

institute of
**MANAGERS
AND LEADERS**
australia | new zealand



2018

ANNUAL REPORT

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Creating better managers and leaders for a better society.

The Institute of Managers and Leaders Australia and New Zealand (IML ANZ) is a not-for-profit Membership organisation and the peak body for managers and leaders in Australia.

IML assesses and awards the globally-recognised Chartered Manager designation, the gold standard marque of management and leadership excellence. The Institute is also the principal Membership body for businesses that take management and leadership seriously, and for universities who are looking to gain a competitive edge by accrediting their leadership-focused courses.

At IML, we believe that leadership matters. This belief lies at the heart of everything we do. For more than 75 years, we have been supporting professionals on their leadership journeys. Representing 350,000 individuals – from multinationals to small local businesses, from interns to CEOs, in Australia, New Zealand and beyond – IML ANZ sets the standard for management and leadership excellence. This supports our vision, 'Creating better managers and leaders for a better society'.

Contents

01

FROM THE
BOARD CHAIR

09

2018 SUMMARY
OF THE YEAR

11

MEMBERSHIP
DEVELOPMENT
& STRATEGY
COMMITTEE

13

BREAKING NEW
GROUND FOR
IML ANZ

16

HIGHLIGHTS
OF 2018

17

LAUNCH OF
INTENTIONAL
LEADERSHIP
PROGRAMS

18

INTERNATIONAL
WOMEN'S DAY
2018

19

CHARTERED
MANAGER

20

LEADERSHIP
IMPACT SERIES
2018

21

PATHWAY
PARTNERSHIPS

22

LEADERSHIP
OUTLOOK

23

CONSOLIDATED
FINANCIAL
REPORT FOR THE
YEAR ENDED

24

DIRECTORS'
REPORT

26

BOARD OF
DIRECTORS

33

CONSOLIDATED
STATEMENT OF
COMPREHENSIVE
INCOME

34

CONSOLIDATED
STATEMENT
OF FINANCIAL
POSITION

35

CONSOLIDATED
STATEMENT
OF CHANGES
IN MEMBERS'
EQUITY

36

CONSOLIDATED
STATEMENT OF
CASH FLOWS

37

NOTES TO THE
CONSOLIDATED
FINANCIAL
STATEMENTS

52

DIRECTORS'
DECLARATION

From the Board Chair



ANN MESSENGER FIML, CMGR, CA, B.BUS - MGMT
(MKTG & OPS MGMT), GRAD DIP FIN, M COM (ACCTG & FIN), GAICD
Chair

I am delighted to present the 2018 Annual Report
for the Institute of Managers and Leaders (IML).

2018 saw the commencement of the three-year Leadership Matters II strategy. The first three-year strategy (2015 – 2017) was a period of considerable change following the merger of the former state-based divisions of AIM, the divestment of AIM's education and training business, the rebrand to IML and the introduction of the accreditation-focused business model centred around the Chartered Manager designation. The success of this strategy was evident as early as in the latter months of 2017, with particular interest shown by many of our world-class universities in IML's new partnership model and in the pathway to Chartered Manager status that this offered to their students. Universities were quick to recognise the Chartered Manager designation as the differentiator their students needed in the job market.

At the October 2017 Board meeting, management presented the Directors with a bold strategy for growing IML's core Membership business. This involved an increased focus on deeply engaging with managers and leaders, offering leadership development events to individual and Corporate Members and forming deep and long-lasting partnerships with universities and others.

The proposed strategy, and its accompanying operational plans, whilst appearing bold and far reaching, was in many ways an extension of what had come before. The Institute of Managers and Leaders is now an independent and increasingly recognised brand in its own right. We had significant success with the initial launch of the Chartered Manager designation (300 Members had signed up to the become Chartered Managers in the second half of 2017), Griffith University had signed the very first Pathway Partnership agreement that would see MBA students become Members of IML for the duration of their studies. In addition, IML's suite of Masterclasses and The Essence of Leadership (TEL) events linked content to the underlying competencies the Chartered



Manager designation had launched. The fact that they were oversubscribed illustrated that our events and conferences were hitting the mark with managers and leaders around the nation.

That said, the Board felt strongly that an independent and objective opinion on the proposed future direction and strategy was both necessary and prudent, not least because the plans called for significant investment in the new strategy and direction. The Board had been encouraged by the initial progress since the rebrand, and all indicators and metrics pointed to this not only continuing but accelerating as the IML brand became increasingly recognised and accepted. However, we also felt that any request to draw upon the corpus of Member funds being held on deposit should be scrutinised by independent experts.

To that end, the Board retained the services of PPB Advisory from late 2017 through to early 2018.

PPB were asked to undertake a comprehensive financial and strategic review of the Leadership Matters II strategy. This review included a research element that involved interviews with Members, managers and leaders (non-members), Universities and other membership associations that had embarked on a similar strategy both within Australia and from around the world. The financial analysis ran in parallel to this strategy review exercise and it was designed to test both the revenue and the cost assumptions of what management had presented to the Board for the following three years.

The results were presented to the Board in February 2018. In summary, PPB provided a strong endorsement of management's strategy and plans. In fact, they presented data that indicated that in some areas the strategy was perhaps a little too conservative and required additional financial support. One striking example of this was in the area of IT. Whilst the completion of the Institute's separation from AIM Education & Training in 2017 had seen us finally take full control of our IT systems, finance, HR and marketing functions, there was little doubt that – in terms of IT at least – what we inherited was outdated, lacking in investment and not fit for a modern Membership organisation. PPB recommended that significant investment should be made to modernise our IT platforms to ensure that they are fit-for-purpose as enablers of the strategy and the plans.

The PPB review endorsed the view that the strategy presented to the Board by management was one that

our Members supported. Beyond that, it is a strategy and direction that is likely to attract non-member managers and leaders to join IML and organisations such as our universities to consider entering into long-term, mutually beneficial partnerships with us.

With the independent review completed, the Board of Directors approved the three year strategy at the Board Meeting in February 2018. As we navigate the next several years, it is necessary to be mindful that the “planned losses” we will experience represent the investment necessary to build a sustainable business into the long term future.

LEADERSHIP MATTERS II – AN ENGAGEMENT AND ACCREDITATION STRATEGY FOR GROWTH

I reported in last year's annual report that the rebrand from AIM Membership to IML had given the Institute renewed organisational purpose. I'm delighted to say that this renewed purpose as an organisation has continued to underpin our activities throughout 2018 and has allowed us to focus on expanding the reach of IML into new and exciting areas of business.

To recap on IML's purpose; the Institute exists to end the chaos caused by the Accidental Manager and to encourage Managers to Lead with Intent. We will strive to create Intentional Leaders, leaders who do not leave leadership to chance, but view successful leadership as a lifelong learning process that is based firmly on an action plan that covers the core fundamentals of Intentional Leadership. These include, amongst other things, mentoring, self-awareness and reflection, and continuous professional development.

With the Institute's new purpose and the independent validation of the three year strategy, 2018 represented the first full year of activity that was focused on both engagement and accreditation. Much of this activity was the continuation of initiatives that had begun or had been tested in 2017. As a result of the feedback from Members and organisations we were able to make changes to our products and programs, and in some cases, we relaunched them in a different format. This iterative process of product and service development is not uncommon in what was effectively a new business “start-up”, and it is likely to continue in the coming years as we strive to ensure that our product offerings and services are attractive to existing Members and to new managers and leaders alike.

A good example of this is our new accreditation process for universities. This has proven to be one of the most successful new products that IML has designed and launched. In many ways, our Pathway Partnership offering is an extension of the Corporate Membership product that has existed for many years. It has simply been tailored for a new category. In essence, Pathway offers our world class universities the opportunity to partner with IML and offer their students the myriad of benefits available to our Members. Throughout 2018, this business-to-business product proved to be both ground breaking and extremely popular. Following on from the early success with Griffith University, the IML Higher Education Team also secured Pathway Partnerships with Deakin University, Swinburne Professional, Victoria University, Centennial College and Universal Business School Sydney (UBSS). Further to this, Griffith University and Swinburne Professional each went on to agree to Pathway Partnerships for additional courses. In total, in 2018 we secured eight courses as Pathway Partners.



PATHWAY
PARTNER

I have no doubt that these initial eight courses will prove to be a game changer for IML because they will see entire cohorts of students at the undergraduate and post-graduate levels join the Institute as Affiliate Members. In the case of Griffith University and Deakin University, the Pathway Partnership is even more significant in that it has the Chartered Manager designation embedded. This means that those students may graduate with their MBA from a leading global university and as Chartered Managers, having attained the global gold standard accreditation for management and leadership excellence during the course of their studies.

I am also delighted to report that the pipeline of universities that are interested in IML's Pathway Partnership product is very strong across both Australia and New Zealand. This is the first time in many years that the Institute has been positioned to offer Membership to universities and to link that Membership to our Member value proposition so that IML can offer students our services such as mentoring, Leadership Direct and much more.

Our new Pathway Partnership offering is a good example of one way that we engaged successfully with a new sector

of the market in 2018. In fact, throughout the year we saw a renewed and increasing focus on engagement – with both individual and Corporate Members.

The IML Masterclass and Conference series, along with our TEL talks went from strength to strength and built further on the success of 2017. During the course of 2018 IML delivered more than 130 events. These ranged from hour-long talks on management and leadership topics linked directly to the 34-competencies at the heart of the Chartered Manager designation, to full day Masterclasses or Conferences that incorporated an array of speakers and sessions aimed at providing a deeper understanding of one or more topic areas.

Most pleasing for me is the fact that in 2018, IML delivered management and leadership focused events in places that we have not had a presence for many years, if ever. These 'new' locations for IML events included the Gold Coast, Ballarat, Burnie (Tasmania) and Morwell (Victoria). In addition, we delivered our very first event as IML in Western Australia when Leadership Outlook was rolled out to Perth in August.

Indeed, it was the Leadership Outlook Series that proved to be one of IML's most popular events in 2018. In conjunction with Beyond Blue we delivered 18 events around Australia tackling the topic of 'Creating a Mentally Healthy Workplace'. Each of these events was sold out, and in many locations we were forced to secure alternate (larger!) venues due to the very high demand for tickets.

An important element of the Leadership Matters II strategy is IML's desire to partner with organisations that are experts in particular management and leadership related fields. We recognise that we can't be all things to all people and that we must seek out credible organisations with which to align ourselves. The overwhelming success of Leadership Outlook in 2018 vindicated this view. We delivered this program to more than 1,500 managers and leaders from Darwin to Launceston.

