

The background features a collage of business professionals. In the top left, a circular inset shows a man with a beard and a woman smiling. The top right shows a group of four people (three men and one woman) smiling. The bottom of the cover features a blue-tinted image of two people working on a laptop, with a large teal arc sweeping across the bottom left.

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

2019

ANNUAL REPORT

# 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'.

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# From the Board Chair



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

I am delighted to present the 2019 Annual Report for the Institute of Managers and Leaders Australia and New Zealand (IML ANZ).

This will be my last Annual Report as Chair, having held the post for the maximum time permissible under the constitution. As I write and reflect on my nearly five years at the helm, I am extremely grateful and also very humbled to have been given the enormous privilege of Chairing this great Institute. After nearly ten years on the Board, may I take this opportunity to thank each and every IML Member, IML staff and my fellow Directors who have supported me over this past decade.

When I was invited to join the Board of the then AIM NSW/ACT state based entity back in 2010, I didn't imagine that five years later I would be appointed as the inaugural Chair of the National entity. AIM NSW/ACT and AIM QLD/NT had taken the lead with their merger which ultimately saw the rest of the states follow. By the end of 2014, the merger of all the former state-based divisions of AIM was completed and AIM National came into being.

After the consolidation of the state-based businesses into one national business, the divestment of AIM's education and training business came next in 2015. This was followed by a much needed refocus on Members in 2016. Then came the rebrand to IML in 2017, along with the introduction of the accreditation-based business model centred around the Chartered Manager designation. 2018 saw IML merge with the New Zealand Institute of Management (NZIM) to become the Institute of Managers and Leaders Australia and New Zealand, forming the first truly trans-Tasman leadership institute, IML ANZ.

As I look back, it strikes me that we've been through an awful lot together!





So where are we now? 2019 saw the completion of the second year of the three-year Leadership Matters II strategy. The first Leadership Matters strategy, Leadership Matters I, was implemented over the three years from the beginning of 2015 to the end of 2017. As you may recall, in October 2017 management presented the Board with the bold new Leadership Matters II strategy for growing IML's core Membership business. This involved an increased focus on deeply engaging with managers and leaders, offering leadership development to individuals and Corporate Members and forming deep and long-lasting partnerships with universities, professional bodies and organisations in both the private and public sector.

At that time, in late 2017, the Board felt very strongly that given a substantial investment of Members' funds would be required to implement the new strategy, consolidate the IML brand and ultimately return the organisation to profitability, an independent and completely objective expert opinion on the proposed future direction and strategy was both necessary and prudent. As a Board, at that time we felt that any request to draw upon the corpus of Members' funds should be scrutinised by independent experts. To that end, the Board retained the services of PPB Advisory (now part of PwC) from late 2017 through to early 2018. The PPB team, led by Christopher Hill, 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 the 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 were fit-for-purpose as enablers of the strategy and plans. The Board subsequently approved the investment deemed necessary in our IT systems.

The PPB review endorsed the view that the strategy presented to the Board by management was one that our Members supported. They also saw it as a strategy and direction that was 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. We are now navigating the several years of "planned losses" envisaged as we make the investment necessary to build a sustainable business into the long-term future. Management has been provided the budget requested to implement the Leadership Matters II strategy both in 2018 and 2019. It will be at the end of 2020, that the commercial viability of the products and programs that are the essence of that strategy will be able to be thoroughly assessed.

At IML ANZ we 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 which constitute the foundations of our product and service offerings. With the Institute's new purpose and the independent validation of the three-year strategy at the beginning of 2018, 2019 represented the second 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 and 2018.

## FINANCIAL RESULTS

	2016	2017	2018	2019
Revenue	\$7,788,187	\$7,340,224	\$7,260,192	\$7,116,186
Expenses	\$8,595,926	\$9,745,887	\$11,319,226	\$11,414,286
Operating loss	\$807,739	\$2,405,663	\$4,059,034	\$4,298,100
Total comprehensive loss	\$763,007	\$779,314	\$6,111,664	\$2,348,309

Unfortunately, to date we have not achieved the revenues forecast in the PPB review. Although there is evidence of some revenue streams moving in the right direction this has not been to the extent that we might have hoped. Although the Chartered Manager (CMgr) designation has been resonating well in the market with both individuals and universities, the conversion time is taking longer than anticipated. Individuals are taking longer than expected to complete their accreditation. Higher education institutions are also taking longer than expected to sign contracts. This has led to lower than anticipated Chartered Manager revenues. Although the array of products and services brought to market by the Leadership Matters Strategy are yet to achieve profitability, there have, however, been some encouraging signs. Corporates are showing strong demand for our bespoke consulting solutions, customised workshops and development programs. Indeed, against a backdrop of diminishing Membership revenues there has been substantial growth in the consulting business. This reflects a trend which will continue as revenue in other product and service lines supplements and replaces Membership revenue.

Over the past few years, as the Leadership Matters Strategies I and II have been rolled out, when revenues have not met projected levels, the Board has been very cognisant of the need to find cost savings to ensure losses do not exceed planned levels. To their credit, management has been prompt to respond and readily able to find cost savings as required. Nevertheless, it's clear that revenue growth is lagging and in this final year of the implementation of the Leadership Matters II strategy, the profitability of the products and services IML has in the market will need to be very carefully assessed.

## MEMBERSHIP

I'm delighted to be able to report that after several years in decline, Member numbers increased by 8.4% in 2019 and now total 8,958. It's also very pleasing to note that the highest Member growth rate (61%) was achieved in New Zealand as we expand the Member base acquired via the merger with NZIM in 2018.

STATES	2018	2019	GROWTH
ACT	415	411	-1%
NSW	2403	2559	6%
NT	111	103	-7%
QLD	2031	2109	4%
SA	493	488	-1%
TAS	132	139	5%
VIC	2008	2315	15%
WA	130	178	37%
NZ	242	389	61%
Other	297	267	-10%
Total	8262	8958	8%

## WHERE TO FROM HERE

Based on the feedback from Individual Members and organisations we continue to make changes to our products and services, and in some cases, we have relaunched them in different formats. This iterative process of product and service development is crucial to adapting our offering to what Members and target members really want. This is critical to our business especially at this time while we are



still, in many respects, in “start- up” mode. That is likely to continue at least to the end of 2020, as we strive to ensure that our product offerings and services are attractive to existing Members and to new managers and leaders alike.

