

Infrastructure Sustainability Council of Australia

ABN 53 131 329 774

Financial Statements

For the Year Ended 30 June 2019

Infrastructure Sustainability Council of Australia

ABN 53 131 329 774

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Responsible Persons' (Directors') Report

30 June 2019

The Responsible Entities of Infrastructure Sustainability Council of Australia (ISCA) present their Report together with the financial statements for the year ended 30 June 2019.

Information on Responsible Persons

The following persons were Responsible Entities of ISCA during or since the end of the financial year:

Ms Alison Rowe	Chair & Independent Director (Appointed 14 November 2018)
Qualifications	Master of Business Administration, Graduate Diploma of Technology Management, Williamson Fellow, MAICD
Experience	Alison has experience across a range of industries, including Energy, Transport and Technology. Alison was formerly the Global Executive Director Sustainability at Fujitsu Limited. She was responsible for the development and implementation of the global sustainability strategy with full P&L responsibility. She led sales and marketing activities including business development, consulting services, thought leadership and was a company spokesperson. Prior to Fujitsu, Alison led sustainability initiatives at Transurban. She has a long history of working in the technology industry and Federal and State governments. Her experience in the sustainability field spans over 15 years, including global responsibility for strategy development, designing and delivering transformation programs, commercialising new services, product development, consulting, marketing and advocacy.
Current Position	Alison is the CEO of Australian Energy Foundation Limited.
Special Responsibilities	Board Chair, Governance committee member.
Ms Sarah Marshall	Member Director & Deputy Chair
Qualifications	M Env Sc, BSc, Beyond Blue Corporate Ambassador, MAICD
Experience	Sarah is a senior executive that leads the operational functions of Health and Safety, HR IR Marketing & Communications, and Environment, Community & Sustainability. Sarah brings 25 years of experience working in the construction and infrastructure industry. Sarah is also a Corporate Ambassador for beyondblue. Sarah is sustainability leader and continues to spearhead positive social change in the industry including improving awareness of mental health in the construction industry, increasing Indigenous engagement and employment and improving diversity in the industry. Sarah has been recognized as a passionate leader in the industry and has received a number of accolades including Winner WME Corporate Sustainability Leader 2014; Finalist Telstra Women's Business Awards 2013 for Sustainability leadership; Winner of the Lendlease CEO Award for Sustainability Strategy and Corporate Leadership 2011 and Winner National Association of Women in Construction Award for Outstanding Achievement in Innovation.
Current Position	General Manager - Operational Support - Fulton Hogan
Special Responsibilities	Deputy Board Chair, Governance Committee member.

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Responsible Persons' (Directors') Report

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Mr Craig Tucker	Member Director
Qualifications	M.Eng B.Nat.Res
Experience	Craig is a recognised leader in the field of environment and sustainability in infrastructure with a broad range of strategic and operational experiences across multiple industries. A pragmatic and approachable leader Craig is dedicated to developing efficient and practical outcomes through engaged participation in the Infrastructure Industry. With international industry experience and a personal ethos in environment and sustainability Craig provides a unique perspective to the ISCA Board.
Current Position	Group Manager, Environment and Sustainability - Construction Environmental Services
Special Responsibilities	Leadership & Capability committee Member. Engagement & innovation committee member.
Mr Marko Misko	Member Director
Qualifications	B Law, B Com
Experience	Marko is a partner of HWL Ebsworth Lawyers in the firm's construction and infrastructure practice. Marko specialises in all aspects of the infrastructure life cycle, including planning, design, construction, financing, operation, maintenance, remediation and disposal. As a senior "front end" commercial lawyer, Marko focuses on advising on project procurement strategies, delivery models, risk allocation, payment mechanisms, contract negotiations, project management and dispute avoidance. Marko's passion for sustainable infrastructure means that he also chairs the Sustainability Chapter of Roads Australia (of which he is a board member and vice-president).
Current Position	Partner - HWL Ebsworth Lawyers
Special Responsibilities	Innovation & Engagement committee member, Governance committee member.
Mr Leo Coci	Member Director
Qualifications	BE (Hons), MBA
Experience	Leo has 40 years' experience with Main Roads Western Australia, having gained a variety of experience and expertise in bridge design, road planning, project management and contract management of major projects. In his current role as Executive Director Infrastructure Delivery, he is a member of the Main Roads Corporate Executive and leads the directorate responsible for delivering the State's largest, complex and high profile road projects. In this role, he has been afforded the opportunity to champion and promote the sustainability philosophy in major projects through leadership, such as Northlink WA and implementation of innovative contract procurement models.
Current Position	Executive Director Infrastructure Delivery - Main Roads Western Australia
Special Responsibilities	Leadership & Capability committee member.