Throughout 2018 we continued to focus on mentoring as a core management and leadership competence. The IML Mentoring Program – Member Exchange – proved as popular in 2018 as it was the previous year. Our three intakes consisted of 350 Mentors and Mentees signing up to the program and following the structured methodology that underpins its success. Mentoring is absolutely crucial to sound leadership and we intend to continue to make the mentoring of managers and leaders a core element of IML's





Chartered Manager Stirling Tavener CMgr MIML

value proposition. You can expect to see even more from our mentoring offering in 2019 and beyond as we explore ways to expand.

Of course, mentoring has long been at the very core of the Institute's offering to Members, but our Chartered Manager designation is new to the Institute, to Members and to managers and leaders more broadly. In fact, 2018 was the first full year that we offered the Chartered Manager designation (CMgr) under the IML brand. We were very aware of the fact that introducing a new professional designation was always going to be a long-term endeavour. Whilst we missed the ambitious target that we set ourselves for 2018, the trend we saw was incredibly pleasing. There are now more than 350 Chartered Managers in Australia. The number of new enquiries about the designation accelerated steadily as 2018 progressed, as did the number of managers and leaders signing up for the designation.

One factor that we didn't fully appreciate when the 2018 targets were set was the significant amount of time and effort required to become Chartered. We saw a trend throughout 2018 of Members and non-members signing up to the Chartered process, paying the initial fee and then not completing their full application due to time pressures. A priority area of focus for 2019 will be on assisting these managers and leaders to complete their applications through Webinars, 'how to' sessions and Chartered Breakfasts. Nevertheless, in 2018 the Chartered Manager designation began to gain a foothold around Australia. Anecdotally, as I visited various IML events and locations I heard numerous stories of Members who had

gone Chartered and successfully gained employment and promotion because of their new designated status. There is still some way to go until this is fully accepted as the gold standard designation for management and leadership competence in Australia, but this process is certainly underway. I do of course congratulate each of IML's Chartered Managers and I welcome the new 2018 Chartered Managers to the Institute as Members.

I also welcome as Members the more than 50 participants in IML's very first Foundations of Intentional Leadership events across Brisbane, Sydney and Melbourne. These events were designed and developed in-house and they were launched to the market in mid-2018 as development events for new and emerging leaders. I'm thrilled to say that 'Foundations' – as the events have become known – were an overwhelming success. They effectively build upon and package a number of IML's existing Member-focused products and services into one 12-week development program that is based around six face-to-face development events. Each participant also completes two IML analytic tools and receives ongoing one-on-one, face-to-face mentoring. The feedback from participants on all three Foundations programs was excellent. Indeed, the first three Foundations programs scheduled for 2019 have already sold out and waitlists are in operation.

A significant element of the Leadership Matters II strategy was to create programs that were aimed at developing leadership competence. The Foundations program was one of these and the fact that it proved to be so successful in 2018 suggests that we are heading in the right direction. Further evidence of this is provided by the fact that a

number of our Corporate Members enquired about the delivery of in-house Foundations events. As we look into 2019, we have already taken a number of bookings and we expect this demand to grow in the years to come.

LOOKING TO IML'S FUTURE WHILST HONOURING AIM'S PAST

I mentioned in my 2017 report that it was Sir John Storey – the first President of AIM – who, in his inaugural address to the Institute in 1949, said: “Our main goal is to raise the standard of management and to see these standards accepted nationally.” In 2017, at the same time that we rebranded to the Institute of Managers and Leaders, we also spent a great deal of time considering what the purpose of the Institute would be as we moved into our new future as a Membership organisation focused firmly on the professional development of managers and leaders. Throughout our recent history, we had focused on formal, accredited education programs – such as Diplomas and, of course, the MBA – but as IML we changed this focus to encapsulate and reflect the shift in management and leadership theory and practice.

The result of this process was the release of IML's statement of purpose in early 2018. We see the purpose of the Institute as being to facilitate ‘the end of the chaos of the Accidental manager and to replace that with the impact of the Intentional Leader’.

I regard this statement of purpose as being a continuation of the vision of the founders of the Australian Institute of Management. Indeed, whilst the name of the Institute has changed our desire to set the standard for management and leadership excellence remains constant. Those ambitious words spoken by Sir John in 1949 lie at the very heart of IML's purpose as we head into 2019. Our goal remains the raising of management and leadership standards and we continue to strive to see that standard – Chartered Manager – accepted nationally. That standard is the gold standard of leadership excellence and it offers the ideal antidote to the chaos caused by the elevation of Accidental managers.

In recognition of the contribution of Sir John Storey – and of the continued relevance of his vision for the Institute – in 2018 we decided to honour our past with the establishment of a series of new, modern awards that were designed to recognise leadership excellence. These awards would encapsulate the core competencies of the Chartered Manager designation and would recognise management and leadership best practice.

The Leadership Impact Series was developed to incorporate the Institute's new awards, whilst offering Members the opportunity to hear about a new and exciting leadership topic. Our goal for the inaugural year of Leadership Impact was to identify an international speaker with a reputation for thinking differently and challenging management and



LEFT TO RIGHT: David Pich FIML pictured with Gordon and Judy Cope-Williams, Heather and John Storey Jr. & Ann Messenger FIML

leadership convention. Dr Hannah Critchlow, esteemed international neuroscientist, did just that during her Impact keynote address in Sydney, Brisbane, Melbourne and Canberra.

The Leadership Impact Series saw over 700 Members, non-members and IML Corporate Members attend one of the most fascinating and thought-provoking events that we have ever delivered. The events attracted considerable media interest and, in some locations, the question and answer session from the audience lasted longer than the keynote address itself.

Of course, whilst Leadership Impact included Dr Critchlow's keynote address, the real focus and purpose of the event series was to award the Institute's first ever Sir John Storey Awards. Further information including award winners can be found on pages 14 - 15.

My pride in handing these awards to the recipients across all Leadership Impact locations was only enhanced by the attendance of members of Sir John Storey's immediate family at the Melbourne event which was held at the Myer Centre. It was wonderful to meet Sir John's daughter Judy Cope-Williams and grandson John Storey Jr. Perhaps the most poignant and uplifting moment in my time as Chair of this great Institute was when Judy Cope-Williams complimented the IML team on the rebrand and the direction of the Institute and said that her father would be incredibly proud of where IML is heading and of the continuation of the proud tradition of the Institute dating back to 1939.

FINANCIAL RESULTS

As a not-for-profit Member-centric organisation, IML remains committed to achieving operating surpluses across our various products and services. However, we are also acutely aware that in reinventing the Institute and expanding geographically, we are in effect in a "start-up" phase for some of our business activities. As with all start-ups, it is critical to invest in the brand, staff and the new products and services that we offer. We must continue to support the new strategy and direction as we seek to build a robust and sustainable business that is aligned to our vision and mission. If we are to build Australia's and New Zealand's very first management and leadership accreditation-focused Membership business we must invest in the fundamentals of the Institute.

Top line revenue in 2018 decreased slightly compared to 2017 (-1.1%) reflecting the shift in the mix of our

	2016	2017	2018
Revenue	\$7,788,187	\$7,340,224	\$7,260,192
Expenses	\$8,595,926	\$9,745,887	\$11,319,226
Operating loss	\$807,739	\$2,405,663	\$4,059,034
Total comprehensive loss	\$763,007	\$779,314	\$6,111,664

Membership base towards a strong pipeline of Affiliate Members who are predominantly university students. In addition, we were faced with the challenge of diversifying our customer base in the people analytics business which offers diagnostic assessments of leadership and

management capabilities to individuals and corporate customers. This area used to service one main customer and over the last 12-18 months we successfully diversified our business to include new products and markets in line with our Leadership Matters II strategy. In addition, our events teams delivered strong results and offered over 130 events to Members and non-members across Australia and New Zealand over the course of 2018. Although, we continue to benefit from royalties on the AIM brand, returns from our investment portfolio were tempered in 2018, as we saw financial markets struggling worldwide with the uncertainties of Brexit and the spectre of a US v China trade war.

Expenses increased year-on-year but remained under budget due to management's prudent control. In 2018 we continued our investment in expanding the IML team which now includes regional representatives in Western Australia, the Northern Territory and in Auckland, New Zealand in addition to our existing seven locations across Australia. We also invested in supporting our new 'IML' brand and launched several highly visible and successful marketing campaigns that focused on our Chartered Manager designation and new flagship events.

Altogether this led to an operating loss of \$4.1 million in 2018 and a total comprehensive loss – including the accounting effect of unrealised changes in the market value of our investment portfolio – of \$6.1 million. In line with the financial and strategic review of the Leadership Matters II strategy undertaken by PPB, the Board anticipates a further three years of investment prior to returning to surplus when we will commence rebuilding the investment portfolio.

MEMBERSHIP POSITION

2018 witnessed a 12% decline in Membership revenue and 7% decline in Member numbers. Moving forward the next few years will continue to see a real focus and investment in the IML growth strategy, building a pipeline of Members through demand generation activities, university partnerships and industry partnerships.

Member numbers by state are:

STATES	NO. OF MEMBERS FOR 2018
ACT	415
NSW	2403
NT	111
QLD	2031
SA	493
TAS	132
VIC	2008
WA	130
NZ	242
Other	297
Total	8262

THE IML BOARD OF DIRECTORS AND BOARD SUB-COMMITTEES

As Members are aware, the AIM Group Board of Directors is currently comprised of seven directors, with each being an elected representative of the geographic areas which were formerly AIM's state-based divisions.

The Board formally met six times during 2018 and held several informal meetings with management in the months in-between. In addition to full Board meetings, the Board's various sub-committees each met at least quarterly to focus on different aspects of the business.

The AIM Group Board has three sub-committees:

- The Finance, Audit, Risk and Governance sub-committee is chaired by Christopher Hill FIML.
- The Membership Development and Strategy sub-committee is chaired by Mike Zissler FIML.
- The People and Remuneration sub-committee is chaired by Geoff Fary FIML.

As a Board we provide input to, and oversight of, the strategic direction of IML whilst supporting Chief Executive, David Pich FIML, the IML Leadership Team, IML Staff and the IML Regional Advisory Committees in the implementation of the three-year Leadership Matters II Strategy.



TOWARDS 2020. LOOKING AHEAD

As we enter 2019, the Institute of Managers and Leaders could not be clearer about nor more focused on our vision and purpose.

The success that we had in 2018 – our Pathway Partnerships with universities, in new leadership development focused events, the Leadership Impact series, our five International Women's Day events, our sold-out Masterclasses, Conferences and TEL Talks – illustrates that we are heading in the right direction. Our brand continues to grow and strengthen as our new products and services become more broadly known and recognised.

The growing strength of IML was further confirmed in late 2018 when we merged with the New Zealand Institute of Management (NZIM) to become the Institute of Managers and Leaders Australia and New Zealand, and in doing so formed the first truly trans-Tasman leadership institute focused on elevating the standard of management competency in the region.