Indeed, 2020 will be a pivotal year in the organisation’s history. At the end of 2020, following three years with the Leadership Matters II strategy afoot and the corresponding range of products and services in the market place, we will be in a position to make a call on whether the Leadership Matters strategy, in its current form and within the current business model is commercially viable. Ultimately, the products and services brought to market must become profitable if the business is to become self-sustaining. Only by returning to profitability will IML be able to continue to deliver on its vision of “creating better managers and leaders for a better society”.

The Board has approved expenditures over the past five years to ensure management has had everything necessary to successfully implement the Leadership Matters I and II strategies. Unfortunately, forecast revenue levels have not been achieved and the feedback has been that the turnaround is going to take longer than originally anticipated. What that means, of course, is that instead of the \$6M investment of Member funds which was expected to bring a turnaround in three to four years, the investment of Member funds may need to be much greater and the time to turnaround forecasted to approximately seven years. The question of course is whether that is acceptable to Members and if not, what the alternatives are for ensuring delivery on our mission in perpetuity.

The task for the Board is made infinitely more difficult with the advent of COVID19 pandemic. As I write this, we face a rapidly changing social and economic landscape. This worldwide pandemic presents enormous challenges to our partners in corporate and tertiary education, as well as to individual Members. While our 2020 budget is being pared down daily to ensure that revenue streams are protected and expenditures minimised, we are also focusing on how we can best support you all during what will no doubt be a very challenging year. The Board and IML executive are continually monitoring the external environment and adapting our operational focus and our budget, to ensure revenues are preserved and expenditures reduced, whilst at the same time adapting our product and service offering to ensure we provide an effective and uninterrupted service to our Members. With the spectre of global recession looming in the aftermath of this worldwide pandemic, it is incumbent upon the Board to direct and support management towards a sustainable future for this great Institute. There are some tough decisions to be made in 2020 and I wish the incoming Chair, John Withers all the very best as he navigates this uncharted territory.



**Ann Messenger CMgr FIML**

# 2019 SUMMARY OF THE YEAR

The 2019 Financial year continued to be a time of significant investment in IML's Leadership Matters strategy, expanding our Membership base in New Zealand and Western Australia, plus developing and launching new services and products such as our highly successful 'Foundations of Intentional Leadership' development program.

Total revenue decreased slightly (-2.0%) year-on-year in 2019. This was 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;
- Stagnating salary and employment levels across Australia translating into lower demand for the National Salary Survey; and
- A re-positioning of the risk profile of IML's investment portfolio in early 2019 which, together with the highly volatile financial markets, led to a reduction in investment income.

On the positive side, our consulting and professional development product teams delivered strong results in 2019, growing this relatively new area of IML's offering by more than +400%. We also continued to significantly grow the number of Chartered Managers across Australia and New Zealand in line with the Institute's vision to 'create better managers and leaders for a better society'.

Total expenses were stable year-on-year and remained significantly below the approved budget due to the tight control exercised by management. The key focus areas in 2019 were:

- A continued investment into the IML team to increase our regional presence and develop experienced sales advisors;
- Selective but highly visible marketing campaigns that focused on

our Chartered Manager designation and flagship events such as International Women's Day debates; and

- Capital expenditure projects to further enhance IML's digital capabilities plus the fit out of new, stand-alone offices in Sydney and Melbourne – both reflected in the increase in depreciation charges.

Overall, this resulted in a loss for the year 2019 of \$4.3m which was better than the Board approved budget and reflective of the continuation of the Institute's Leadership Matters turnaround strategy. The total comprehensive loss for the year of \$2.3m includes \$2m of unrealised gains relating to our investment portfolio.

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 \$22.6m as at 31 December 2019. The impact from the new lease accounting standard AASB 16 can be seen in the newly created position 'lease liabilities' which reflects the aggregated value of IML's office and office equipment lease contracts over the years to come.

In summary, the Institute is well positioned to continue its path of expansion and diversification under the leadership of CEO David Pich. While 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 & Strategy Committee (MDS), I am pleased to share the top 2019 initiatives and developments. Delivering on our vision of 'creating better managers and leaders for a better society' is always at the heart of what we do, and it's our yardstick for assessing the things we do and how we do them.

## KEY MILESTONES FOR THE YEAR INCLUDE:

- Growth in the leadership development programs has skyrocketed in 2019. The first program, Foundations of Intentional Leadership, was delivered ten times in 2019 and we launched our middle manager program, Accelerate, and delivered it three times in the last quarter.
- Webinars grew as a free Member benefit in 2019. IML delivered 22 webinars to almost 7,000 Members and non-Members on topics such as Developing Resilience, Making Strategy Stick, Diversity and Inclusive Leadership and Chartered Manager. Webinars are a combination of leadership development content and IML product information and we encourage you to register for these each fortnight in 2020 – and to watch the back catalogue anytime, available 'on demand'.



- The IML Leadership Matters magazine survey was completed by 5% of our Members – which is an outstanding result as far as survey responses go. The reader survey revealed that 98% of Members who receive the magazine read it, with 92% of magazine readers saying it gives them a positive impression of IML ANZ. More than half of Members (55%) share the magazine with at least one person and many share with two or more people – meaning that our ‘reach’ for the magazine is much greater. We did receive some feedback of tweaks to make to keep the content and look relevant – so you will notice a recent refresh.
- Our End of Year events continue to be a wonderful way to round out the year and celebrate in 20 locations. With almost 800 in attendance – these events celebrate tenure of Members ranging from 5 years up to 70 years of Membership with IML.

This last year has been a strong stepping stone for IML’s Leadership Matters strategy and has seen some real traction around brand awareness and increasing our customer base. Importantly, there has also been increasing recognition of the quality of IML’s leadership development programs and the impact they are having in organisations

across Australia and New Zealand.

As always, we welcome suggestions and feedback on your Membership and Member benefits. Contact Scott Martin via [scott.martin@managersandleaders.com.au](mailto:scott.martin@managersandleaders.com.au) if you would like to see more in your region or have specific feedback.

Once again, thank you for your loyalty to the Institute of Managers and Leaders Australia and New Zealand and we look forward to a continued range of Member benefits in 2020 to support you in the achievement of your management and leadership goals.





The cover features a dark blue background with a pattern of small white dots. A large, curved white shape separates the top and bottom sections. The top section contains a teal circular graphic with a man's face. The bottom section contains a blue-tinted image of two people working at a desk. The text 'ANNUAL REPORT 2019' is written in white, uppercase letters, following the curve of the white shape.