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Responsible Persons' (Directors') Report

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Ms Dorte Ekelund	Independent Director
Qualifications	Bachelor of Urban and Regional Planning, MBA
Experience	Dorte is an urban and regional planner with extensive experience in land use and infrastructure planning across various jurisdictions and all levels of government, including as head of the Australian Government Major Cities Unit, ACT Director-General of Environment and Planning and WA Deputy Director-General of Planning and Infrastructure. She also has considerable experience in environmental fields, including water and energy, renewable energy, and climate change mitigation and adaptation.
Current Position	Dorte is currently the Principal Advisor on Smart Cities for SMEC, a Director on the boards of ICON Water and the Committee for Sydney (Chair Smart Cities Taskforce), a Commissioner with the Northern Territory Planning Commission, Adjunct Professor at the University of Canberra, and is on the University of Wollongong's Smart Infrastructure Advisory Council. She is a Fellow of the Planning Institute of Australia and holds an MBA (University of Canberra) and a Bachelor of Urban and Regional Planning (University of New England).
Special Responsibilities	Leadership & Capability committee member. Governance committee member.
Mr Kevin Hutchings	Independent Director
Qualifications	GAICD
Experience	Kevin has held senior executive positions in both the petroleum industry and water industry. At Email Electronics, he was involved in the design, manufacturing and installation of both retail and wholesale technology for all major oil companies. Most recently Kevin was at South East Water, firstly as General Manager of Operations, Design and Construction, providing water and sewage services to 1.7 Million customers located in the fast-growing areas of Melbourne and the Mornington Peninsula. During this time, Kevin also headed an alliance in conjunction with Thiess Services and Siemens for 6 years. In 2011, Kevin was appointed Managing Director of South East Water and additionally, a Director of its fully owned subsidiary, Iota Services. Kevin has a passion for technology and sustainability and the benefits of blending the two. He is a graduate member of the Australian Institute of Company Directors and in 2015 completed the Stanford Executive Program at Stanford University in California.
Current Position	Managing Director - Valid Consulting
Special Responsibilities	Innovation and Engagement committee member. Governance committee Chair.
Ms Monique Cornish	Member Director
Qualifications	BSc, MSc
Experience	Monique has 20-years' experience as a sustainability professional, working across the building, infrastructure and construction sectors in the Asia-Pacific, Europe and the Americas, providing support to corporate, government and NGO clients on the risks and opportunities associated with creating a sustainable, resilient built environment. Monique is an IS accredited professional and verifier, a contributor to v1.2 and v2 of the IS framework, and a Member of the Institute of Directors, New Zealand.
Current Position	Environment + Sustainability Lead Auckland Airport
Special Responsibilities	Engagement & Innovation Committee Chair.

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Responsible Persons' (Directors') Report

30 June 2019

Mr Ben Schnitzerling	Member Director
Qualifications	BE (Hons)
Experience	Ben has dedicated his career to shaping our built environment and is a passionate and energetic industry leader. He has over 20 years' experience in delivering major public infrastructure and is a co-founder and director of Red Fox Advisory. Regularly presenting on business transformation and creating constructive and supportive environments that teams succeed in, Ben also offers strengths in commercial guidance particularly in the areas of contract negotiation, risk and liability.
Current Position	Director - Red Fox Advisory
Special Responsibilities	Leadership & Capability committee Chair.
Mr Matthew Brennan	Member Director (Appointed 14 November 2018)
Qualifications	Head of Sustainability, Transurban
Experience	Matthew brings over twenty-five years' of experience in corporate responsibility and sustainability, within Australia and overseas, to the ISCA Board. Most of this experience has been in infrastructure – covering transport, water and power and across both the public and private sectors. Matthew has a detailed understanding of the current key sustainability opportunities and challenges being faced by infrastructure organisations in Australia and North America. He has firsthand experience in unlocking the benefits of adopting a strong sustainability agenda, and leveraging good sustainability performance on a project(s) to transform the overall sustainability of an organisation and vice-versa. His vision is to champion the Sustainable Development Goals in the sector and share the lessons learnt globally to inspire action and transformation.
Current Position	Head of Sustainability at Transurban
Special Responsibilities	Leadership and Capability committee member.
Mr David Singleton AM	Independent Director and Chair (Retired 24 April 2019)
Qualifications	BSc, MEngSc, FTSE, HonFIEAust, FICE, FAICD
Experience	A board Chairman and Non-Executive Director, David is a respected thought leader, expert advisor to governments and global businesses on resilient leadership and practice, specialising in sustainable solutions for the infrastructure and built environment sectors. In 2018 David was recognised as a Member of the Order of Australia (AM) for significant service to engineering particularly through creating sustainable infrastructure for cities and communities. He has also been named as one of the 100 most influential engineers in Australia. David's experience in leading the growth and development of global businesses include a 41-year career at Arup where he spearheaded sustainable growth through a variety of senior executive roles including CEO of Arup Australasia, Chairman of Global Infrastructure and Global Planning Leader. David is currently a Member of Council, Swinburne University of Technology; A non-Executive Director, Standards Australia and Chair of Swinburne's Smart Cities Research Institute Advisory Board. He is also a Fellow of the Australian Institute of Company Directors, a Fellow of the Australian Academy of Technology and Engineering, and an Honorary Fellow of the Institution of Engineers Australia.
Current Position	Immediate Past Chairman, Eng Aust College of Leadership and Management and Non-Executive Director;

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Responsible Persons' (Directors') Report