This merger is hugely significant, not least because it allows us to adapt the products and services that have resonated so clearly with the Australian market to New Zealand, but also because it illustrates the strength of our new Member value proposition. In seeking out partners, the Board of NZIM considered a number of local alternatives, but the strength and breadth of IML's Member engagement offering and accreditation services for universities – and, of course, the internationally recognised Chartered Manager designation – played a significant role in the decision to merge with IML.

That decision has been widely endorsed and to date more than 300 NZIM Members have switched their Membership to IML ANZ.

Your Institute now has an international presence. We are the only leadership institute that is able to accompany our Members on their career journey across Australia and New Zealand. As we head towards 2020 and beyond, we will continue to promote management as a profession and we will continue to invest in the professional accreditation of management and leadership so that managers and leaders are valued as the professionals they are.

On behalf of the Board of the Institute of Managers and Leaders Australia and New Zealand, I would like to thank you, our Members, for your continued commitment to this great Institute. May I also take this opportunity to acknowledge and thank the very talented and hard-working team at IML for their dedication.

Thank you all for your loyalty and support and for what each of you do every day to make the Australian workplace, and thus broader society, a better place.



Ann Messenger FIML

Chair of Board
Brisbane, 29 March 2019

2018 SUMMARY OF THE YEAR

The 2018 financial year continued to be a time of significant investment in IML's Leadership Matters II strategy, the new brand and geographic expansion. Our Members are at the centre of everything we do at IML and this is reflected in the Group's financial results and operational outcomes.

Total revenue decreased slightly (-1.1%) year-on-year in 2018. This is mainly attributable to:

- A continuing shift in the mix of our Membership base towards a strong pipeline of Affiliate Members who are usually university students;
- A historic dependency on one particular customer in the people analytics business which has successfully diversified into new products and markets support by a strong marketing and brand awareness campaign; and
- Changes in the Australian immigration policy which determines the demand for our Skilled Migration Assessment services.

On the positive side, our events teams delivered strong results in 2018 (+5.6%) including several sell-out events and a focus on regional event series across Australia. We also benefitted from strong cash returns from our investment portfolio (+49%) as well as increases in royalty receipts (+22%). The merger with the New Zealand Institute of Management (NZIM) at the end of 2018 contributed one-off income of nearly \$100,000 to our result.

Total expenses increased year-on-year in line with the business plan but below the approved budget. The key focus areas in 2018 were:

- A continued investment into the IML team which expanded into Western Australia, the Northern Territory and Auckland, New Zealand;

- The use of temporary staff to supplement our capabilities and add extra capacity in times of high workloads including the annual Members renewal campaign and the ongoing IT renewal project;
- Highly visible and successful marketing campaigns that focused around our Chartered Manager designation and new flagship events; and
- Higher than anticipated legal fees due to an action filed by Scentia Pty Limited in the NSW Supreme Court (please also refer to note 19 in the financial statements).

Overall, this resulted in a loss for the year 2018 of \$4.1m which was better than the Board approved budget based on the financial and strategic review undertaken by PPB at the beginning of the year. The total comprehensive loss of \$6.1m includes \$2.1m of unrealised losses relating to our investment portfolio. After several years of strong results and continued market gains, the latter is a result of the highly volatile capital markets both in Australia and abroad that we experienced during 2018.

IML's balance sheet remains strong mainly due to the significant value of the Institute's long-term investment portfolio (presented as 'available for sale financial assets'). Net assets were a healthy \$25m as at 31 December 2018. During 2018 IML formulated a three-year IT strategy that acts as an enabler of Leadership Matters II and continued to make small investments in its IT infrastructure (reflected in 'intangible assets' on the balance sheet). Royalty payments

for the AIM brand were increased by CPI. In addition, IML received royalty payments from the Copyright Agency for the reproduction of its research and other publications, including the Membership magazine 'Leadership Matters'.

In summary, the Institute is well positioned to continue its path of expansion and diversification under the leadership of Chief Executive David Pich FIML. Whilst our significant investment in staff, systems and the brand needs to continue in the short- to medium-term, we are forecasting long-term surpluses and re-investment of those funds into the organisation's investment portfolio.



Membership Development & Strategy Committee



MIKE ZISSLER FIML

Chair of the Membership Development & Strategy Committee

As the Chair of the Membership Development and Strategy Committee (MDS), I am delighted to share some key initiatives and developments from 2018. As your Institute, we continue to be focused on the vision of 'Creating better managers and leaders for a better society', and this flows through to the activity within the Leadership Matters II strategy.

KEY MILESTONES FOR THE YEAR INCLUDED:

- Steady growth in attendance at events including conferences, masterclasses and short-form breakfast, lunch and evening functions. In 2018, extra effort was made to align event topics and content with the framework that underpins Chartered Manager, giving additional structure and purpose to the outcomes from these important elements of the strategy. Pleasingly, webinars as a medium of delivering professional development, continue to gain popularity. Across the numerous webinars in 2018 we had over 5,000 register to attend.
- Coaching and Mentoring skills continue to be in high demand in the workplace and the IML mentoring program – Member Exchange – has increased in popularity as a key Member benefit. In 2018, 350 mentors/mentees participated in the program and feedback has been very positive.



- 2018 also saw the launch of the Leadership Impact Series featuring leading Neuroscientist Dr Hannah Critchlow who connected the dots between leadership and neuroscience in a speaking tour that took in Sydney, Melbourne, Brisbane and Canberra.
- In conjunction with the Leadership Impact Series, IML launched the Sir John Storey Leadership Awards to acknowledge and recognise long-term leadership contribution, emerging leaders and corporate excellence in leadership. The awards, which are named after and pay tribute to one of the Institute's founders, help to round out the year in a positive and rewarding way for some very deserving managers and leaders.
- The IML End of Year events again saw record numbers of Members attend celebrations in over 20 locations across the country. The events are particularly important as we recognise Member tenure, and this year we had one Member celebrating 70 years of IML Membership and five Members acknowledged for 60 years Membership.

As we continue to build awareness around the IML brand, products and services, the MDS committee is always keen to hear what Members think. If you have feedback or would like to see more engagement in your region, please contact General Manager of Membership, Scott Martin CMgr FIML: scott.martin@managersandleaders.com.au

Once again, we thank you for your ongoing commitment and loyalty to the Institute of Managers and Leaders Australia and New Zealand and look forward supporting our vision of 'Creating better managers and leaders for a better society' further in 2019.

Breaking new ground for the Institute of Managers and Leaders Australia and New Zealand

This year has again been significant for IML ANZ as we continue to grow awareness and develop a deeper and broader level of engagement with our Member base. To achieve our vision, and be at the forefront of management and leadership, we needed to represent managers and leaders from all corners of the ANZ region. In 2018, two new offices were opened – Perth and Auckland.

GOING WEST: WESTERN AUSTRALIA

As part of this strategic and intentional effort to become a truly national institute, IML opened a new office in Perth and recruited a Relationship Manager to focus on the important Western Australian market.

With a base of over 100 Members and a cluster of Chartered Managers, the intent is to provide an increased level of service and engagement to Members and the leadership community in the West.

The office was officially opened by Chief Executive David Pich FIML and timed to align with the Beyond Blue partnered Leadership Outlook event, focusing on Creating Mentally Healthy Workplaces.

In the year ahead, a full calendar of activity is planned with dual focus on acquisition of new Members and providing value and professional development for existing Members and Chartered Managers.



INTERNATIONAL EXPANSION: NEW ZEALAND

In 2017, the Institute announced the historic rebrand from the Australian Institute of Management (Membership) to the Institute of Managers and Leaders Australia and New Zealand.

At the core of the rebrand was our new strategic direction to refocus our efforts on setting and promoting the national standard for management and leadership competence. Historically, we did this through education and training. However, through IML's new strategy we transformed our Membership business into an accreditation body, offering Chartered Manager (the globally-recognised gold standard of management and leadership excellence). With the exclusive right to offer the prestigious accreditation across both Australia and New Zealand, the Institute's aspiration is to expand our impact to become an international professional association.

In November 2018, IML announced we would merge with the New Zealand Institute of Management (NZIM), the professional association for managers in New Zealand, to form the Institute of Managers and Leaders Australia and New Zealand, or IML ANZ for short.

Through the merger with NZIM, IML ANZ will launch Chartered Manager in New Zealand and seek to forge similarly strong "Pathway Partnerships" between our association and future generations of managers and leaders, in partnership with world class universities.

Over 300 Members have taken up IML ANZ Membership and feedback to date has been very encouraging with respect to the products and services on offer.

Again, a full year of activity and development is planned across New Zealand and we are well advanced in discussions with several universities with respect to Pathway Partnerships. In 2019 we plan to recruit a local Relationship Manager who will be on the ground to service this key part of the business.

With representation in the ANZ region, IML has a strong foothold to move forward into 2019, building on the awareness developed since the rebrand and growing Membership. With this in mind, we continue to review the Member value proposition and welcome all feedback from Members on the range of features and benefits available.

SIR JOHN STOREY LEADERSHIP AWARDS

2018 marked the inaugural Sir John Storey Leadership Awards which recognises those who exemplify leadership values of excellence and integrity, and who uphold the highest ethical standards.

These Leadership Awards are presented in honour of the Institute's first President and historic Australian industrialist, Sir John Storey. His contribution to the Australian management and leadership industry and the Institute is best illustrated in his inaugural address to the Institute in 1949 where he stated:

"Our main goal is to raise the standard of management and to see these standards accepted nationally."

– Sir John Storey (1949)

His words continue to resonate powerfully and are today echoed in the Institute's mission: "To increase the standard, number and profile of professional managers and leaders."

The awards themselves are founded on, and assessed with, the four pillars of Chartered Manager, and are presented to those who:

- Exemplify leadership knowledge and expertise
- Demonstrate a practical difference to the workplace or community
- Exhibit a lifelong commitment to continuing professional development
- Maintain a high standard of ethical professional practice.

The Institute would like to thank everyone who took the time to nominate and congratulate the 2018 winners.