ANNUAL REPORT 2019

# Highlights of 2019



# Development Programs and In-house Consulting

IML's Development Programs and In-house Consulting business continued to focus on our strategy to provide learning and development that is:

1. Integrated with work,
2. Personal and relevant, and
3. Aimed at lifelong learning.

IML delivered 13 open programs during 2019, ten Foundations of Intentional Leadership Programs (Foundations) and three Accelerate Programs (Accelerate). The Foundations Program proved immensely popular with a high volume of repeat and referral customers throughout the year. Targeting new managers, it provides a framework to develop foundational skills for managers and leaders. The Accelerate Program was launched in September with three cohorts in Brisbane, Sydney and Melbourne. Accelerate is designed for managers of managers or the 'middle management' market, focusing on the practical skills required to manage up, down and sideways in an organisation. These two Programs delivered \$540,271 in new revenue for IML and the feedback from participants was overwhelmingly positive.

IML's in-house consulting business supported 55 public and private sector organisations during 2019. The consulting services provided organisations with in-house support, advice and training to develop their managers and leaders. It stemmed from running long-term leadership programs in-house right down to half-day workshops focusing on specific organisational issues. Consulting services delivered \$687,214 in new revenue for IML as this was a new business stream for 2019.



# International Women's Day 2019

IML ANZ's annual International Women's Day (IWD) events seek to change Australian society for the better by creating, supporting and championing women in leadership. Our IWD events started in 1998, with 2019 marking our 22nd year supporting this global initiative. In the last four years we have also seen the program grow from a single event in Brisbane into a national series with events held in Melbourne, Sydney, Toowoomba and on the Sunshine Coast.

More than 2,600 guests attended the IML ANZ IWD events and 69% of those in attendance were non-Members. In the era of #metoo – IML saw strong support for IWD in 2019. The audience was predominantly made up of professional women from a diverse range of industries. In addition, at this year's Great Debates, we were pleased to see a 7% jump in male attendance compared with the 2018 events.

In Brisbane, Sydney and Melbourne the topic of the IWD Great Debates was "Her aspiration needs his cooperation" which gave rise to passionate arguments from each side. It had the negative teams stating that women can succeed without the support of men and the affirmative team calling on men to support feminism so, as a community, we can empower women to succeed.

At the two regional events, held in Toowoomba and on the Sunshine Coast, there were in excess of 200 guests in attendance. They saw a panel of local business leaders and personalities "Strike a pose for equality" and delve into a discussion around gender equality and promoting women's representation in leadership.

The success of the events is summed up in the following testimonial from a Queensland attendee:

"I must admit and to be honest, that I'm in the class of 'Old School' males and never ever thought that I would be attending a Women's event, but to my surprise I was extremely taken by the event and thoroughly enjoyed it, how wrong was I. I half expected a man bashing event, but it was the opposite.....I have 2 daughters struggling through life (one has been in a male dominated industry) and now I have a better appreciation of their individual challenges.....The lunch, the venue and the organisation was superb, so a big well done to you. I wouldn't hesitate in coming again next year."

Also, as part of the Great Debate events each year the Institute supports a women's focused charity by conducting a charity raffle. In 2019, we raised \$48,000 across the three events.



# Chartered Manager



2019 has been another foundational year for Chartered Manager in Australia and New Zealand as the Institute continued to develop awareness and interest in the designation. For the full year we had 432 Members commence the Chartered process and 131 complete and receive the Chartered Manager designation. This year we launched a new “I AM” marketing campaign featuring a number of committed Chartered Managers which focused on highlighting the intrinsic benefits and rewards of undertaking the program. We also increased the focus on supporting Members going through the process, introducing webinars, workshops and one-on-one support with a view to increasing completion rates.





# New Zealand

The merger with New Zealand in late 2018 (NZIM) brought with it support and advocacy in NZ throughout 2019.

We have seen a 61% increase in Membership across the year, with an opening member number of 242 Members on 1 January 2019 and closing the year at 389 Members. Plus Chartered Managers are steadily growing and this will remain a key focus in 2020.

This is a strong start – but it's just as much about quantity as quality. Members in the region have seen much more engagement than in recent times – including networking, mentoring, magazine subscription, events, webinars, online professional development tools and in-house leadership development programs. IML ANZ delivered ten events over the course of the year, with up to 30 attendees at each of these events.

In October, New Zealand's first 'Foundations of Intentional Leadership' program was completed. One of our Corporate Members put three cohorts of their staff through the in-house program (two in Auckland and one in Melbourne) and all feedback has been outstanding. We are confident there will be many more leadership development programs such as this in years to come, both public programs and in-house.

We closed out 2019 with End of Year dinners held in Auckland, Wellington and Christchurch. Those in attendance shared quality food and conversation and expressed their support for the continued growth of IML ANZ. While these types of events may be restricted in the short term, they were a great reminder of the power of connecting in person.





# Pathway Partnerships

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PATHWAY  
PARTNER

Pathway Partnerships continue to be a key part of the Leadership Matters strategy. Through our Higher Education partners we are driving large cohorts of students to IML, and some of these also embark on the pathway to become Chartered Managers.

In 2019, IML welcomed six new programs: Swinburne MBA, Newcastle EMBA, Victoria University (Masters Business), Griffith University (Masters in International Tourism Management), Polytechnic Institute Australia and Deakin University (Health Management). We also mapped three other partners to be awarded the CMI qualification, all of which are currently in the final stages. This means 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 their Academic Qualification, gives graduates an edge as they enter the workforce through differentiation with applied learning.

IML works closely with our partners, supporting their students and academic staff, integrating our partnership benefits into their curriculum. For example, Deakin University students undergo the IML 360 feedback tool and a faculty member debriefs them, encouraging them to explore new areas of development with IML mentoring support. For universities, this provides a robust tool to embed in their curriculum, which is grounded in extensive research on management and leadership capability. For the student, it provides quality 360-degree feedback at a critical time in their leadership development.

During the year, IML invested in important research to understand the disparity between what graduates are learning and what industry needs. The report, found on the IML ANZ website, shows that there is a gap in the application of necessary leaderships skills (communication, teamwork, etc) and also in graduates understanding of their role in culture, such as people skills.

IML also led some insightful roundtables with industry, students and University partners to explore these areas in more detail. This led to the development of our student employability workshops – our first held at Victoria University.





# Leadership Outlook: Creating a Safe and Respectful Workplace

## 2019 LEADERSHIP OUTLOOK

Following on from the very successful 2018 Leadership Outlook series with Beyond Blue, in 2019 the Institute partnered with White Ribbon. The aim was to deliver a series of workshops that highlighted the important role of managers and leaders in the workplace in order to better understand and stop violence against women. Held across more than 20 regions, these popular IML events addressed the personal stories and experience of the presenters and provided a framework for organisations to increase the focus on this important initiative.