30 June 2019

Ms Jayne Whitney	Member Director (Retired 14 November 2018)
Qualifications	BSc Econ (Hons), MBA, Grad Dip InvRel, GAICD
Experience	Jayne Whitney leads the John Holland Strategy Team across business strategy and strategic growth. She also leads the Sustainability Team, embedding sustainability leadership in John Holland and across markets. She has worked in various executive roles within the construction industry over the past 20-years, and possesses strong credentials in strategy, business development, marketing, sustainability and governance. An experienced leader, Jayne has a proven track record of driving change and delivering results in the energy, utilities and infrastructure markets.
Current Position	Chief Strategy Officer - John Holland Group
Ms Leisel Moorhead	Independent Director (Retired 14 November 2018)
Qualifications	M Laws, B Laws, GD Legal Practice, BA
Experience	Leisel is a director of the board at the Port of Brisbane, Powerco Limited, the companies in the NorthWestern Roads Group (Westlink and NorthConnex) and CampusParc LLC and has had broad experience at Queensland Motorways Limited. As a Partner at QIC Global Infrastructure, Leisel is jointly responsible for the global transport sector within the QIC GI team. Leisel's role includes reviewing and assessing transport sector opportunities globally and asset management of QIC's transport sector investments. Leisel has primary responsibility for environmental, social and governance matters for the QIC portfolio assets, including overseeing the integration of ESG matters into QIC's investment and asset management processes. Leisel is responsible for managing QIC's investment in Port of Brisbane, Powerco Limited and CampusParc LLC (parking system at The Ohio State University) and NorthWestern Roads Group (Westlink M7, NorthConnex Tunnel Project).
Current Position	Partner - QIC Global Infrastructure
Mr David Kinniburgh	Member Director (Retired 14 November 2018)
Qualifications	BEng (Civil), FIEAust, CPEng, NPER, APEC Engineer, IntPE (Aust), MAICD
Experience	David leads GHD's Australian transportation practice which represents greater than 40% of the Australian business. His experience is broad, including general management, project governance, project leadership, concept development, detailed design, and construction phase management of major transportation projects.
Current Position	Australian Market Leader Transportation - GHD
Mr Menno Henneveld AM	Member Director (Retired 14 November 2018)
Qualifications	BE (Civil), Post Grad Dip Admin, PMP (PMI USA), HonFIEA, FATSE, FAICD, FCSIA, FCILT
Experience	Menno is currently a Vice President of the World Road Association and Chairman Energy and Water Ombudsman WA. Menno was Engineers Australia's WA Professional Engineer of the Year and National Professional Engineer of the Year for 2012. Menno was Commissioner of Main Roads Western Australia from 2002-2012, where he was responsible for delivering \$6 billion of road infrastructure projects, \$5.5 billion of road services and management of the State's 18,000km and \$42 billion road network. Prior to his involvement with the road transport industry, Menno had an extensive career providing executive leadership in the water industry as Senior Executive and General Manager positions Water Corporation, 1986 to 2002.
Current Position	Principal - Menno Henneveld Consulting Pty Ltd Strategic Advisor Transport - Laing O'Rourke Australia

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Responsible Persons' (Directors') Report

30 June 2019

Meetings of directors

During the financial year, six meetings of Board of Directors were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Ms Alison Rowe	4	4
Mr Marko Misko	6	6
Mr Craig Tucker	6	5
Ms Sarah Marshall	6	5
Mr Leo Coci	6	6
Ms Dorte Ekelund	6	2
Mr Kevin Hutchings	6	5
Mr Ben Schitzerling	6	4
Ms Monique Cornish	6	5
Mr Matt Brennan	4	4
Mr David Singleton	5	4
Ms Jayne Whitney	2	2
Mr Menno Henneveld	2	2
Mr David Kinniburgh	2	2
Ms Leisel Moorhead	2	1

Company secretary

Dr Sally-Ann Joseph replaced Mr Marko Misko as company secretary on 25 June 2019.

Principal activities

The principal activity of Infrastructure Sustainability Council of Australia during the financial year was to act as a catalyst for the delivery and operation of more sustainable infrastructure in Australia and New Zealand. This is achieved by driving market transformation through assurance, education and advocacy, and by recognising sustainable practice via the IS rating scheme.

No significant changes in the nature of ISCA's activity occurred during the financial year.

Operating Result

The profit/(loss) of ISCA after providing for income tax amounted to \$ 25,216 (2018: (\$566,389)).

Members' guarantee

Infrastructure Sustainability Council of Australia is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$ 2 , subject to the provisions of the company's constitution.

At 30 June 2019 the collective liability of members was \$ 240 (2018: \$ 236).

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Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 is set out on page 8 and forms part of the Responsible Entities Report.

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



Responsible person

Chair:

Alison Rowe



Responsible person

.....

Marko Misko

Dated this 24 day of 10 2019

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Auditor's Independence Declaration under Section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 To the Responsible Entities of Infrastructure Sustainability Council of Australia

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2019, there have been:

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



P N Markoulli
Chartered Accountant
Registered Company Auditor

Dated this *24th* day of *October*, 2019.

Level 8, 80 Clarence Street, Sydney NSW 2000

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Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2019

	Note	2019 \$	2018 \$
Revenue	5	3,443,315	2,692,636
Contractors & Consultants Expense		(11)	(42,660)
Depreciation and amortisation expense		(39,496)	(307,576)
Employment Expenses		(1,979,029)	(1,699,612)
Governance Expenses		(48,901)	(68,125)
IS Training Expenses		(216,312)	(193,635)
Rating and Technical Advisory Expenses		(442,467)	(274,165)
Engagement Expenses		(260,697)	(181,705)
Office Occupancy Costs		(162,953)	(77,712)
Travel & Accommodation - Operational Expenses		(34,044)	(55,406)
Infrastructure Innovation Expenses		(67,897)	(230,103)
Operational Expenses - Other		(166,292)	(128,326)
Surplus/(Deficit) before income tax		25,216	(566,389)
Income tax expense	3(a)	-	-
Surplus/(Deficit) for the year		25,216	(566,389)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income/(loss) for the year		25,216	(566,389)

The accompanying notes form part of these financial statements.