SIR
JOHN
STOREY
LEADERSHIP AWARDS

SIR JOHN STOREY AWARD FOR LIFETIME LEADERSHIP ACHIEVEMENT

- Dr Jim Kable FIML
- Professor Shirley Randell AO FIML
- Dr Donna Odegaard AM, CEO, Aboriginal Broadcasting Australia

SIR JOHN STOREY OUTSTANDING INTENTIONAL LEADER AWARD

- Professor Scott Bowman, Vice-Chancellor and President, CQ University Australia
- Paul Hughes FIML, Officer Commanding 3 Wing, Australian Air Force Cadets
- Cindy Welsh, General Manager, People and Culture, St John Ambulance Australia (Victoria)

SIR JOHN STOREY EMERGING LEADER AWARD

- Ryan McKergow MIML, Group Manager (Queensland), Elabor8
- Emma Hendry, CEO, Hendry
- Gemma Wood, Project Manager, Aurecon Australasia

SIR JOHN STOREY CATALYST AWARD FOR BUSINESS INNOVATION

- Cahoots
- Fantastic Furniture
- Mornington Shire Council



The background features a dark blue area with a pattern of small white dots. Overlaid on this are several images: a group of people in the upper left, a circular inset in the top right containing portraits of two individuals with the text 'KS ADERS' below them, and a group of people at the bottom. The text 'ANNUAL REPORT 2018' is written diagonally across the dark blue area.

ANNUAL REPORT 2018

Highlights of 2018



Launch of Intentional Leadership Programs



INTENTIONAL LEADERSHIP **FOUNDATIONS**

IML launched three inaugural Foundations of Intentional Leadership programs in Sydney, Melbourne and Brisbane during 2018. These programs were sold out to Corporate Members and continue IML's professional development activities to Members via programs and workshops.

The Foundations program contains highly interactive content, group discussions, role-playing, video case studies and technology-assisted simulations. It includes three diagnostic tools, one-on-one coaching to support the participants and mentoring at the conclusion of the program.

Designed to transform Accidental managers to Intentional leaders, Foundations provides IML Members with an excellent development opportunity when taking a step into management. It is focused on key competencies required as a team leader/supervisor/manager to embed self-development and self-awareness. It is run for 12 weeks with a maximum cohort of 16 people.

The six development modules include Module 1: The Intentional Leader, Module 2: Manage Self, Module 3: Effective Communication, Module 4: Manage People, Module 5: Performance Management, and Module 6: The Bigger Picture.





THE FUTURE IS FEMALE

International Women's Day 2018

Since its inception in 1949, the Institute has had a proud history of advocating for increased inclusion in the workplace through our Inclusion Matters portfolio.

At IML we firmly believe that our vision, 'Creating better managers and leaders for a better society' includes the equal and fair treatment of women.

IML's annual International Women's Day (IWD) events seek to change Australian society for the better by creating, supporting and championing women in leadership. 2018 was the 21st year that the Institute has supported the global IWD initiative and our IWD events have become institutions in their respective states.

More than 2,300 predominately female decision makers from a diverse range of industries attended the annual signature events in Brisbane, Sydney, Melbourne, and local events in Toowoomba and the Sunshine Coast.

The 2018 topic was the iconic and provocative feminist slogan "The Future is Female". Metro events were held in the style of a Great Debate – where our esteemed debaters shared their passionate opinions, witty comebacks and powerful leadership insights, and in Toowoomba and the Sunshine Coast local business leaders tackled the topic in a panel discussion.

Testimonials from 2018 attendees:

- "I invited our leadership team to expand their thinking on gender diversity."
- "The debate was very enjoyable, and the speakers were inspiring."
- "Very impressed with how well an event of this size was handled."
- "Debaters were fantastic – thoroughly enjoyed."

Each year the Institute raises funds for a chosen charity through a raffle. The 2018 charity partner was YWCA – a women-led organisation that undertakes advocacy and delivers programs and services that develop the leadership and collective power of women and girls. The total funds raised at the metro IWD events exceeded \$51,000.

CHARTERED MANAGER

Institute of Managers and Leaders

Chartered Manager

IT'S TIME FOR
MANAGERS TO

*Make their
Mark*

Chartered Manager (CMgr) continues to be a cornerstone of the IML strategy built around engagement and accreditation and positions the Institute as the standard-setting body for management and leadership in Australia and New Zealand.

Launched originally in 2017 to the ANZ market, the designation is gaining momentum with over 200 CMgrs awarded and more than 500 applicants currently in the process.

In 2018, a multi-channel, nationwide marketing campaign launched Chartered Manager to the Australian market under the tag line "Go Chartered". This campaign featured real IML Chartered Managers throughout social media, airport arrival halls and lounges, flight magazines, top-tier media publications, bus stops and local radio stations.

As a direct result, the Institute experienced increased awareness, and through the online eligibility quiz, saw incoming enquiries spike during the year.

As an organisation we remain extremely excited about the impact that Chartered Manager is having on individuals and companies and the important part it will play in the Institute in the coming years.



Leadership Impact Series 2018

In November 2018, the Institute of Managers and Leaders launched its new Signature Event – the Leadership Impact Series. These prestigious signature events celebrate the history, importance and future of leadership and leaders who innovate, inspire and make an impact.

The Institute invited esteemed international neuroscientist and impactful leader Dr Hannah Critchlow, described as “One of Cambridge University’s most inspirational and successful women in science”, to demystify leadership through neuroscience.

Dr Critchlow delved into the minds of leadership professionals, using neuroscience to unravel the thinking behind our decision-making and behaviour to help us get the most out of leadership. A lucky volunteer at each event had their brainwaves read live on stage via an EEG machine.

The events attracted over 700 guests in Melbourne, Sydney, Brisbane and Canberra and provided a platform to present the inaugural Sir John Storey Leadership Awards.

Testimonials from 2018 attendees:

- “Wonderfully professional event. The venue, service, food and speaker were of extremely high standard. A great start to the day.”
- “The keynote speaker was great and the content very interesting. The venue was beautiful and the food great.”





Pathway Partnerships

institute of
**MANAGERS
AND LEADERS**



PATHWAY
PARTNER

University and education provider engagement continued throughout the year with eight courses signing Pathway Partner agreements across six institutions. This included Griffith University, Deakin University, Swinburne Professional, Centennial College, Universal Business School Sydney and Victoria University. The accredited courses are mainly MBA Programs and begin in T1 2019.


A Pathway Partnership offers three core benefits to higher education and training institutions. Firstly, it offers course accreditation by IML and the Chartered Management Institute (UK). After mapping is completed, all graduates of an accredited course receive an additional qualification from CMI in management and leadership. This Professional Qualification, in addition to an Academic Qualification, gives graduates an edge in recruitment as they enter the workforce through differentiation with applied learning.

Secondly, a Pathway Partnership offers a number of industry-led activities on campus to give both students and academics a practitioner view. These applied experiences are also an opportunity for students to understand the realities of the workplace. Mentoring opportunities may be offered to cohorts of students at different stages.

Lastly, students studying in accredited courses become IML Affiliate Members giving them access to IML Member events and Professional Development programs, products and services. Additionally, academic staff teaching within the course may be able to access Chartered Manager assessment and Professional Membership as part of a Partnership.

The Partnerships team have a strong pipeline of universities looking to engage with IML for practical management and leadership support and development opportunities.





Leadership Outlook: Creating a Mentally Healthy Workplace

2018 LEADERSHIP OUTLOOK



Each year IML brings the Leadership Outlook roadshow to 18 regions across Australia. In 2018, the national roadshow was delivered in conjunction with Beyond Blue on the topic of 'creating a mentally healthy workplace'.

Each local event was joined by members of the Beyond Blue team as they presented a practical and thought-provoking workshop, followed by a panel discussion of local managers and leaders who shared their experiences. The sessions provided a forum for employers to learn about best practice approaches in workplace mental health and outlined strategies for adopting processes to support and promote a healthy workplace.

2018 was a record-breaking year for Leadership Outlook attendees. We welcomed over 1,500 attendees across the country including individual Members, non-members and Corporate Members. Media activity was at its highest too. Aligning with Beyond Blue afforded IML to reach over 550 publications right around the country.

The background features a collage of people. In the top right, there are two circular portraits of a woman with glasses and a man. In the bottom left, there is a larger group photo of several people. The entire image is overlaid with a dark blue pattern of small circles in the upper left and a solid blue area in the lower left.

ANNUAL REPORT 2018

Consolidated Financial Report For The Year Ended

31 December 2018

Directors' Report

The Directors present their report together with the consolidated financial statements of the Australian Institute of Management (Group) Limited ('the Company') and the entities it controlled at the end of, or during, the year ended 31 December 2018, and the Auditors' report thereon. Throughout the report, the consolidated entity is referred to as 'the Group'.

Since the rebrand in 2017 from Australian Institute of Management (Group) Limited to the Business name the Institute of Managers and Leaders ('IML'), the Company registered in New Zealand and now also uses the Business name the Institute of Managers and Leaders Australia and New Zealand ('IML ANZ').

DIRECTORS

The Directors who held office during the year ended 31 December 2018 and up to the date of this report are:

- **Ann Messenger** FIML (Chair)
Company Director
- **John Withers** FIML CMgr (Deputy Chair since 24 May 2018)
*Company Director , Assistant Director HR Operations and Strategy
Department of Justice*
- **Geoffrey Fary** FIML (Deputy Chair until 24 May 2018)
Company Director
- **Julie Boyd** FIML (retired on 24 May 2018)
Company Director
- **Cherie Curtis** FIML (elected on 24 May 2018)
Company Director, CEO Revelian
- **Stephanie McConachy** FIML GAICD
*Company Director, Head of Marketing and Communications
PwC Singapore*
- **Marie-Louise Pearson** IML Life Member
Company Director, Director Carers NT
- **Mike Zissler** FIML
Company Director

COMPANY SECRETARY

- **Susanne Behrendt** FIML

CORPORATE GOVERNANCE STATEMENT

The Directors review and approve strategies and action plans for the continuing development of the Company and its controlled entities. Management and the Board monitor the Group's overall performance, from implementation of the strategic plan through to the performance of the Group against operating plans and financial budgets.

OBJECTIVES & STRATEGY FOR ACHIEVING THE OBJECTIVES

The Group provides research & advocacy, development, publishing and information services to leaders and managers in Australia and New Zealand. In doing so the Group will:

- a. Develop, support, promote and practise the profession of management at all levels by being the preeminent voice of management and leadership in Australia and New Zealand.
- b. Provide opportunities for Australian and New Zealand managers to achieve an outstanding career through mentoring, professional development, networking and interventions.
- c. Undertake commercially viable endeavours in the management and leadership space to support its not-for-profit mission and objects and for the benefits of Members.
- d. Ensure benefits derived from all activities of all entities are directed to the benefit of its Members and the objects described in the Constitution of the Company and its subsidiary entities.
- e. Manage its reputation and growth through continuous improvement across systems, processes and culture.
- f. Further develop a share of the voice in the management space through targeted and measurable research, advocacy and public relations built on the Group's vision "Creating better managers and leaders for a better society".
- g. Continue to manage and develop its competencies and infrastructure to become effective and more agile in the marketplace through better coordination of its Membership communication tools as a strategic asset.