ANNUAL REPORT 2019

# Consolidated Financial Report for the Year Ended

31 December 2019

The Directors present their report, together with the consolidated financial statements of the Institute of Managers and Leaders Limited ('IML', 'the Company') and the entities it controlled at the end of, or during, the year ended 31 December 2019, and the Auditor's report thereon. Throughout the report, the consolidated entities are referred to as 'the Group'.

## DIRECTORS

The Directors who held office during the year ended 31 December 2019 and up to the date of this report are:

- **John Withers** CMgr FIML (Chair since 18 March 2020; Deputy Chair until 18 March 2020)  
*Company Director, Assistant Director HR Operations and Strategy  
Department of Justice*
- **Marie-Louise Pearson** FIML Life Member (Deputy Chair since 18 March 2020)  
*Company Director, Assistant Director HR Operations and Strategy  
Department of Justice, Tasmania*
- **Cherie Curtis** FIML  
*Company Director, CEO Revelian*
- **Diana De Hulsters** CMgr FIML (elected on 23 May 2019)  
*Company Director*
- **Geoffrey Fary** FIML Life Member (retired on 23 May 2019)  
*Company Director*
- **John Labou** FIML (appointed on 25 October 2019)  
*Company Director*
- **Stephanie McConachy** FIML  
*Company Director, Head of Marketing and Communications PwC*
- **Ann Messenger** CMgr FIML (Chair until 18 March 2020)  
*Company Director*
- **Gerard Mullins** CMgr FIML (appointed on 25 October 2019)  
*Company Director*
- **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 accreditation services, research & advocacy, professional 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, 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 ('CMgr').

On 28 June 2019 the Group transferred the brand 'Australian Institute of Management – AIM' and related trademarks to the Australian Institute of Management Education & Training Pty Ltd who had previously licenced the brand.

On 5 December 2019 the Members of IML approved the change of the Company's legal name from the 'Australian Institute of Management (Group) Limited' to the 'Institute of Managers and Leaders Limited' to align with the IML brand and business name. The Company is both registered in Australia and New Zealand and also uses the business name the 'Institute of Managers and Leaders Australia New Zealand' ('IML ANZ').

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

**JOHN WITHERS** CMgr FIML

Chair

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 and has held a number of positions in the Department of Education and more recently the Department of Justice. For the past 20 years he has been an active member of the Institute of Managers and Leaders.

In Tasmania he was a member and leader of the local committee of management, implementing and facilitating on the Aspiring Manager Program, and the Tasmanian Leadership Excellence Awards.

John was a board member of AIM Vic/Tas prior to the transition to IML National. John is a Fellow of the Institute of Managers and Leaders and a Chartered Manager (CMgr).

**MARIE-LOUISE PEARSON** FIML LIFE MEMBER

Deputy Chair

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 and is currently on the Board of CarersNT. 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.



**CHERIE CURTIS FIML**

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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.



**DIANA DE HULSTERS CMgr FIML**  
(appointed 23 May 2019)

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Diana De Hulsters has over 25 years of international experience in commercial and not-for-profit organisations. She has expertise in association management and is Managing Director of Your Outsider.

Diana commenced her career in Belgium in the international travel industry, specialising in travel to Australia and New Zealand. She moved to Adelaide in 2002 and after several international sales positions, including with AccorHotels, she side-stepped into association management for organisations such as the Australia-Israel Chamber of Commerce, Simulation Australasia, the Royal Institution of Australia and the Australian Organics Recycling Association. Diana graduated with an MBA from the AIM Business School in 2014. She has completed the Company Directors Course and holds GAICD level membership at the Australian Institute of Company Directors. She also holds membership of the Australasian and American Societies of Association Executives (AuSAE and ASAE).

Diana is proud to have achieved Chartered Manager status as one of the first 100 people in Australia to do so.





## GEOFFREY FARY FIML LIFE MEMBER

(retired 23 May 2019)

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.



## JOHN LABOU FIML

(appointed 25 October 2019)

John Labou has over 30 years of international experience across numerous industries, having spent over 20 years primarily as an independent technology consultant and board adviser working in Canada, the US New Zealand and Australia.

Prior to his current role as head of technology for New Zealand's largest wine producer, he held senior executive roles in both New Zealand and Australian Government

agencies, most recently with the New Zealand Police where he developed a comprehensive technology and multi-channel digital strategy.

John is a Fellow of the Institute of Managers and Leaders, a Graduate of the Australian Institute of Company Directors and a member of the New Zealand Institute of Directors. He is also a senior member of the Australian Computer Society and a Chartered Member of IT Professionals New Zealand.



## STEPHANIE MCCONACHY FIML

Stephanie is an experienced senior marketer, working with business leaders to create tailored and integrated marketing strategies that are aligned to business objectives and achieve tangible results. With an established background in marketing, communications, branding, team leadership and business transformation, Stephanie's experience has been varied from working in a small start up through to global professional services firm PriceWaterhouseCoopers (PwC). Currently at PwC, Stephanie leads the brand positioning of the firm across the Asia Pacific region, reviewing and

advising on PwC's go to market approach, leading region-wide campaigns, and working closely with the region's executive leadership team to execute accordingly.

Stephanie is a Fellow of the Institute and has been involved with IML for a number of years, serving on the Institute's Emerging Leaders Advisory Board and Young Professional Group (SA) prior to her appointment to the Board. Stephanie is also a Graduate of the Company Directors Course, from the Australian Institute of Company Directors.



## ANN MESSENGER CMgr FIML

IML Life Member

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.



## GERARD MULLINS CMgr FIML

(appointed 25 October 2019)

Gerard is a long-term member of IML and has many years of boardroom experience with appointments in the NFP sector and with privately held unlisted companies. As a company director, Gerard has a keen interest in corporate governance and risk management and has an extensive professional background in information and communications technology (ICT) and digital strategy development, transforming his clients' business operations into industry leaders. He also has over 25 years of corporate business management experience within manufacturing (Pacific Dunlop, ADI, Azon, Austrim, and ITW), ICT (Asta Solutions and Mullins Advisory) and building

and construction (Master Menders, Eureka Rise, Nuval). Gerard is an experienced project manager in the ICT and construction industries.

Complimenting this experience, Gerard has maintained professional qualifications including completing the AICD Company Directors course, an MBA at Latrobe University, a Graduate Diploma in Business Management (Monash), a Graduate Diploma in Building and Construction (MBAV) and the IML Chartered Manager certification.

Gerard is a Fellow of the AICD and IML.