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Statement of Financial Position

30 June 2019

	Note	2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	881,642	820,641
Trade and other receivables	8	1,325,571	1,074,258
Other assets	11	71,117	56,303
TOTAL CURRENT ASSETS		2,278,330	1,951,202
NON-CURRENT ASSETS			
Trade and other receivables	8	90,362	-
Property, plant and equipment	9	40,480	34,506
Intangible assets	10	103,968	17,260
TOTAL NON-CURRENT ASSETS		234,810	51,766
TOTAL ASSETS		2,513,140	2,002,968
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	423,100	257,828
Borrowings	13	13,285	10,165
Employee benefits	15	226,190	170,994
Other liabilities	14	1,104,177	842,809
TOTAL CURRENT LIABILITIES		1,766,752	1,281,796
NON-CURRENT LIABILITIES			
TOTAL LIABILITIES		1,766,752	1,281,796
NET ASSETS		746,388	721,172
EQUITY			
Retained earnings		746,388	721,172
TOTAL EQUITY		746,388	721,172

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity

For the Year Ended 30 June 2019

2019

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2018	721,172	721,172
Surplus/(shortfall) for the year	25,216	25,216
Balance at 30 June 2019	<u>746,388</u>	<u>746,388</u>

2018

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2017	1,287,561	1,287,561
Surplus/(shortfall) for the year	(566,389)	(566,389)
Balance at 30 June 2018	<u>721,172</u>	<u>721,172</u>

The accompanying notes form part of these financial statements.

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Statement of Cash Flows For the Year Ended 30 June 2019

	2019	2018
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash receipts in the course of operations	3,446,625	2,790,730
Cash payments in the course of operations	(3,260,192)	(2,997,337)
Interest received	6,746	2,661
Net cash provided by/(used in) operating activities	23 <u>193,179</u>	<u>(203,946)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for property, plant and equipment	(33,722)	(8,217)
Payments for capitalised website development	(98,456)	(17,480)
Net cash used by investing activities	<u>(132,178)</u>	<u>(25,697)</u>
Net increase/(decrease) in cash and cash equivalents held	61,001	(229,643)
Cash and cash equivalents at beginning of year	820,641	1,050,284
Cash and cash equivalents at end of financial year	7 <u><u>881,642</u></u>	<u><u>820,641</u></u>

The accompanying notes form part of these financial statements.

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Notes to the Financial Statements For the Year Ended 30 June 2019

1 General Information and statement of compliance - ACNC Company Limited by Guarantee

The financial report covers Infrastructure Sustainability Council of Australia as an individual entity. Infrastructure Sustainability Council of Australia is a not-for-profit company limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of Infrastructure Sustainability Council of Australia is Australian dollars.

The financial report was authorised for issue by the Directors on 18 October 2019.

2 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Act 2012*.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

3 Summary of Significant Accounting Policies

(a) Income Tax

The company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(b) Leases

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

(c) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the company and specific criteria relating to the type of revenue as noted below, have been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

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

Sale of goods

Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

Government Grants

A number of the company's programs are supported by grants received from Government.

Notes to the Financial Statements

For the Year Ended 30 June 2019

3 Summary of Significant Accounting Policies

(c) Revenue and other income

Government Grants

Grant revenue is recognised in the statement of profit or loss and other comprehensive income when the entity obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Infrastructure Sustainability Council of Australia receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in the statement of profit or loss and other comprehensive income.

Interest revenue

Interest is recognised using the effective interest method.

Membership Subscriptions

Revenue from the provision of membership subscriptions is recognised on a straight line basis over the financial year.

Other income

Other income is recognised on an accruals basis when the company is entitled to it.

(d) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(e) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

Notes to the Financial Statements For the Year Ended 30 June 2019

3 Summary of Significant Accounting Policies

(e) Property, plant and equipment

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

Property, plant and equipment is depreciated on a straight-line basis over the assets useful life to the company, commencing when the asset is ready for use.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

The estimated useful lives used for each class of depreciable asset are shown below:

Fixed asset class	Useful life
Office Furniture & Equipment	10 years
Computer Equipment	3 years
Leasehold improvements	2 years

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(f) Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the company becomes party to the contractual provisions of the instrument. On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial Assets

Financial assets are divided into the following categories which are described in detail below:

- loans and receivables;
- financial assets at fair value through profit or loss;
- available-for-sale financial assets; and
- held-to-maturity investments.

Notes to the Financial Statements

For the Year Ended 30 June 2019

3 Summary of Significant Accounting Policies

(f) Financial instruments

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The company's trade and other receivables fall into this category of financial instruments.

Significant receivables are considered for impairment on an individual asset basis when they are past due at the reporting date or when objective evidence is received that a specific counterparty will default.

The amount of the impairment is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

In some circumstances, the company renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the company does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

Impairment of financial assets

At the end of the reporting period the company assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance account, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

(g) Impairment of non-financial assets

At the end of each reporting period the company determines whether there is an evidence of an impairment indicator for non-financial assets.