PRINCIPAL ACTIVITIES

As the peak professional body for managers and leaders, the Group offers services to its Members to meet their needs for career development, resource access, professional recognition and networking opportunities. The Group supports the development of management and leadership capability in the broader community through mentoring, the Sir John Storey Leadership Excellence Awards and through the awarding of scholarships for professional development. Additional services offered include research, consulting and assessment services, both for skilled migration as well as the Chartered Manager designation.

On 19 November 2018, the Group signed an asset sale agreement to purchase the Membership database from the New Zealand Institute of Management. The Group has also leased an office in Auckland to expand the Chartered Manager designation and all Member benefits to new Members within New Zealand.

There were no other significant changes during the year in the principal activities of the Group.

PERFORMANCE MEASURES

The Group measures its performance against the Board approved strategies, objectives and key performance indicators. Each objective and KPI has its own financial and operational charter that is monitored and reviewed regularly to ensure it is aligned with the Group's objectives.



Board of Directors



ANN MESSENGER FIML CMgr

CA, B.Bus - Mgmt (Mktg & Ops Mgmt), Grad Dip Fin, M Com (Acctg & Fin), GAICD
Chair

Ann Messenger is a Chartered Accountant who studied marketing and operations management before specialising in accounting and finance. Ann began her career in banking and has had a range of commercial experience both in Australia and overseas, including six years in Latin America where, as an equities analyst, she covered emerging markets.

In Australia, Ann worked in corporate finance and advisory roles with accounting firms KPMG and HLB Mann Judd, before moving into Chief Financial Officer and Chief Operating Officer positions with organisations including the Sydney Chamber of Commerce. Ann pursues a variety of business, community and personal interests and is a member of the Mosman Development Assessment Panel. Ann has a strong interest in the not-for-profit (NFP) sector and a firm belief in the value of the NFP sector to society.

Ann is a Fellow of the Institute of Managers and Leaders.



JOHN WITHERS FIML CMgr

MBA, GAICD psc

Deputy Chair since 24 May 2018

John Withers has extensive experience as a leader and manager in Defence, and more recently in the private and public sectors. After completing his schooling in Melbourne, John entered the Royal Military College and served as an officer in the Australian Regular Army for 25 years in the Infantry and the Special Air Service Regiment. After leaving the Regular Army in 1998, John moved to Hobart where he has worked in the private and public sectors.

John is currently an HR specialist within the Tasmanian State Government holding a number of positions in the Department of Education and more recently the Department of Justice.

For the past 17 years, he has been an active Member of the Institute of Managers and Leaders in Tasmania serving as a Member of the local committee of management, implementing and facilitating on the Aspiring Manager Program, and the Australian Leadership Excellence Awards.

John is a Fellow of the Institute of Managers and a Chartered Manager (CMgr).



GEOFFREY FARY FIML

MAICD, DPA

Deputy Chair until 24 May 2018

Geoff Fary is an Ambassador for the Fight MND Foundation, former Chair of the Federal Government's Asbestos Safety & Eradication Council, former Assistant Secretary of the ACTU, Ex-Chief of Staff to a Federal Government cabinet minister and was a senior executive at George Weston Foods Ltd and Nestle Australia. Geoff was raised in the 1950s and 60s in rural northern Victoria. His education and early work experience are reflective of the time and place. His working life has been devoted to Human Resource Management and Industrial Relations and his career moves have given him the unusual perspective of corporate, government and union experiences.

Geoff is a Fellow of the Institute of Managers and Leaders.



JULIE BOYD FIML

(retired on 24 May 2018)

Julie is an experienced company director with expertise in corporate governance, strategy and the not for profit sector.

Julie originally trained as a Registered Nurse in Brisbane and as a Midwife in Scotland. She studied politics at the University of Queensland prior to moving to Mackay. She was elected to the Mackay City Council within two years of moving to the City. She spent 16 years as an elected Councillor, with 11 of those as Mayor and was the first female Mayor of Mackay.

On leaving Local Government in 2008, she was appointed as the Queensland Governments Special Trade Representative to Japan, Republic of Korea and the Philippines. In 2010 she was appointed as the Special Trade Representative to Africa.

Julie has held a number of Board directorships over the past 15 years and currently is Chair of Reef Catchments Ltd, a Non-Member Director of the Real Estate Institute of Queensland and Non-Executive Director of YWCA Qld and RACQ Rescue Helicopter Service. Julie is a Fellow and Graduate of Australian Institute of Company Directors, a Level 2 accredited Executive Coach and accredited in the Leadership Circle 360 Executive Performance. Julie also contracts to the Stephenson Mansell group as an Executive Mentor.





CHERIE CURTIS FIML

BA(Psych), BSoc Sc (Hons.), MOrg Psych, MAPS, GAICD
(Elected on 24 May 2018)

Cherie is currently the Chief Executive Officer of Revelian and is responsible for the strategic and operational direction of the business. Revelian delivers solutions that utilise advancements in both technology and psychology to provide best practice outcomes to a variety of customers globally. Cherie joined Revelian (then Onetest) in 2003 as an intern, progressing to Head of Psychology in 2005 and then to CEO in 2015.

Cherie was recognised as the nation's top leader in the 2016 AIM Leadership Excellence Awards, and as a finalist in the 2015 Qld Telstra Businesswomen's Awards. She is a registered Organisational Psychologist and Graduate Member of the Australian Institute of Company Directors.

Cherie is a Fellow of the Institute of Managers and Leaders.



STEPHANIE MCCONACHY FIML

BMgmt (Mktg) GAICD

Stephanie is an experienced senior marketer, working with business leaders nationally to create tailored and integrated marketing strategies aligned to business objectives. With an established background in marketing, communications and branding Stephanie's experience has been varied from working in a small start-up to national law firm Minter Ellison and global firm PwC. Currently at PwC, Stephanie operates in a national role acting as an advisor to senior leaders across the business on all matters of marketing. She also acts as an Executive Coach on personal brand to high performing firm Partners.

Stephanie is a Fellow of the Institute and has been involved with IML for a number of years, most recently serving on the Institute of Managers and Leaders Emerging Leaders Advisory Board. Stephanie is currently on secondment in Singapore with PwC, leading the Marketing and Communication function.



MARIE-LOUISE PEARSON FIML

GAICD

IML Life Member

Marie-Louise has over 32 years in sales and management experience in the energy, telecommunications and ICT industries.

With a background in management at Jacana Energy (the NT's largest electricity retailer), Optus and IBM, Marie-Louise has extensive management experience in complex and rapidly changing businesses and is keenly interested in delivering value and strong governance. Under her Chairmanship of the IML NT Council 2006 to 2012, IML NT saw its strongest ever recorded Membership and

participation rates. Marie-Louise has a strong history of leadership in community organisations which have included Darwin Symphony Orchestra. Marie-Louise won the 2014 AIM Leadership Excellence Award for Community Leader of the Year.

Marie-Louise is a Life Member and Fellow of IML, a Graduate of the Australian Institute of Company Directors, holds a Graduate Diploma in Business Administration and a Bachelor of Science in Mathematical Sciences.



MIKE ZISSLER FIML

FAICD, FCMI, FACHSE, MBA, BHA

Chair of the Membership Development & Strategy Committee

Mike Zissler, formerly the Chief Executive of the Australian Property Institute, is now spending time travelling around Australia and focusing his time on supporting not-for-profit organisations with governance and change management challenges. Prior appointments include the Chief Executive Officer of Lifeline Canberra, the Commander of the Northern Territory Emergency Intervention and the Chief Executive Officer of a large ACT Government Department. He has extensive public-sector experience having been in senior roles with a number of State and Territory Government agencies.

Mike has a British Army background and trained as a Paramedic/Registered Nurse before specialising in

Paediatrics in the NHS. Arriving in Australia in 1988, Mike has undertaken a Bachelor degree in Health Administration and a Masters of Business Administration and has specialised in organisational development and change often working with organisations undergoing governance, constitutional and financial crisis.

Mike is a Fellow of the Institute of Managers and Leaders, a Fellow of the Australian Institute of Company Directors, a Fellow of the Chartered Management Institute and a Fellow of the Australasian College of Health Service Management.



DIRECTORS' MEETINGS

The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 31 December 2018, and the number of meetings attended by each director were:

BOARD MEETINGS		
BOARD MEMBERS	HELD	ATTENDED
	Held	Attended
Ann Messenger (Chair)	6	6
John Withers (Deputy Chair)	6	6
Geoff Fary (Director)	6	6
Julie Boyd (Director) (Retired on 24 May 2018)	3	2
Cherie Curtis (Director) (Elected on 24 May 2018)	4	3
Stephanie McConachy (Director)	6	6
Marie-Louise Pearson (Director)	6	5
Mike Zissler (Director)	6	5
Susanne Behrendt (Company Secretary)	6	6

Held: represents the number of meetings held during the time the person held office.

DIRECTORS' REMUNERATION

The Company pays annual fees of

- \$60,000 to its Chair;
- \$33,000 to its Deputy Chair and Board sub-committee Chairs; and
- \$30,000 to its Directors.

INDEMNITY AND INSURANCE OF OFFICERS

The Company has indemnified its Directors and Executives for costs incurred, in their capacity as a Director or Executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the Directors of the Company and Executives of the Group against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of liability and the amount of the premium.

MEMBERS' LIABILITY

The Australian Institute of Management (Group) Limited is a company limited by guarantee and the liability of its Members is limited.

Every IML Member undertakes to contribute to the assets of the Company if it is wound up while the Member is a Member, or within one year after the Member ceases to be a Member, for:

- the payment of the debts and liabilities of the Company, contracted before the Member ceases to be a Member;
- the expenses of winding up the Company; and
- the adjustment of the rights of the contributories among themselves.

The amount of the contribution must not exceed \$2.00 in any circumstances.

AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is included in this report.

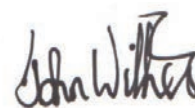
NON-AUDIT SERVICES

RSM Australia ('RSM') is the auditor of the Company (2017: RSM), its controlled entities and subsidiaries. During the period ended 31 December 2018 RSM provided Fringe Benefits Tax services to the Company and its controlled entities as well as assisted in IML's application for franking credit refunds (2017: nil).

This report is made and signed in accordance with a resolution of Directors.



Ann Messenger FIML
Chair of Board
Brisbane, 29 March 2019



John Withers CMgr FIML
Deputy Chair of Board
Brisbane, 29 March 2019



RSM Australia Partners

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F +61 (0) 7 3225 7880

www.rsm.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Australian Institute of Management (Group) Limited for the 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 of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

RSM

RSM AUSTRALIA PARTNERS

A handwritten signature in black ink, appearing to read 'ALLOOTS'.