## MIKE ZISSLER FIML

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 2019, and the number of meetings attended by each Director were:

BOARD MEETINGS		
BOARD MEMBERS	HELD	ATTENDED
	Held	Attended
John Withers (Chair)	10	10
Marie-Louise Pearson (Deputy Chair)	10	10
Cherie Curtis (Director)	10	10
Diana De Hulsters (Director)	6	5
Geoffrey Fary (Director)	4	4
John Labou (Director)	1	1
Stephanie McConachy (Director)	10	10
Ann Messenger (Director)	10	9
Gerard Mullins (Director)	1	1
Mike Zissler (Director)	10	7
Susanne Behrendt (Company Secretary)	10	10

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 Institute of Managers and Leaders 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

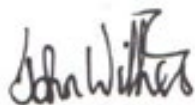
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

## NON-AUDIT SERVICES

RSM Australia ('RSM') is the auditor of the Company (2018: RSM), its controlled entities and subsidiaries. During the period ended 31 December 2019 RSM provided various tax services to the Company and its controlled entities (2019: \$24,213; 2018: \$26,380).

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



**John Withers CMgr FIML**  
Chair of the Board  
Brisbane, 31 March 2020



**Marie-Louise Pearson FIML Life Member**  
Deputy Chair of the Board  
Brisbane, 31 March 2020



**RSM Australia Partners**

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[www.rsm.com.au](http://www.rsm.com.au)

**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the audit of the financial report of the Institute of Managers and Leaders Limited for the year ended 31 December 2019, 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**

*AA*

**Albert Loots**  
Partner

Brisbane, Queensland  
Dated: 26 March 2020

**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 2019

	NOTE	CONSOLIDATED 2019 \$	CONSOLIDATED 2018 \$
Revenue	3	7,116,186	7,260,192
Expenses	4	(11,367,196)	(11,319,226)
Loss before income tax		(4,251,010)	(4,059,034)
Income tax expense	5	(47,090)	-
Loss for the year		(4,298,100)	(4,059,034)
<b>OTHER COMPREHENSIVE INCOME/(LOSS)</b>			
Gain/(loss) on revaluation of available for sale financial assets	12	1,949,791	(2,052,630)
		1,949,791	(2,052,630)
Total comprehensive loss for the year		(2,348,309)	(6,111,664)

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 2019

	NOTE	CONSOLIDATED 2019 \$	CONSOLIDATED 2018 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	198,564	456,103
Receivables	7	276,300	281,363
Prepayments and other current assets	8	457,332	339,871
Available for sale financial assets	12	1,037,006	1,224,304
Total current assets		1,969,202	2,301,641
<b>NON-CURRENT ASSETS</b>			
Property and equipment	10	4,460,425	510,417
Intangible assets	11	1,512,554	973,494
Available for sale financial assets	12	19,937,559	20,108,216
Other noncurrent assets	13	521,577	3,778,616
Total non-current assets		26,432,115	25,370,743
Total assets		28,401,317	27,672,384
<b>CURRENT LIABILITIES</b>			
Payables	14	841,022	888,304
Other current liabilities	15	932,397	1,595,367
Lease liabilities		375, 513	-
Provisions	16	257,725	220,355
Total current liabilities		2,406,657	2,704,026
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities		3,211,469	-
Provisions	16	186,518	22,810
Total non-current liabilities		3,397,987	22,810
Total liabilities		5,804,644	2,726,836
Net assets		22,596,673	24,945,548
<b>EQUITY</b>			
Reserves	17	8,186,011	6,236,220
Foreign currency translation reserve		(566)	-
Retained earnings	18	14,411,228	18,709,328
Total equity		22,596,673	24,945,548

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 2019

	NOTE	RETAINED EARNINGS \$	RESERVES \$	FOREIGN CURRENCY TRANSLATION RESERVE \$	TOTAL
Balance at 1 January 2018		22,768,362	8,288,850	-	31,057,212
Total comprehensive loss for the year		(4,059,034)	-	-	(4,059,034)
Available for sale financial assets reserve		-	(2,052,630)	-	(2,052,630)
Balance at 31 December 2018		18,709,328	6,236,220	-	24,945,548
Total comprehensive loss for the year	18	(4,298,100)	-	-	(4,298,100)
Foreign currency translation reserve		-	-	(566)	(566)
Available for sale financial assets reserve	17	-	1,949,791	-	1,949,791
Balance at 31 December 2019		14,411,228	8,186,011	(566)	22,596,673

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 2019

	NOTE	CONSOLIDATED 2019 \$	CONSOLIDATED 2018 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from members and customers (inclusive of GST)		5,551,665	7,401,654
Payments to suppliers and employees (inclusive of GST)		(10,981,714)	(10,983,482)
Interest received	3	35,857	34,039
Net cash outflows from operating activities		(5,394,192)	(3,547,789)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for intangible assets	11	(833,828)	(245,815)
Payments for property and equipment	10	(686,997)	(73,083)
Proceeds from repayment of other non-current assets	13	3,257,039	-
Withdrawal of available for sale financial assets		3,575,884	4,176,432
Net cash inflows from investing activities		5,312,098	3,857,533
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of leasing liabilities		(175,445)	-
Net cash outflows from financing activities		(175,445)	-
Net increase/(decrease) in cash and cash equivalents		(257,539)	309,745
Cash and cash equivalents at the beginning of year		456,103	146,359
Cash and cash equivalents at the end of year	6	198,564	456,103

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 2019

## **NOTE 1: CORPORATE INFORMATION**

The Institute of Managers and Leaders 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 Institute of Managers and Leaders Limited for the year ended 31 December 2019 was authorised for issue in accordance with a resolution of the Directors dated 31 March 2020. 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 the Institute of Managers and Leaders 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 Company 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 the Institute of Managers and Leaders 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 Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group. The nature and effect of the changes as a result of adoption of these new accounting standards are described below. The following Accounting Standards and Interpretations are most relevant to the Group:

**AASB 15 Revenue from Contracts with Customers**

The Group has adopted AASB 15 from 1 January 2019. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are 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. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

**AASB 16 Leases**

The Group has adopted AASB 16 from 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial

position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities.