Notes to the Financial Statements

For the Year Ended 30 June 2019

3 Summary of Significant Accounting Policies

(g) Impairment of non-financial assets

Where this indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

(h) Intangible Assets

The intangible assets in the financial statements relate to ISCA's Website Development and the Infrastructure Sustainability (IS) Rating Scheme comprising of the IS Tool version 1.0, the IS D&AB Tool version 1.2, the IS Ops Tool version 1.2.

These are carried at cost less accumulated impairment loss and amortisation. As at 30 June 2018 all the component tools of the IS Rating Scheme were fully amortised.

IS version 2.0 was developed over the last three and a half years and released on 1 August 2018. Most of the associated development costs were funded by members and industry partners. The board of directors have taken the view of expensing the development costs. This is a departure from prior years' policy where development costs associated with previous versions of the Tool were capitalised and amortised over their useful life. The development expenditure on IS Version 2.0 will translate into market opportunities over the next few years.

IS version 1.2 will continue to be deployed on projects and assets currently registered over the next 3-5 years.

Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use.

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

(i) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Notes to the Financial Statements

For the Year Ended 30 June 2019

3 Summary of Significant Accounting Policies

(j) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

(k) Going concern

The Company is heavily reliant on the continuing support of the membership base as well as the acceptance and success of the IS Rating Scheme, associated training and engagement as its core activities and revenue sources. Any significant decrease in these areas of revenue may affect the ability of the company to continue as a going concern. The financial statements have been prepared on the going concern basis. This basis has been adopted as the Company has critically assessed its operations and is of the opinion that there are reasonable grounds to believe that it will continue to generate sufficient income from its activities in the rating scheme, training and membership to enable it to meet its obligations as and when they fall due in the next 12 months from the date of signing of these financial statements. The directors have no reason to believe that the company will not be able to continue as a going concern.

(l) Economic dependence

Infrastructure Sustainability Council of Australia is dependent on the continuing membership, IS Rating Tool revenue and IS training income for the majority of its revenue used to operate the business. At the date of this report the directors have no reason to believe the continuing membership, IS Rating Tool revenue and IS training income will not continue.

(m) Adoption of new and revised accounting standards

The Company has adopted all standards which became effective for the first time at 1 June 2018, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company.

(n) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The company has decided not to early adopt these Standards.

Notes to the Financial Statements

For the Year Ended 30 June 2019

3 Summary of Significant Accounting Policies

(n) **New Accounting Standards and Interpretations**

The following table summarises those future requirements, and their impact on the where the standard is relevant:

Standard Name	Effective date for entity	Requirements	Impact
AASB 16 Leases	30 June 2020	AASB 16 will cause the majority of leases to be brought on to the statement of financial position. There are limited exceptions relating to short-term leases and low value assets which may remain off-balance sheet. The calculation of the lease liability will take into account appropriate discount rates, assumptions about lease term and increases in lease payments. A corresponding right of use asset will be recognised which will be amortised over the term of the lease. Rent expense will no longer be shown, the profit and loss impact of the leases will be through amortisation and interest charges.	Whilst the impact of AASB 16 has not yet been quantified, the company currently has \$550,118 worth of operating leases which will be brought onto the statement of financial position. Interest and amortisation expense will increase and rental expense will decrease. The company is applying the modified retrospective approach and therefore will not restate comparatives. The low value exception will be used for any leases on laptops and mobile phones.

Notes to the Financial Statements

For the Year Ended 30 June 2019

4 Critical Accounting Estimates and Judgments

Those charged with governance make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - provisions for employee benefits

As described in the accounting policies, provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

Key estimates - useful lives of depreciable and intangible assets

Management reviews its estimate of the useful lives of depreciable and intangible assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain intangibles and equipment.

5 Revenue and Other Income

	2019	2018
	\$	\$
Finance income		
- Bank Interest revenue	6,745	3,558
Finance income	6,745	3,558
Operating revenue		
- Infrastructure Innovation Income	99,151	137,987
- Training Income	586,209	510,676
- Membership Income	798,919	589,495
- Rating and Technical Advisory Income	1,493,609	1,204,286
- Advocacy Income	11,304	27
- Engagement Income	447,378	246,607
Total Operating Revenue	3,436,570	2,689,078
Total Revenue	3,443,315	2,692,636

Notes to the Financial Statements

For the Year Ended 30 June 2019

6 Operating Segments

(a) Geographical information

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers whereas segment assets are based on the location of the assets.

	2019		2018	
	Revenue	Non-current assets	Revenue	Non-current assets
Australia	3,278,541	2,513,140	2,542,198	2,002,968
New Zealand	164,774	-	150,438	-

7 Cash and Cash Equivalents

	2019	2018
	\$	\$
Cash at bank and in hand		
Cash on hand	-	120
Bank balances	881,642	820,521
	<u>881,642</u>	<u>820,641</u>

Reconciliation of cash

Cash and Cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:

	2019	2018
	\$	\$
Cash and cash equivalents	881,642	820,641
Balance as per statement of cash flows	<u>881,642</u>	<u>820,641</u>

8 Trade and Other Receivables

	2019	2018
	\$	\$
CURRENT		
Trade receivables	1,349,357	1,045,029
Provision for impairment	(a) (24,000)	(24,000)
	<u>1,325,357</u>	<u>1,021,029</u>
Term Deposit held as Security for Bank		
Guarantee on office lease	-	45,520
Other receivables	214	7,709
Total current trade and other receivables	<u>1,325,571</u>	<u>1,074,258</u>

Infrastructure Sustainability Council of Australia

ABN 53 131 329 774

Notes to the Financial Statements For the Year Ended 30 June 2019

8 Trade and Other Receivables

	2019	2018
	\$	\$
NON-CURRENT	-	-
Bank Undertaking Security Deposit for office lease	90,362	-
Total non-current trade and other receivables	90,362	-

(a) Impairment of receivables

Reconciliation of changes in the provision for impairment of receivables is as follows:

	2019	2018
	\$	\$
Balance at beginning of the year	24,000	24,000
Balance at end of the year	24,000	24,000

(b) Collateral held as security

The company does not hold any collateral over any receivables balances.