Albert Loots
Partner

Brisbane, Queensland
Dated: 27 March 2019

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2018

			RESTATED
	NOTE	CONSOLIDATED 2018 \$	CONSOLIDATED 2017 \$
Revenue	3	7,260,192	7,340,224
Expenses	4	(11,319,226)	(9,745,887)
Loss before income tax		(4,059,034)	(2,405,663)
Income tax expense	5	-	-
Loss for the year		(4,059,034)	(2,405,663)
OTHER COMPREHENSIVE INCOME/(LOSS)			
(Loss) / gain on revaluation of available for sale financial assets	12	(2,052,630)	1,626,349
		(2,052,630)	1,626,349
Total comprehensive loss for the year		(6,111,664)	(779,314)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.



Consolidated Statement of Financial Position

As at 31 December 2018

		RESTATED	
	NOTE	CONSOLIDATED 2018 \$	CONSOLIDATED 2017 \$
CURRENT ASSETS			
Cash and cash equivalents	6	456,103	146,359
Receivables	7	281,363	561,378
Prepayments and other current assets	8	339,871	247,871
Available for sale financial assets	12	1,224,304	3,098,718
Total current assets		2,301,641	4,054,326
NON-CURRENT ASSETS			
Property and equipment	10	510,417	527,287
Intangible assets	11	973,494	954,058
Available for sale financial assets	12	20,108,216	24,462,864
Other non-current assets	13	3,778,616	3,674,102
Total non-current assets		25,370,743	29,618,311
Total assets		27,672,384	33,672,637
CURRENT LIABILITIES			
Payables	14	888,304	653,389
Other current liabilities	15	1,595,367	1,760,638
Provisions	16	220,355	183,147
Total current liabilities		2,704,026	2,597,174
NON-CURRENT LIABILITIES			
Provisions	16	22,810	18,251
Total non-current liabilities		22,810	18,251
Total liabilities		2,726,836	2,615,425
Net assets		24,945,548	31,057,212
EQUITY			
Reserves	17	6,236,220	8,288,850
Retained earnings	18	18,709,328	22,768,362
Total equity		24,945,548	31,057,212

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.
The financial information of the parent entity is summarised under note 25.

Consolidated Statement of Changes in Members' Equity

For the year ended 31 December 2018

	NOTE	RETAINED EARNINGS \$	RESERVES \$	TOTAL \$
Restated balance at 1 January 2017		25,174,025	6,662,501	31,836,526
Restated total comprehensive loss for the year		(2,405,663)	-	(2,405,663)
Available for sale financial assets reserve		-	1,626,349	1,626,349
Balance at 31 December 2017		22,768,362	8,288,850	31,057,212
Total comprehensive loss for the year	18	(4,059,034)	-	(4,059,034)
Available for sale financial assets reserve	17	-	(2,052,630)	(2,052,630)
Balance at 31 December 2018		18,709,328	6,236,220	24,945,548

The above consolidated statement of changes in Members' equity should be read in conjunction with the attached notes.



Consolidated Statement of Cash Flows

For the year ended 31 December 2018

		RESTATED	
	NOTE	CONSOLIDATED 2018 \$	CONSOLIDATED 2017 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Members and customers (inclusive of GST)		7,401,654	7,436,775
Payments to suppliers and employees (inclusive of GST)		(10,983,482)	(9,637,786)
Interest received	3	34,039	69,832
Net cash outflows from operating activities		(3,547,789)	(2,131,179)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for intangible assets	11	(245,815)	(877,731)
Payments for property and equipment	10	(73,084)	(45,817)
Proceeds from (investment in) other non-current assets	13	-	(1,706,830)
Withdrawal of (investment in) available for sale financial assets		4,176,433	3,721,460
Net cash inflows from investing activities		3,857,533	1,091,082
Net decrease in cash and cash equivalents		309,744	(1,040,097)
Cash and cash equivalents at the beginning of year		146,359	1,186,456
Cash and cash equivalents at the end of year	6	456,103	146,359

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2018

NOTE 1: CORPORATE INFORMATION

The Australian Institute of Management (Group) Limited is a company limited by guarantee, incorporated in Australia under the Corporations Act 2001 and domiciled in Brisbane.

The Company's registered office and principal place of business is at Level 16, 40 Creek Street, Brisbane QLD 4000.

The consolidated financial report of the Australian Institute of Management (Group) Limited for the year ended 31 December 2018 was authorised for issue in accordance with a resolution of the Directors dated 29 March 2019. The nature of the operations and principal activities of the Company and its controlled entities are described in the Directors' report.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRIOR PERIOD ADJUSTMENTS

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the consolidated entity consisting of Australian Institute of Management (Group) Limited and its controlled entities ('the Group').

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations

and the Corporations Act 2001. The Australian Institute of Management (Group) Limited is a not-for-profit entity for the purpose of preparing the financial statements.

i) Compliance with Australian Accounting Standards – Reduced Requirements

The consolidated financial statements of Australian Institute of Management (Group) Limited and its controlled entities comply with Australian Accounting Standards – Reduced Disclosure Requirements as issued by the Australian Accounting Standards Board (AASB).

ii) New and amended standards adopted by the Group

The consolidated financial statements applied AASB 15 and AASB 9 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

AASB 9 Financial Instruments

The standard replaces all previous versions of AASB 9 and completes the project to replace AASB 139 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ('OCI'). For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. The consolidated entity adopted this standard from 1 January 2018 and the impact of its adoption is expected to be minimal on the consolidated entity.

AASB 15 Revenue from Contracts with Customers

The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers.

For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgments made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The consolidated entity adopted this standard from 1 January 2018 and the impact of its adoption is minimal on the consolidated entity.

iii) Early adoption of standards

The Company has not elected to adopt any pronouncements early.

iv) Historical cost convention

These financial statements have been prepared under the historical cost convention as modified by the revaluation of available-for-sale financial assets,

financial assets and liabilities (including derivative instruments) at fair value through profit or loss, certain classes of property and equipment.

The consolidated financial statements are presented in Australian dollars, which is the Australian Institute of Management (Group) Limited's functional and presentation currency.

(b) Principles of consolidation

The consolidated financial statements of the consolidated entity incorporate the assets and liabilities of the Company and its controlled entities at the end of the financial year, and the results of the Company and its controlled entities during the financial year. This control is by virtue of the fact that all Directors of the controlled entities are appointed by the Company. The Company and its controlled entities together are referred to in this financial report as 'the Group'.

The effect of all transactions between entities in the consolidated entity and inter-entity balances are eliminated in full in preparing the consolidated financial statements.

(c) Income tax

The consolidated entity adopts the liability method of tax-effect accounting. Under present legislation income derived by the Group from Members is not assessable for income tax. Income tax liabilities arise in respect of income derived from non-Members and investments less certain allowable deductions.

The controlled entities of the Company have been advised by the Australian Taxation Office that they are exempt from Income Tax pursuant to the Income Tax Assessment Act 1997 except the Australian Institute of Management NSW/ACT Limited which is a taxable entity.

(d) Foreign currency

Transactions denominated in a foreign currency are recorded at the exchange rates prevailing at the date of the transactions. Foreign currency payables at balance date are translated at exchange rates current at the balance date. Exchange gains and losses are brought to account in determining the profit or loss for the financial year.

(e) Revenue

Revenue from contracts with customers

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

be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

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

Sales Revenue

Events are recognised when received or receivable.

Interest Revenue

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other Revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

(f) Receivables

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

(g) Investments in Financial Instruments

Investments in financial instruments are designated as Financial assets at fair value through other comprehensive income if they do not have fixed maturities and fixed or determinable payments, and management intends to hold them for medium to long term.

The financial assets are presented as non-current assets

unless they mature, or management intends to dispose of them within 12 months of the end of reporting period.

Changes in the fair value and exchange differences arising on translation of investments that are classified as Financial assets at fair value through other comprehensive income (for example equities), are recognised in other comprehensive income accumulated in a separate reserve with equity. Amounts are reclassified to profit and loss when the associated assets are sold or impaired.

(h) Property and equipment

Property and equipment, are depreciated over their expected useful lives using the straight-line method. The expected useful lives are as follows:

Leasehold improvements	5-15 years
Plant and equipment	3-10 years

The assets' residual values and useful lives are reviewed and adjusted if appropriate at each balance sheet date.

Gains and losses on disposal of property and equipment are taken into account in determining the profit or loss for the financial year.

(i) Leased assets

Leases under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Operating lease payments are charged to expenses in the financial periods in which they occur.

Lease incentives are recognised under operating leases as a reduction of rental expense over the lease term.

(j) Trade and other creditors

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

(k) Employee entitlements

i) Wages, salaries and annual leave

Liabilities for wages and salaries and annual leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

ii) Long service leave

The liability for long service leave expected to be settled

within 12 months of the reporting date is measured in accordance with (i) above. The liability for long service leave expected to be settled more than 12 months from the reporting date is measured as the present value of expected future payments to be made in respect of services provided by the employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted to match as closely as possible, the estimated future cash outflows.

iii) Superannuation

Contributions to external employee superannuation plans are charged as an expense when the contributions are paid or become payable.

iv) Employee benefits on-costs

Employee benefits on-costs, including payroll tax, are recognised and included in employee benefits costs and in liabilities when the employee benefits to which they relate are recognised as liabilities.

(l) Cash and cash equivalents

For the purpose of the cash flow statement, cash includes cash on hand and deposits held with banks, net of any bank overdrafts. Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments that are readily convertible to known amounts of cash.

(m) Assets classified as held for sale

Assets are classified as held for sale and stated at the lower of their carrying amount and fair value less costs to sell if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

An impairment loss is recognised for any initial or subsequent write down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of de-recognition.

Assets classified as held for sale are presented separately from the other assets in the statement of financial position, and are not depreciated or amortised while they are classified as held for sale.

(n) Intangible assets

Website, IT development and other intangible (development programs)

Website, IT development and other intangible costs are recognised as

intangible assets only when it is probable that the expected economic benefits that are attributable to them flow to the Group and the costs can be measured reliably. Expenditure relating to the planning stage are expensed when incurred.

Capitalised website, IT development and other intangible expenditure are stated at cost less accumulated amortisation. All intangible assets are amortised over five to seven years using the straight-line method.

Work in progress

All website, IT development and Development program costs are initially accounted for as work in progress before recognised as intangible assets. Work in progress is stated at the lower of cost and net realisable value.

(o) Provisions

Provisions are recognised when the consolidated entity has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be reliably estimated. Provisions are not recognised for future operating losses.

(p) Critical estimates, judgements and errors

The preparation of financial statements requires the use of accounting estimates, which, by definition, will seldom equal the actual results. Management has exercised its judgements in applying the group's accounting policies.