**AASB 1058 Income of Not-for-Profit Entities**

The Group has adopted AASB 1058 from 1 January 2019. The standard replaces AASB 1004 'Contributions' in respect to income recognition requirements for not-for-profit entities. The timing of income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other performance obligation at the time of receipt. Income under the standard is recognised where: an asset is received in a transaction, such as by way of grant, bequest or donation; there has either been no consideration transferred, or the consideration paid is significantly less than the asset's fair value; and where the intention is to principally enable the entity to further its objectives. For transfers of financial assets to the entity which enable it to acquire or construct a recognisable non-financial asset, the entity must recognise a liability amounting to the excess of the fair value of the transfer received over any related amounts recognised. Related amounts recognised may relate to contributions by owners, AASB 15 revenue or contract liability recognised, lease liabilities in accordance with AASB 16, financial instruments in accordance with AASB 9, or provisions in accordance with AASB 137. The liability is brought to account as income over the period in which the entity satisfies its performance obligation. If the transaction does not enable the entity to acquire or construct a recognisable nonfinancial asset to be controlled by the entity, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income immediately. Where the fair value of volunteer services received can be measured, a private sector not-for-profit entity can elect to recognise the value of those services as an asset where asset recognition criteria are met or otherwise recognise the value as an expense.

## *Impact of adoption*

AASB 15, AASB 16 and AASB 1058 were adopted using the modified retrospective approach and as such comparatives have not been restated. There was no impact on opening retained profits as at 1 January 2019.

The adoption of AASB 16 as at 1 January 2019 affected the following items on the statement of financial position [increase/(decrease)] is as follows:

	NEW \$	PREVIOUS \$	DIFFERENCE \$
<b>NON-CURRENT ASSETS</b>			
Right-of-use assets	1,239,682	-	1,239,682
<b>CURRENT LIABILITIES</b>			
Lease liabilities	130,130	-	130,130
Other current liabilities	1,315,832	1,595,367	(279,535)
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	1,317,499	-	1,317,499
Make-good provision	94,398	22,810	71,588

## *iii) Early adoption of standards*

The Group has not elected to adopt any pronouncements early.

## *iv) Historical cost convention*

The financial statements have been prepared under the historical cost convention.

## *v) Critical accounting estimates*

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

## **(b) Principles of consolidation**

The consolidated financial statements 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 Group and inter-entity balances are eliminated in full in preparing the consolidated financial statements.

### (c) Income tax

The Group 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 IML Research 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 Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group:

- 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*

Ticket sales for IML 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 the 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**

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Leasehold improvements	5-15 years
Computer and other equipment	3-10 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date. An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

## **(i) Right-of-use assets**

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

## **(j) Trade and other payables**

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and 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. Again 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**

### *i) Website, IT development and other intangible costs*

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 one to ten years using the straight-line method.

### *ii) Work in progress*

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

## **(o) Provisions**

Provisions are recognised when:

- the Group 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) Lease liabilities**

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

## **(q) Goods and Services Tax ('GST')**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

## **(r) Critical estimates, judgements and errors**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, which they believe to be reasonable under the circumstances. The resulting

accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

*Lease term:*

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the Group's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The Group reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

**(s) Parent entity financial information**

The financial information for the parent entity, Institute of Managers and Leaders Limited disclosed in note 25 has been prepared on the same basis as the consolidated financial statements.





# Notes to the Consolidated Financial Statements (Continued)

## NOTE 3: REVENUE

	CONSOLIDATED 2019 \$	CONSOLIDATED 2018 \$
Membership revenue	2,127,451	2,465,304
Chartered manager assessment revenue	255,488	134,081
Chartered manager membership revenue	68,763	9,015
Investment income	1,031,314	1,774,498
Consulting revenue	748,955	125,336
National salary survey revenue	603,883	701,148
Other research revenue	646,477	136,437
Events revenue	583,451	725,922
Skilled migration revenue	373,806	458,690
Royalty income	168,858	319,957
Fair value adjustment of loan	136,787	104,514
Interest revenue	35,857	34,039
NZIM Merger	11,344	91,830
Other revenue	323,752	179,421
	7,116,186	7,260,192

## NOTE 4: OPERATING EXPENSES

	CONSOLIDATED 2019 \$	CONSOLIDATED 2018 \$
<b>EXPENSES</b>		
Employee costs	5,694,890	4,635,109
Cost of sales	1,620,033	1,446,965
Marketing and promotion	753,713	1,071,008
Information technology costs	728,030	707,391
Depreciation and amortisation	668,075	316,333
Rent and related office cost	457,750	556,890
Consultants and agency staff	317,163	902,091
Travel and accommodation	242,641	243,156
Other expenses of operating activities	884,901	1,440,283
	11,367,196	11,319,226
Included within operating expenses are:		
Doubtful debts/write-off	4,439	20,575
Employee entitlements – superannuation	453,076	342,765
Interest on lease liabilities	113,247	-
Short-term lease payments	358,640	-

**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 2019 \$	CONSOLIDATED 2018 \$
Loss from continuing operations before income tax expense	(4,298,100)	(4,059,034)
Prima facie income tax on profit before income tax at 30%	(1,289,430)	(1,217,710)
<b>TAX EFFECT OF PERMANENT DIFFERENCES WHICH REDUCE TAX PAYABLE</b>		
Non-assessable profits and losses	1,389,693	1,285,675
Prima facie tax adjusted for permanent differences	100,263	67,965
Tax effect of temporary differences	-	-
Tax losses utilised	(53,173)	(67,965)
Income tax expense	47,090	-

**NOTE 6: CASH AND CASH EQUIVALENTS**

	CONSOLIDATED 2019 \$	CONSOLIDATED 2018 \$
Cash at bank	198,564	456,103

**NOTE 7: RECEIVABLES**

	CONSOLIDATED 2019 \$	CONSOLIDATED 2018 \$
Trade debtors	270,264	277,386
Other debtors	6,036	24,328
	276,300	301,714
Less: Provision for doubtful debts	-	(20,351)
	276,300	281,363

**NOTE 8: PREPAYMENTS AND OTHER CURRENT ASSETS**

	CONSOLIDATED 2019 \$	CONSOLIDATED 2018 \$
Prepayments and other current assets	448,647	336,981
Books inventory	8,685	2,890
	457,332	339,871

**NOTE 9: GOING CONCERN**

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

For the year ended 31 December 2019, the consolidated statement of financial position reflected an excess of current liabilities over current assets of \$437,455.

The investments held by the Group and included in 'available for sale financial assets' indicate that the Group will have sufficient liquid assets at hand to be able to meet its debts as and when they are due.

The Directors are satisfied that the Group is able to meet all liabilities as and when they fall due and payable.

