (the "ACNC Act"), including:

- (a) giving a true and fair view of the Entity's financial position as at 31 December 2018 and of its financial performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Entity in accordance with the auditor independence requirements of the ACNC Act 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.



Other information

The board of directors are responsible for the other information. The other information comprises the information included in the Entity's annual report for the year ended 31 December 2018, but does not include the financial report and our auditor's report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the ACNC Act and is appropriate to meet the needs of the members. The directors' responsibility also includes 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 Entity'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 Entity 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 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 Entity's internal control.

Deloitte.

- 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 Entity'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 Entity 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.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Nicolas Menezes

Nicole Menezes
Partner
Chartered Accountants
Perth, 19 June 2019



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