(q) Parent entity financial information

The financial information for the parent entity, Australian Institute of Management (Group) Limited disclosed in note 25 has been prepared on the same basis as the consolidated financial statements.

(r) Prior period adjustments

In 2018, the Group was successful in the application to refund franking credits for the financial years 2015, 2016 and 2017. As this income related to a reporting period prior to the comparative period, the following adjustments have been made to the 2017 amounts:

Consolidated Statement of Comprehensive Income:

- Revenue increased by \$160,993.

Consolidated Balance Sheet:

- Retained earnings increased by \$377,052; and
- Receivables increased by \$377,052.

Consolidated Statement of Changes in Members' Equity

- Total comprehensive loss decreased by \$160,993.
- Opening retained earnings at 1 January 2017 increased by \$216,059.

Notes to the Consolidated Financial Statements

(Continued)

NOTE 3: REVENUE

	CONSOLIDATED 2018 \$	RESTATED CONSOLIDATED 2017 \$
Membership revenue	2,465,304	2,796,802
Investment income	1,774,498	1,185,442
Research revenue	962,921	1,338,853
Events revenue	725,922	687,434
Assessments and accreditation revenue	601,786	696,956
Royalty income	319,957	262,000
Day 1 gain on loan fair value adjustment	104,514	-
NZIM merger	91,830	-
Interest revenue	34,039	69,832
Other revenue	179,421	302,905
	7,260,192	7,340,224

NOTE 4: OPERATING EXPENSES

	CONSOLIDATED 2018 \$	RESTATED CONSOLIDATED 2017 \$
EXPENSES		
Employee costs	4,635,109	3,841,709
Cost of sales	1,446,965	1,878,663
Marketing and promotion	1,071,008	280,057
Consultants and agency staff	902,091	408,575
Information technology costs	707,392	1,130,419
Rent and on cost	556,890	158,716
Day 1 Loss on fair value adjustment	-	241,301
Legal Fees	519,238	77,867
Board Fees	320,111	255,735
Depreciation and amortisation	316,333	236,061
Travel and accommodation	243,156	228,416
Rebrand costs	-	315,469
Write-off of fixed assets	-	128,084
Other expenses of operating activities	600,933	564,815
	11,319,226	9,745,887
Included within operating expenses are:		
Doubtful debts/write-off	20,575	70,428
Employee entitlements - superannuation	342,765	314,370



NOTE 5: TAXATION

The amount of income tax attributable to the financial year differs from the amount prima facie payable on the loss before income tax. The differences are reconciled as follows:

	CONSOLIDATED 2018 \$	RESTATED CONSOLIDATED 2017 \$
Loss from continuing operations before income tax expense	(4,059,034)	(2,405,663)
Prima facie income tax on profit before income tax at 30% (2017: 30%)	(1,217,710)	(721,699)
TAX EFFECT OF PERMANENT DIFFERENCES WHICH REDUCE TAX PAYABLE		
Non-assessable profits and losses	1,285,675	831,454
Prima facie tax adjusted for permanent differences	67,965	109,755
Tax effect of temporary differences	-	-
Tax losses not (recouped)/booked	(67,965)	(109,755)
Income tax attributable to loss before income tax	-	-

NOTE 6: CASH AND CASH EQUIVALENTS

	CONSOLIDATED 2018 \$	RESTATED CONSOLIDATED 2017 \$
Cash at bank	456,103	146,359

NOTE 7: RECEIVABLES

	CONSOLIDATED 2018 \$	RESTATED CONSOLIDATED 2017 \$
Trade debtors	277,386	561,934
Other debtors	24,328	22,669
	301,714	584,603
Less: Provision for doubtful debts	(20,351)	(23,225)
	281,363	561,378

NOTE 8: PREPAYMENTS AND OTHER CURRENT ASSETS

	CONSOLIDATED 2018 \$	RESTATED CONSOLIDATED 2017 \$
Prepayments and other current assets	336,981	239,741
Books inventory	2,890	8,130
	339,871	247,871

NOTE 9: GOING CONCERN

The consolidated financial statements have been prepared on a going concern basis.

For the year ended 31 December 2018, the consolidated statement of financial position reflected an excess of current liabilities over current assets of \$402,385.

The assets available for sale indicate that the consolidated entity will have sufficient cash assets to be able to meet its debts as and when they are due.

The directors are satisfied that the consolidated entity is able to meet all liabilities as and when they fall due and payable.

NOTE 10: PROPERTY AND EQUIPMENT

	LEASEHOLD IMPROVEMENTS \$	COMPUTER & OTHER EQUIPMENT \$	TOTAL \$
YEAR ENDED 31 DECEMBER 2017			
Opening net book amount	467,375	83,853	551,228
Additions	-	45,817	45,817
Depreciation charge	(47,937)	(21,821)	(69,758)
Closing net book amount	419,438	107,849	527,287
AT 31 DECEMBER 2017			
Cost	479,360	133,296	612,656
Accumulated depreciation	(59,922)	(25,447)	(85,369)
Net book amount	419,438	107,849	527,287
YEAR ENDED 31 DECEMBER 2018			
Opening net book amount	419,438	107,849	527,287
Additions	4,416	68,668	73,084
Depreciation charge	(48,917)	(41,037)	(89,954)
Closing net book amount	374,937	135,480	510,417
AT 31 DECEMBER 2018			
Cost	483,776	201,964	685,740
Accumulated depreciation	(108,839)	(66,484)	(175,323)
Net book amount	374,937	135,480	510,417



NOTE 11: INTANGIBLE ASSETS

	WEBSITE & IT DEVELOPMENT \$	OTHER INTANGIBLE ASSETS \$	WORK IN-PROGRESS	TOTAL
YEAR ENDED 31 DECEMBER 2017				
Opening net book amount	174,571	98,732	97,411	370,714
Additions	649,469	165,156	63,106	877,731
Transfers	97,411	-	(97,411)	-
Write-off	(119,186)	(8,898)	-	(128,084)
Amortisation charge	(26,942)	(139,361)	-	(166,303)
Closing net book value	775,323	115,629	63,106	954,058
AT 31 DECEMBER 2017				
Cost	916,992	319,165	63,106	1,299,263
Accumulated depreciation	(141,669)	(203,536)	-	(345,205)
Net book amount	775,323	115,629	63,106	954,058
YEAR ENDED 31 DECEMBER 2018				
Opening net book amount	775,323	115,629	63,106	954,058
Additions	308,921	-	-	245,815
Transfers	-	-	(63,106)	-
Amortisation charge	(142,765)	(83,614)	-	(226,379)
Closing net book value	941,479	32,015	-	973,494
AT 31 DECEMBER 2018				
Cost	1,225,913	319,165	-	1,545,078
Accumulated depreciation	(284,434)	(287,150)	-	(571,584)
Net book amount	941,479	32,015	-	973,494

NOTE 12: OTHER FINANCIAL ASSETS

Financial assets at fair value through other comprehensive income assets include the following classes of financial assets:

	CONSOLIDATED 2018 \$	CONSOLIDATED 2017 \$
CURRENT ASSETS:		
Cash	1,224,304	3,098,718
NON-CURRENT ASSETS:		
Listed securities:		
Fixed interest	5,022,132	4,761,174
Equities	15,086,084	19,701,690
	20,108,216	24,462,864
Total financial assets at fair value through other comprehensive income assets	21,332,520	27,561,582

GAIN / (LOSS) ON REVALUATION OF AVAILABLE FOR SALE FINANCIAL ASSETS:

Changes in the fair value and exchange differences arising on translation of investments that are classified as financial assets at fair value through other comprehensive income (for example equities), are recognised in other comprehensive income accumulated in a separate reserve with equity. Amounts are reclassified to profit and loss when the associated assets are sold or impaired.

The loss on revaluation of available for sale assets for the year is \$2,052,630 (2017: gain of \$1,626,349).

NOTE 13: OTHER NON-CURRENT ASSETS

	CONSOLIDATED 2018 \$	CONSOLIDATED 2017 \$
Loan receivable from AIMET	2,305,215	2,305,215
Less: Unwinding discount on loan receivable	(136,787)	(241,301)
	2,168,428	2,063,914
Short-term deposits (restricted) – non-current	1,610,188	1,610,188
	3,778,616	3,674,102

On 21 April 2017, the Company advanced a loan of \$2.3m to AIMET in accordance with the Loan Agreement entered into at the time of the divestment of the Education & Training business. Under the terms of the Agreement this loan is interest free, unsecured and repayable in full on the earlier of 12 October 2023 or the divestment of AIMET by its current owners.

The 'unwinding discount on loan receivable' is the remaining discount that was expensed on the initial recognition of the loan due to its interest-free nature. This amount is written back on a monthly basis over the term of the loan.

The amount of \$1,610,188 (2017: \$1,610,188) is held as security for bank guarantees issued for office leases.

NOTE 14: PAYABLES

	CONSOLIDATED 2018 \$	RESTATED CONSOLIDATED 2017 \$
Trade creditors	441,300	123,083
Other creditors and accruals	447,004	530,306
	888,304	653,389

NOTE 15: OTHER CURRENT LIABILITIES

	CONSOLIDATED 2018 \$	RESTATED CONSOLIDATED 2017 \$
Member subscription in advance	1,315,832	1,379,547
Deferred rent incentive income	279,535	381,091
	1,595,367	1,760,638



NOTE 16: PROVISIONS

	CONSOLIDATED 2018 \$	RESTATED CONSOLIDATED 2017 \$
Employee benefits and related on-cost liabilities		
- Current	220,355	183,147
- Non-current	22,810	18,251
Aggregate employee benefits and related on-cost liabilities	243,165	201,398

NOTE 17: RESERVES

	CONSOLIDATED 2018 \$	RESTATED CONSOLIDATED 2017 \$
AVAILABLE FOR SALE RESERVE		
Balance 1 January	2,624,205	997,856
Net gain / (loss) on available for sale financial assets	(2,052,630)	1,626,349
Balance 31 December	571,575	2,624,205
BUSINESS COMBINATION RESERVE		
Balance 31 December	5,664,645	5,664,645
Total reserves	6,236,220	8,288,850

NOTE 18: RETAINED EARNINGS

	CONSOLIDATED 2018 \$	RESTATED CONSOLIDATED 2017 \$
Restated retained earnings at the beginning of the financial year	22,768,362	25,174,025
Deficit attributable to Members of Australian Institute of Management (Group) Limited	(4,059,034)	(2,405,663)
Retained earnings at the end of the financial year	18,709,328	22,768,362

NOTE 19: COMMITMENTS AND CONTINGENT LIABILITIES

	CONSOLIDATED 2018 \$	RESTATED CONSOLIDATED 2017 \$
OPERATING LEASES		
Not later than one year	199,840	193,082
Later than one year but not later than five years	402,497	602,337
	602,337	795,419

CONTINGENT LIABILITIES

A significant remote contingent liability is a possible obligation that would be material to the Company, but where the probability of settlement is considered very low (less than five per cent).