**NOTE 10: PROPERTY AND EQUIPMENT**

	RIGHT-OF-USE ASSETS - BUILDINGS \$	RIGHT-OF-USE ASSETS - EQUIPMENT \$	LEASEHOLD IMPROVEMENTS \$	COMPUTER & OTHER EQUIPMENT \$	TOTAL \$
<b>YEAR ENDED 31 DECEMBER 2018</b>					
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
<b>AT 31 DECEMBER 2018</b>					
Cost	-	-	483,776	201,964	685,740
Accumulated depreciation	-	-	(108,839)	(66,484)	(175,323)
Net book amount	-	-	374,937	135,480	510,417
<b>YEAR ENDED 31 DECEMBER 2019</b>					
Opening net book amount	-	-	374,937	135,480	510,417
Additions	3,602,093	34,224	354,571	332,426	4,323,314
Depreciation charge	(225,360)	(10,277)	(107,183)	(30,486)	(373,306)
Closing net book amount	3,376,733	23,947	622,325	437,420	4,460,425
<b>AT 31 DECEMBER 2019</b>					
Cost	3,602,093	34,224	838,347	534,390	5,009,054
Accumulated depreciation	(225,360)	(10,277)	(216,022)	(96,970)	(548,629)
Net book amount	3,376,733	23,947	622,325	437,420	4,460,425



**NOTE 11: INTANGIBLE ASSETS**

	WEBSITE & IT DEVELOPMENT \$	OTHER INTANGIBLE ASSETS \$	WORK IN-PROGRESS	TOTAL
<b>YEAR ENDED 31 DECEMBER 2018</b>				
Opening net book amount	775,323	115,629	63,106	954,058
Additions	308,921	-	-	308,921
Transfers	-	-	(63,106)	(63,106)
Amortisation charge	(142,765)	(83,614)	-	(226,379)
Closing net book value	941,479	32,015	-	973,494
<b>AT 31 DECEMBER 2018</b>				
Cost	1,225,913	319,165	-	1,545,078
Accumulated amortisation	(284,434)	(287,150)	-	(571,584)
Net book value	941,479	32,015	-	973,494
<b>YEAR ENDED 31 DECEMBER 2019</b>				
Opening net book value	941,479	32,015	-	973,494
Additions	373,024	66,111	394,693	833,828
Amortisation charge	(213,055)	(81,713)	-	(294,768)
Closing net book value	1,101,448	16,413	394,693	1,512,554
<b>AT 31 DECEMBER 2019</b>				
Cost	1,598,937	385,276	394,693	2,378,906
Accumulated amortisation	(497,489)	(368,863)	-	(866,352)
Net book value	1,101,448	16,413	394,693	1,512,554

**NOTE 12: OTHER FINANCIAL ASSETS**

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

	CONSOLIDATED 2019 \$	CONSOLIDATED 2018 \$
<b>CURRENT ASSETS:</b>		
Cash	1,037,006	1,224,304
<b>NON-CURRENT ASSETS:</b>		
<i>Listed securities:</i>		
Fixed interest	10,328,477	5,022,132
Equities	9,609,082	15,086,084
	19,937,559	20,108,216
Total financial assets at fair value through other comprehensive income	20,974,565	21,332,520

#### 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 gain on revaluation of available for sale assets for the year is \$1,949,791 (2018: loss of \$2,052,630).

#### NOTE 13: OTHER NON-CURRENT ASSETS

	CONSOLIDATED 2019 \$	CONSOLIDATED 2018 \$
Loan receivable from AIMET	-	2,305,215
Less: Unwinding of fair value adjustment	-	(136,787)
	-	2,168,428
Short-term deposits (restricted) – non-current	521,577	1,610,188
	521,577	3,778,616

On 21 April 2017, the Group advanced a loan of \$2.3 million to the 'Australian Institute of Management Education & Training Pty Ltd' ('AIMET') in accordance with the Loan Agreement entered into at the time of the divestment of the education & training business. This loan was repaid in full on 30 September 2019.

The 'unwinding of fair value adjustment' represents the discount that was expensed on the initial recognition of the loan due to its interest-free nature. This amount was written back on a monthly basis over the term of the loan and up to its repayment date.

The amount of short-term deposits of \$521,577 (2018: \$1,610,188) is held as security for bank guarantees issued for office leases.

#### NOTE 14: PAYABLES

	CONSOLIDATED 2019 \$	CONSOLIDATED 2018 \$
Trade creditors	172,773	441,300
Other creditors and accruals	668,249	447,004
	841,022	888,304

#### NOTE 15: OTHER CURRENT LIABILITIES

	CONSOLIDATED 2019 \$	CONSOLIDATED 2018 \$
Member subscription in advance	932,397	1,315,832
Deferred rent incentive	-	279,535
	932,397	1,595,367



**NOTE 16: PROVISIONS**

	CONSOLIDATED 2019 \$	CONSOLIDATED 2018 \$
Employee benefits		
- Current	257,725	220,355
- Non-current	31,338	22,810
Aggregated employee benefits	289,063	243,165
Make good provisions		
- Non-current	155,180	-
Aggregated make good benefits	155,180	-
Total current	257,725	220,355
Total non-current	186,518	22,810
Total provisions	444,243	243,165

**NOTE 17: RESERVES**

	CONSOLIDATED 2019 \$	CONSOLIDATED 2018 \$
<b>AVAILABLE FOR SALE RESERVE</b>		
Balance 1 January	571,575	2,624,205
Net gain/(loss) on available for sale financial assets	1,949,791	(2,052,630)
Balance 31 December	2,521,366	571,575
<b>BUSINESS COMBINATION RESERVE</b>		
Balance 31 December	5,664,645	5,664,645
Total reserves	8,186,011	6,236,220

**NOTE 18: RETAINED EARNINGS**

	CONSOLIDATED 2019 \$	CONSOLIDATED 2018 \$
Restated retained earnings at the beginning of the financial year	18,709,328	22,768,362
Loss attributable to Members of Institute of Managers and Leaders Limited	(4,298,100)	(4,059,034)
Retained earnings at the end of the financial year	14,411,228	18,709,328

**NOTE 19: COMMITMENTS AND CONTINGENT LIABILITIES**

	CONSOLIDATED 2019 \$	CONSOLIDATED 2018 \$
<b>OPERATING LEASES</b>		
Not later than one year	-	199,840
Later than one year but not later than five years	-	402,497
	-	602,337

**CONTINGENT LIABILITIES**

A significant remote contingent liability is a possible obligation that would be material to the Group, but where the probability of settlement is considered very low (less than 5%).

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

**LEGAL PROCEEDINGS**

The legal proceedings that were filed in late 2018 by Scentia Pty Limited and Australian Institute of Management Education and Training Pty Ltd against the Institute of Managers and Leaders Limited, IML National, in the Supreme Court of New South Wales, were formally settled on 28 June 2019. The legal proceedings were subsequently dismissed by the Court on 13 September 2019.