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

The Bank Undertaking Security Deposit is shown as non-current asset receivable as it relates to a term deposit held as security for a Bank Guarantee on the office lease and cannot be accessed during the duration of the lease. This will be released upon the expiration of the lease on 31 December 2023.

Infrastructure Sustainability Council of Australia

ABN 53 131 329 774

Notes to the Financial Statements For the Year Ended 30 June 2019

9 Property, plant and equipment

	2019	2018
	\$	\$
PLANT AND EQUIPMENT		
Office furniture and equipment		
At cost	22,248	8,399
Accumulated depreciation	(4,068)	(2,669)
Total office equipment	<u>18,180</u>	<u>5,730</u>
Computer equipment		
At cost	45,626	35,364
Accumulated depreciation	(23,326)	(23,695)
Total computer equipment	<u>22,300</u>	<u>11,669</u>
Leasehold Improvements		
At cost	-	58,085
Accumulated amortisation	-	(40,978)
Total leasehold improvements	<u>-</u>	<u>17,107</u>
Total plant and equipment	<u>40,480</u>	<u>34,506</u>
Total property, plant and equipment	<u><u>40,480</u></u>	<u><u>34,506</u></u>

Notes to the Financial Statements
For the Year Ended 30 June 2019

9 Property, plant and equipment

(a) Movements in carrying amounts of property, plant and equipment

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

	Office Furniture & Equipment	Computer Equipment	Leasehold Improvements	Total
	\$	\$	\$	\$
Year ended 30 June 2019				
Balance at the beginning of year	5,730	11,669	17,107	34,506
Additions	13,850	19,872	-	33,722
Depreciation expense	(1,400)	(9,241)	(17,107)	(27,748)
Balance at the end of the year	18,180	22,300	-	40,480

	Office Furniture & Equipment	Computer Equipment	Leasehold Improvements	Total
	\$	\$	\$	\$
Year ended 30 June 2018				
Balance at the beginning of year	5,480	12,337	46,150	63,967
Additions	871	7,346	-	8,217
Depreciation expense	(621)	(8,014)	(29,043)	(37,678)
Balance at the end of the year	5,730	11,669	17,107	34,506

Infrastructure Sustainability Council of Australia

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Notes to the Financial Statements For the Year Ended 30 June 2019

10 Intangible Assets

	2019	2018
	\$	\$
Intangible Asset - IS Tool v1.0		
Cost	-	819,866
Accumulated amortisation and impairment	-	(819,866)
Net carrying value	-	-
Intangible Asset - IS D&AB Tool v1.2		
Cost	-	32,000
Accumulated amortisation and impairment	-	(32,000)
Net carrying value	-	-
Intangible Asset - IS Ops Tool v1.2		
Cost	-	52,565
Accumulated amortisation and impairment	-	(52,565)
Net carrying value	-	-
ISCA Website Development		
Cost	115,936	17,480
Accumulated amortisation and impairment	(11,968)	(220)
Net carrying value	103,968	17,260
Total Intangibles	103,968	17,260

(a) Movements in carrying amounts of intangible assets

	Intangible Asset - IS Tool v1.0	Intangible Asset - IS D&AB Tool v1.2	Intangible Asset - IS Ops Tool v1.2	ISCA Website Development	Total
	\$	\$	\$	\$	\$
Year ended 30 June 2019					
Balance at the beginning of the year	-	-	-	17,260	17,260
Additions	-	-	-	98,456	98,456
Amortisation and Impairment	-	-	-	(11,748)	(11,748)
Closing value at 30 June 2019	-	-	-	103,968	103,968

Infrastructure Sustainability Council of Australia

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Notes to the Financial Statements For the Year Ended 30 June 2019

10 Intangible Assets

(a) Movements in carrying amounts of intangible assets

	Intangible Asset - IS Tool v1.0	Intangible Asset - IS D&AB Tool v1.2	Intangible Asset - IS Ops Tool v1.2	ISCA Website Development	Total
	\$	\$	\$	\$	\$
Year ended 30 June 2018					
Balance at the beginning of the year	208,451	14,854	46,372	-	269,677
Additions	-	-	-	17,480	17,480
Amortisation and Impairment	(208,451)	(14,854)	(46,372)	(220)	(269,897)
Closing value at 30 June 2018	-	-	-	17,260	17,260

11 Other Assets

	2019	2018
	\$	\$
CURRENT Prepayments	71,117	56,303

Infrastructure Sustainability Council of Australia

ABN 53 131 329 774

Notes to the Financial Statements For the Year Ended 30 June 2019

12 Trade and Other Payables

	2019	2018
	\$	\$
CURRENT		
Unsecured liabilities		
Trade payables	215,114	73,014
Accruals	12,500	11,000
Other payables	195,486	173,814
	<u>423,100</u>	<u>257,828</u>

All amounts are short term and the carrying values are considered to be a reasonable approximation of fair value.