The disclosure of remote contingencies is not required under Accounting Standards but is listed below for transparency.

LEGAL PROCEEDINGS

The Australian Institute of Management (Group) Ltd and the Australian Institute of Management are currently involved in an action filed by Scentia Pty Limited in the NSW Supreme Court. The companies deny liability and will be vigorous in defending the action with a cross claim already filed. The legal proceedings are taken seriously and are overseen by the Board with all due consideration to ensure that this does not interfere with usual business operations.

NOTE 20: CONTROLLED ENTITIES

The following are controlled entities and their subsidiaries as at 31 December 2018 by virtue of the fact that all Directors are appointed by the Company.

CONTROLLED ENTITIES	SUBSIDIARIES OF CONTROLLED ENTITIES
Australian Institute of Management NSW/ACT Limited	<ul style="list-style-type: none"> Australian Institute of Management NSW/ACT Training Centre Limited (non-operating) Australian Institute of Management Canberra Limited (non-operating) The Octant Foundation (non-operating) Centre for Public Management Pty Ltd (non-operating)
Australian Institute of Management Vic/Tas Limited (non-operating)	<ul style="list-style-type: none"> Australian Institute of Management Vic/Tas College of Education and Training Nominee Limited Australian Institute of Management Vic/Tas Training College Limited (non-operating) Airdiaim Pty Ltd (formerly known as Idria Pty Ltd) (non-operating)
Australian Institute of Management (AIM National)	

The Company has no investment in the above noted controlled entities and the Constitutions of the controlled entities preclude payment of any dividends to the Company.

NOTE 21: DEED OF CROSS GUARANTEE

A Deed of Cross Guarantee was signed in November 2014. By entering into this deed, Australian Institute of Management NSW/ACT Limited, Australian Institute of Management Education and Training, LeaderSpace Limited, Australian Institute of Management NSW/ACT Training Centre Limited, Australian Institute of Management Canberra Limited, Australian Institute of Management Vic/Tas Limited, Australian Institute of Management Vic/Tas College of Education & Training Nominee Limited, Australian Institute of Management (AIM National) and The Octant Foundation were relieved from the requirement to prepare a financial report and Directors' report under Corporations Instrument 2016/785 as issued by the Australian Securities and Investment Commission (ASIC).



Post disposal of the Training business on 1 March 2015, a Deed of Revocation was signed and lodged with ASIC releasing Australian Institute of Management Education and Training and LeaderSpace Limited from the deed and closed group.

The following entities are party to a Deed of Cross Guarantee as at 31 December 2018 under which each company guarantees the debts of the other:

- Australian Institute of Management (Group) Limited (holding entity)
- Australian Institute of Management NSW/ACT Limited
- Australian Institute of Management NSW/ACT Training Centre Limited
- Australian Institute of Management Canberra Limited
- Australian Institute of Management Vic/Tas Limited
- Australian Institute of Management Vic/Tas College of Education & Training Nominee Limited
- Australian Institute of Management (AIM National)
- The Octant Foundation

The above companies represent a “Closed Group” for the purpose of the Corporations Instrument 2016/785 and as there are no other parties to the Deed of Cross Guarantee that are controlled by the Company, they also represent the “Extended Closed Group”.

NOTE 22: DIRECTORS AND KEY MANAGEMENT PERSONNEL DISCLOSURE

COMPENSATION

The aggregate compensation made to Directors and other Members of key management personnel of the Group is set out below:

	CONSOLIDATED 2018 \$	RESTATED CONSOLIDATED 2017 \$
Aggregate compensation	1,432,345	1,274,106

NOTE 23: RELATED PARTY DISCLOSURES

Key management personnel

Disclosures relating to key management personnel are set out in note 22.

NOTE 24: EVENTS AFTER THE REPORTING PERIOD

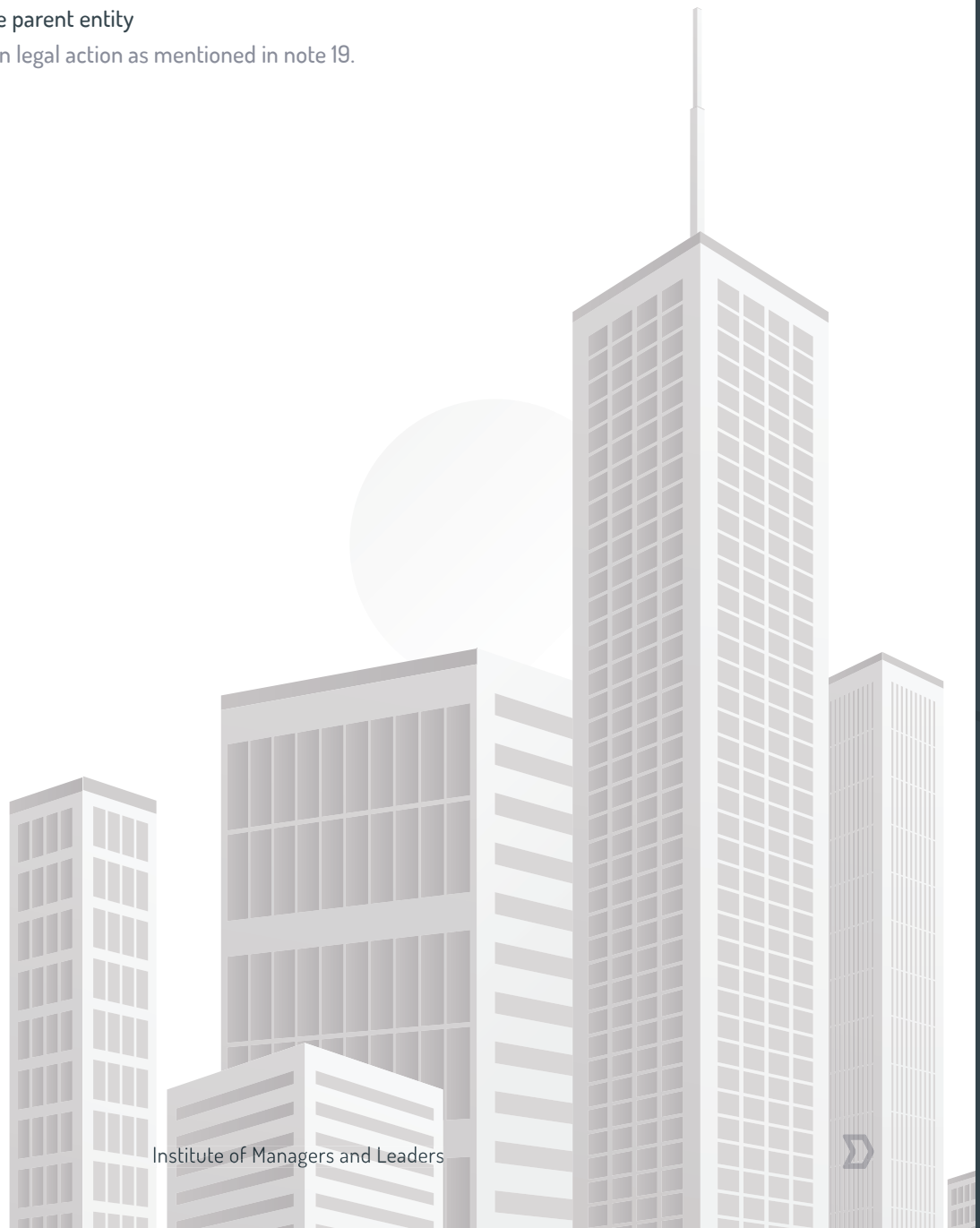
No matter or circumstance has arisen since 31 December 2018 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

NOTE 25: PARENT ENTITY FINANCIAL INFORMATION**(a) Summary financial information**

	PARENT 2018 \$	PARENT 2017 \$
STATEMENT OF FINANCIAL POSITION		
Current assets	(5,320,622)	421,866
Non-current assets	3,521,016	3,496,811
Total assets	(1,799,606)	3,918,677
Current liabilities	(5,382,795)	6,721,822
Net liabilities	(7,182,401)	(2,803,145)
MEMBERS' FUND:		
Accumulated losses	(7,182,401)	(2,803,145)
Loss for the year	(4,378,690)	(4,496,368)
Total comprehensive loss	(4,378,690)	(4,496,368)

(b) Contingent liabilities of the parent entity

The parent entity is involved in legal action as mentioned in note 19.



Directors' Declaration

In accordance with a resolution of the Directors of Australian Institute of Management (Group) Limited we state that:

In the opinion of the Directors:

(a) the consolidated financial statements and notes of the Company are in accordance with the Corporations Act 2001, including:

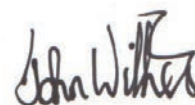
- (i) giving a true and fair view of the Company's financial position as at 31 December 2018 and of the Company's performance for the year ended on that date; and
- (ii) complying with Accounting Standards for Reduced Disclosure Requirements and Corporations Regulations 2001.

(b) there are reasonable grounds to believe that the Company and the consolidated entities will be able to pay their debts as and when they become due and payable.

ON BEHALF OF THE BOARD



Ann Messenger FIML
Chair of Board
Brisbane, 29 March 2019



John Withers CMgr FIML
Deputy Chair of Board
Brisbane, 29 March 2019

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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
AUSTRALIAN INSTITUTE OF MANAGEMENT (GROUP) LIMITED**

Opinion

We have audited the financial report of Australian Institute of Management (Group) Limited ("the consolidated entity"), which comprises the consolidated statement of financial position as at 31 December 2018, the consolidated statement of comprehensive income, the consolidated statement of changes in members' equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Australian Institute of Management (Group) Limited is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2018 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 consolidated 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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the consolidated entity, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Responsibilities of the Directors for the Financial Report

The directors of the consolidated entity 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.

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In preparing the financial report, the directors are responsible for assessing the ability of the consolidated entity 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 consolidated 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

Brisbane, Queensland
Dated: 29 March 2019

RSM

RSM AUSTRALIA PARTNERS

A handwritten signature in black ink, appearing to read 'ALLOOTS'.

Albert Loots
Partner

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the 1990s, the number of people in the UK who are employed in the public sector has increased by 1.5 million, from 2.5 million in 1980 to 4 million in 1995. The public sector has become a major employer in the UK, and its growth has been a key factor in the overall growth of the economy.

The public sector has also become a major provider of social services, and its growth has been a key factor in the overall growth of the economy. The public sector has become a major provider of social services, and its growth has been a key factor in the overall growth of the economy.

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