**NOTE 20: CONTROLLED ENTITIES**

The following are controlled entities and their subsidiaries as at 31 December 2019 by virtue of the fact that all Directors are appointed by the Company.

CONTROLLED ENTITIES	SUBSIDIARIES OF CONTROLLED ENTITIES
IML Research Limited (ACN 000 049 669)	IML Training Limited (ACN 002 526 007)
ACN 004 239 981 Limited (formerly 'Australian Institute of Management – Victoria & Tasmania') (ACN 004 239 981)*	ACN 125 293 790 Limited (formerly 'Australian Institute of Management – Victoria & Tasmania College of Education & Training Nominee Limited') (ACN 125 293 790)* Australian Institute of Management Vic/Tas Training College (ABN 57 611 096 092)* ACN 146 551 215 Pty Ltd (formerly 'Airdiaim Pty Ltd') (ACN 146 551 215)*
IML National Limited (ACN 004 525 017)	

Note: Entities marked with an \* were deregistered prior to 31 March 2020.

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 lodged with ASIC under Document No. 029123769 on 4 December 2014 (the "Deed"). By entering into the deed,

- IML Research Limited (ACN 000 049 669)
- IML Training Limited (ACN 002 526 007)



- IML National (ACN 004 525 017)
- ACN 008 499 625 Limited (ACN 008 499 625) (formerly 'Australian Institute of Management of Canberra')\*\*
- ACN 004 239 981 Limited (ACN 004 239 981) (formerly 'Australian Institute of Management – Victoria & Tasmania')\*
- ACN 125 293 790 Limited (ACN 125 293 790) (formerly 'Australian Institute of Management – Victoria & Tasmania College of Education & Training Nominee Limited')\*
- ACN 152 398 662 Limited (ACN 152 398 662) (formerly 'The Octant Foundation')\*\*
- Australian Institute of Management Education and Training Pty Ltd (ACN 009 668 553)
- LeaderSpace Limited

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).

Note: Entities marked with an \* were deregistered prior to 31 March 2020

Note: Entities marked with \*\* were deregistered prior to 31 December 2019

Post disposal of the Training business on 1 March 2015, a Deed of Revocation was signed and lodged with ASIC under Document No. 029325604 releasing:

- Australian Institute of Management Education and Training Pty Ltd and
- LeaderSpace Limited

from the deed and closed group.

The following entities remain a party to the Deed as at 31 December 2019, under which each company guarantees the debts of the other:

- Institute of Managers and Leaders Limited (holding entity)
- IML Research Limited (ACN 000 049 669)
- IML Training Limited (ACN 002 526 007)
- IML National (ACN 004 525 017)
- ACN 008 499 625 Limited (ACN 008 499 625) (formerly 'Australian Institute of Management of Canberra')
- ACN 004 239 981 Limited (ACN 004 239 981) (formerly 'Australian Institute of Management – Victoria & Tasmania')
- ACN 125 293 790 Limited (ACN 125 293 790) (formerly 'Australian Institute of Management – Victoria & Tasmania College of Education & Training Nominee Limited')
- ACN 152 398 662 Limited (ACN 152 398 662) (formerly '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 2019 \$	CONSOLIDATED 2018 \$
Aggregate compensation	1,192,579	1,432,345



## NOTE 23: RELATED PARTY DISCLOSURES

### *Key management personnel*

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

## NOTE 24: SUBSEQUENT EVENTS

The consolidated entities are aware of the impact that COVID-19 (Coronavirus) is having on Australian economic growth. The Directors of the Company have considered the impact of the Coronavirus on the Group's recorded asset values and the Directors are of the view that there has been no material impact on the Group's recorded asset values as at or subsequent to the reporting period ending on 31 December 2019. Further, the Group is not aware of any impact from COVID-19 on any of its staff members or service providers as at the date of the financial statements. As the spread of COVID-19 creates health, social and economic challenges worldwide, the Directors are of the view that there is the potential that the pandemic will have a significant negative impact on the Group's ability to generate revenue. At the date of these financial statements, this impact is not able to be fully assessed or measured.

IML owns several trademarks in New Zealand that are in various stages of registration with the local IP Office. During the year the New Zealand Institute of Management Southern Incorporated ("NZIM Southern") has opposed some of these trademarks. Post 31 December 2019 IML and NZIM Southern have reached in principle agreement to sell some of these trademarks to NZIM Southern. The details of this agreement are still to be finalised.

No other matter or circumstance has arisen since 31 December 2019 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

## NOTE 25: PARENT ENTITY FINANCIAL INFORMATION

### (a) Summary financial information

	PARENT 2019 \$	PARENT 2018 \$
<b>STATEMENT OF FINANCIAL POSITION</b>		
Current assets	(9,054,517)	(5,320,622)
Non-current assets	6,345,044	3,521,016
Total assets	(2,709,473)	(1,799,606)
Current liabilities	(2,329,477)	(5,382,795)
Non-Current Liabilities	(3,366,648)	-
Net liabilities	(8,405,598)	(7,182,401)
<b>MEMBERS' EQUITY:</b>		
Accumulated losses	(8,405,598)	(7,182,401)
Loss for the year	(1,233,197)	(4,378,690)
Total comprehensive loss	(1,233,197)	(4,378,690)

### (b) Contingent liabilities of the parent entity

The parent entity did not have any contingent liabilities as at 31 December 2019.

# Directors' Declaration

In accordance with a resolution of the Directors of Institute Managers and Leaders Limited we state that:

In the opinion of the Directors:

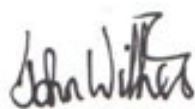
(a) the attached financial statements and notes are in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the Group's financial position as at 31 December 2019 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the 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.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

ON BEHALF OF THE BOARD



**John Withers CMgr FIML**  
Chair of the Board  
Brisbane, 31 March 2020



**Marie-Louise Pearson FIML Life Member**  
Deputy Chair of the Board  
Brisbane, 31 March 2020



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**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF THE  
INSTITUTE OF MANAGERS AND LEADERS LIMITED**

**Opinion**

We have audited the financial report of the Institute of Managers and Leaders Limited ("the consolidated entity"), which comprises the consolidated statement of financial position as at 31 December 2019, 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 Institute of Managers and Leaders 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 2019 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.

**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



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](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our auditor's report.

**RSM AUSTRALIA PARTNERS**

**Albert Loots**  
Partner

Brisbane, Queensland  
Dated: 31 March 2020

**THE POWER OF BEING UNDERSTOOD**  
AUDIT | TAX | CONSULTING

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Creating better  
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