13 Borrowings

	2019	2018
	\$	\$
CURRENT		
Corporate Credit Cards	13,285	10,165
Total current borrowings	<u>13,285</u>	<u>10,165</u>

14 Other Liabilities

	2019	2018
	\$	\$
CURRENT		
Unearned Income	1,104,177	842,809

Unearned income represents 2019-20 membership fees invoiced before 30 June 2019 and shown under receivables. Revenue will be recognised on a straight line basis over the 2020 financial year.

15 Employee Benefits

	2019	2018
	\$	\$
Current liabilities		
Provision for employee benefits	226,190	170,994
	<u>226,190</u>	<u>170,994</u>

Infrastructure Sustainability Council of Australia

ABN 53 131 329 774

Notes to the Financial Statements For the Year Ended 30 June 2019

16 Capital and Leasing Commitments

(a) Operating Leases

	2019	2018
	\$	\$
Minimum lease payments under non-cancelable operating leases:		
- not later than one year	122,063	37,477
- between one year and five years	428,055	-
	<u>550,118</u>	<u>37,477</u>

The above commitments are in relation to the operating lease for the office space that ISCA uses. The lease expires on 31 December 2023.

Notes to the Financial Statements

For the Year Ended 30 June 2019

17 Financial Risk Management

The company is exposed to a variety of financial risks through its use of financial instruments.

The company's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The company does not speculate in financial assets.

The most significant financial risks to which the company is exposed to are described below:

Specific risks

- Liquidity risk
- Credit risk
- Market risk - currency risk, interest rate risk and price risk

Financial instruments used

The principal categories of financial instrument used by the company are:

- Trade receivables
- Cash at bank
- Trade and other payables

Objectives, policies and processes

Risk management is carried out by the company's risk management committee under the delegated power from the Board of Directors. The Finance Manager has primary responsibility for the development of relevant policies and procedures to mitigate the risk exposure of the company, these policies and procedures are then approved by the risk management committee and tabled at the board meeting following their approval.

Reports are presented at each Board meeting regarding the implementation of these policies and any risk exposure which the Risk Management Committee believes the Board should be aware of.

Specific information regarding the mitigation of each financial risk to which the company is exposed is provided below.

Liquidity risk

Liquidity risk arises from the company's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the company will encounter difficulty in meeting its financial obligations as they fall due.

The company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities as and when they fall due. The company maintains cash to meet its liquidity requirements for up to 30-day periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

Notes to the Financial Statements

For the Year Ended 30 June 2019

17 Financial Risk Management

Liquidity risk

The company manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash-outflows due in day-to-day business.

Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a 180-day and a 360-day period are identified monthly.

At the reporting date, these reports indicate that the company expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances and will not need to draw down any of the financing facilities.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the company.

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposure to wholesale and retail customers, including outstanding receivables and committed transactions.

The company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The utilisation of credit limits by customers is regularly monitored by line management. Customers who subsequently fail to meet their credit terms are required to make purchases on a prepayment basis until creditworthiness can be re-established.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The Board receives monthly reports summarising the turnover, trade receivables balance and ageing profile of each of the key customers individually and the company's other customers analysed by industry sector as well as a list of customers currently transacting on a prepayment basis or who have balances in excess of their credit limits.

Management considers that all the financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

The company has no significant concentration of credit risk with respect to any single counterparty or group of counterparties. The class of assets described as 'trade and other receivables' is considered to be the main source of credit risk related to the company.

The following table details the company's trade and other receivables exposure to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled, within the terms and conditions agreed between the company and the customer or counter party to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there is objective evidence indicating that the debt may not be fully repaid to the company.

Infrastructure Sustainability Council of Australia

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Notes to the Financial Statements For the Year Ended 30 June 2019

17 Financial Risk Management

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

	Gross amount	Past due and impaired	Past due but not impaired (days overdue)				Within initial trade terms
			< 30	31-60	61-90	> 90	
			\$	\$	\$	\$	
2019							
Trade and term receivables	1,349,357	-	1,180,680	120,083	44,424	4,170	-
Total	1,349,357	-	1,180,680	120,083	44,424	4,170	-
2018							
Trade and term receivables	1,045,029	-	825,283	220,744	2,756	(3,754)	-
Total	1,045,029	-	825,283	220,744	2,756	(3,754)	-

The company does not hold any financial assets with terms that have been renegotiated, but which would otherwise be past due or impaired.

The other classes of receivables do not contain impaired assets.

Market risk

(i) Foreign currency sensitivity

Most of the company's transactions are carried out in Australian Dollars.

18 Members' Guarantee

ISCA is incorporated under the Corporations Act 2001 and *Australian Charities and Not-for-profits Commission Act 2012* and is a company limited by guarantee. If ISCA is wound up, the constitution states that each member is required to contribute a maximum of \$ 2 each towards meeting any outstanding and obligations of the ISCA. At 30 June 2019 the number of members was 120 (2018: 118).

19 Key Management Personnel Disclosures

The totals of remuneration paid to the key management personnel of Infrastructure Sustainability Council of Australia during the year are as follows:

	2019	2018
	\$	\$
Key employees	287,224	357,178
Directors	20,000	20,000
	307,224	377,178

Notes to the Financial Statements

For the Year Ended 30 June 2019

20 Auditors' Remuneration

	2019	2018
	\$	\$
Remuneration of the auditor of the company, for:		
- auditing or reviewing the financial statements	15,000	14,000
- other services	2,500	2,000
Total	17,500	16,000

21 Contingencies

In the opinion of the Directors, the company did not have any contingencies at 30 June 2019 (30 June 2018:None).

22 Related Parties

(a) ISCA's main related parties are as follows:

(i) Key management personnel:

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity are considered key management personnel.

For details of remuneration disclosures relating to key management personnel, refer to Note 19: Key Management Personnel Disclosures.

(ii) Other related parties include close family members of key management personnel and entities that are controlled.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

(b) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

	Purchases	Sales	Owed to ISCA - Trade Receivables	Owed by ISCA - Trade Payables
Director related entities				
Arup	22,430	52,272	27,422	-
Auckland Airport	-	13,054	13,054	-
Construction Environmental Services	-	714	-	-
GHD	14,520	36,598	17,596	-

Infrastructure Sustainability Council of Australia

ABN 53 131 329 774

Notes to the Financial Statements For the Year Ended 30 June 2019

22 Related Parties

(b) Transactions with related parties

	Purchases	Sales	Owed to ISCA - Trade Receivables	Owed by ISCA - Trade Payables
John Holland	-	158,028	53,802	-
Laing O'Rourke	-	52,718	380	-
Lendlease	-	117,531	9,283	-
Main Roads WA	-	58,673	3,960	-
Transurban	-	18,351	-	-
Tonkin & Taylor	1,000	8,652	6,626	-

23 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2019 \$	2018 \$
Surplus/(Deficit) for the year	25,216	(566,389)
Non-cash flows in profit:		
- amortisation of intangibles	11,748	298,940
- depreciation	27,748	8,636
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
- (increase)/decrease in trade and other receivables	(341,675)	(122,463)
- (increase)/decrease in prepayments	(14,814)	(33,395)
- increase/(decrease) in trade and other payables	168,392	(32,059)
- increase/(decrease) in other liabilities	261,368	235,295
- increase/(decrease) in employee benefits	55,196	7,489
Cashflow from operations	<u>193,179</u>	<u>(203,946)</u>

(b) Credit Card Facilities with banks

	2019 \$	2018 \$
Credit facilities	20,000	20,000
Amount utilised	(13,285)	(10,165)
	<u>6,715</u>	<u>9,835</u>

**Notes to the Financial Statements
For the Year Ended 30 June 2019**

23 Cash Flow Information

(b) Credit Card Facilities with banks

At 30 June 2019, there were eleven corporate credit cards with NAB issued to eleven employees, with a combined credit limit of \$20,000.

24 Events after the end of the Reporting Period

The financial report was authorised for issue on 18 October 2019 by the Board of Directors.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the company, the results of those operations or the state of affairs of the company in future financial years.

25 Company Details

The registered office and principal place of business of the company is:
Suite 13.03, 6 O'Connell Street, SYDNEY NSW 2000.

Infrastructure Sustainability Council of Australia

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Responsible Persons' Declaration

The responsible persons of the Company declare that in their opinion:

- there are reasonable grounds to believe that ISCA is able to pay all of its debts, as and when they become due and payable; and
- the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and Australian Accounting Standards.
- the financial statements give a true and fair view of ISCA's financial position as at 30 June 2019 and of its performance for the financial year ended on that date.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.

Responsible person 
 Chair.....
 Alison Rowe

Responsible person - 

 Marko Misko

Dated this 24 day of 10 2019

Infrastructure Sustainability Council of Australia

Independent Audit Report to the members of Infrastructure Sustainability Council of Australia

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of Infrastructure Sustainability Council of Australia, which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the responsible persons' declaration.

In my opinion the financial report of Infrastructure Sustainability Council of Australia has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) giving a true and fair view of the Registered Entity's financial position as at 30 June 2019 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Registered Entity in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Material Uncertainty Related to Going Concern

I draw attention to Note (k) in the financial report, which describes the uncertainty related to "Going Concern". The ability of the Registered Entity to pay its debts as and when they fall due and realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements is dependent on the continuing support of the membership base as well as the acceptance and success of the IS Rating Scheme, associated training and engagement activities and revenue sources. Any significant decrease in these areas of revenue may affect the ability of the Registered Entity to continue as a going concern. These may indicate the existence of an uncertainty which if not materialised, may cast doubt as to the Registered Entity's use of going concern basis of accounting. The financial statements do not include any adjustments relating to the recoverability and classification of the recorded asset amounts nor the amounts and classification of liabilities that might be necessary should the company not continue as a going concern.

My opinion is not modified in respect of this matter.

Infrastructure Sustainability Council of Australia

Independent Audit Report to the members of Infrastructure Sustainability Council of Australia

Responsibilities of Responsible Entities for the Financial Report

The responsible entities of the Registered Entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the ACNC Act, and for such internal control as the responsible entities determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Registered Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

My 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Registered Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the responsible entities.
- Conclude on the appropriateness of the responsible entities' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Registered Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial

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report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Registered Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



P N Markoulli
Chartered Accountant
Registered Company Auditor

Level 8, 80 Clarence Street, Sydney NSW 2000.

Dated this 24th day of October, 2019 .