



**AUSTRALIAN MARKETING INSTITUTE LIMITED**  
**ABN 30 000 026 586**

**FINANCIAL REPORT - 30 JUNE 2020**

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**AUSTRALIAN MARKETING INSTITUTE LIMITED**  
**ABN 30 000 026 586**

**FINANCIAL REPORT - 30 JUNE 2020**

**DIRECTORS' REPORT**

Australian Marketing Institute Limited is incorporated as a company limited by guarantee and not having a share capital under the provisions of the *Corporations Act 2001*. The Directors present the financial report on the company for the year ended 30 June 2020 and report as follows:

**DIRECTORS**

The names of and other information on the Directors in office during or since the end of the year are as follows. The Directors were in office for this entire period unless otherwise stated.

DIRECTOR'S NAME	QUALIFICATIONS, EXPERIENCE & OTHER INFORMATION
<b>Lynda Cavallera</b>	<b>Director</b>
<p><b><i>Qualifications and experience:</i></b></p> <p>As a marketing and sales executive and accomplished leader with more than 25 years' experience across numerous industries, including financial services, banking, retail, Government, education and NFPs, Lynda has strong strategic experience and commercial acumen, delivering growth for organisations through data-led and customer focused solutions. Her specialities include brand strategy, marketing and sales strategy and action plans, customer experience and digital marketing.</p> <p>Lynda has developed a solid reputation as someone who is adept at influencing and negotiating to effectively get things done across all levels of an organisation, including Boards and executive teams, even in complex and challenging environments, whilst simultaneously building collaborative and productive stakeholder relationships and high-performing teams.</p> <p>Graduate of Australian Institute of Company Directors (GAICD), Fellow of the Australian Marketing Institute (FAMI), Certified Practicing Marketer (CPM), Master of Business Administration - Monash University), Post Graduate Degree International Business (Marketing - Monash University), Bachelor of Applied Science - Victoria University).</p> <p>Appointed a Director on 22 October 2015.</p> <p><b><i>Special Responsibilities:</i></b></p> <p>Chair of Board, Chair of the Executive Committee.</p>	
<b>Andrew Thornton</b>	<b>Director</b>
<p><b><i>Qualifications and experience:</i></b></p> <p>An experienced marketing and business professional who has worked extensively within the corporate and consulting sectors.</p> <p>Prior to entering consulting, Andrew had a successful corporate career grounded in business strategy and marketing leadership. He established a strong track record in senior leadership roles, including CEO/MD and CMO positions, across the financial services, telecommunications, professional services and transport infrastructure sectors.</p> <p>Currently, Andrew is Executive Director, Bridge Street Consulting. He is also a Non-Executive Director of Fishburners – Australia's largest tech start-up community.</p> <p>In October 2018, Andrew was awarded Life Membership of the AMI – the most prestigious honour that the AMI awards to members for outstanding service and leadership in the profession of marketing.</p> <p>Bachelor of Business (Chisholm Institute of Technology); Senior Executive Program (Mt Eliza Executive Education – Melbourne Business School); Harvard Leadership Program (Harvard University). Fellow of the Australian Marketing Institute (FAMI); Certified Practicing Marketer (CPM); Member of the Australian Institute of Company Directors (MAICD).</p> <p>Appointed a Director on 22 October 2015.</p> <p><b><i>Special Responsibilities:</i></b></p> <p>Deputy Chair, Member of the Executive Committee.</p>	

**AUSTRALIAN MARKETING INSTITUTE LIMITED**  
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**FINANCIAL REPORT - 30 JUNE 2020**

**DIRECTORS' REPORT**

<b>DIRECTOR'S NAME</b>	<b>QUALIFICATIONS, EXPERIENCE &amp; OTHER INFORMATION</b>
<b>Nick Kariotoglou</b>	<b>Director</b>
<p><b><i>Qualifications and experience:</i></b>  Managing Director of Aargus Pty Ltd, More Mour Pty Ltd, Chameleon Pty Ltd, Aargus Holding Pty Ltd, Aargus Recruitment Pty Ltd and Eco Fuel Technology Australia Limited.</p> <p>Bachelor of Applied Science (University of Technology Sydney), Graduate Diploma of Management (Deakin University), Master of Business Administration (Deakin University).</p> <p>Appointed a Director on 3 May 1998.</p> <p><b><i>Special Responsibilities:</i></b>  Member of the Executive Committee, Chair of the Finance Committee.</p>	
<b>Nicholas Ridis</b>	<b>Director</b>
<p><b><i>Qualifications and experience:</i></b>  Australian Institute Company Directors MAICD Member, Australian Institute Management CPMgr Certified Professional Manager, Australian Institute Management FAIM Fellow.</p> <p>Graduate Certificate in Higher Education UTS - in progress, Executive Master's in Business Administration AGSM - in progress, Certification of Registration Real Estate Institute NSW, Bachelor of Management (Marketing) University of South Australia, Associate Diploma in Built Environment (Building) University of South Australia.</p> <p>Sessional Academic - Faculties of Business (Subject Coordinator Lecturer and Tutor) UTS, The University of Sydney, University of Southern Queensland, University of Notre Dame, Shanghai University, University of Western Sydney, Macquarie University and UTS: Insearch Research Assistant UTS.</p> <p>Founder and Managing Director AVODKA Pty Ltd, Founder and Managing Director Morphosis Pty Ltd.</p> <p>Appointed a Director on 22 October 2015.</p> <p><b><i>Special Responsibilities:</i></b>  Chair Accreditation Committee.</p>	
<b>Mona Lolas</b>	<b>Director</b>
<p><b><i>Qualifications and experience:</i></b>  Mona Lolas is an accomplished Global Sales and Marketing Executive who has spent over 25 years in B-to-B technology marketing and sales leadership roles. She is currently the Solution Partner at Forrester leading the SiriusDecisions Product in APAC.</p> <p>Mona has extensive experience both in the Asia Pacific and around the world working across a range of marketing disciplines including strategy and planning, channel marketing, content creation, customer and industry marketing, demand creation, events, and public and analyst relations. Mona has held MD and CMO positions as well as managing her own consulting organization.</p> <p>Prior to joining Forrester-SiriusDecisions, Mona held senior roles at companies such as Gartner, Autodesk, Symantec, Intel, Sun Microsystems, Microsoft, Optus, Telstra, and IBM. She has international exposure in conducting business in Australia, APAC Regional and Global roles working in Vendors and Blue-Chip Companies.</p> <p>Mona has a passion for prompting women in leadership positions and advocating to empower girls to join the IT industry. Mona is experienced, public speaker and media spokesperson. Fellow of the Australian Marketing Institute (FAMI), Certified Practicing Marketer (CPM).</p> <p>Appointed a Director on 17 January 2018.</p>	

**AUSTRALIAN MARKETING INSTITUTE LIMITED**  
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**FINANCIAL REPORT - 30 JUNE 2020**

**DIRECTORS' REPORT**

DIRECTOR'S NAME	QUALIFICATIONS, EXPERIENCE & OTHER INFORMATION
<b>John William Clay</b>	<b>Director</b>
<p><b>Qualifications and experience:</b> BA, MBA, GAICD, CPM, JP</p> <p>After 25 years in the professional services, telecommunications and IT industries, John moved into a portfolio career consisting of Board, Advisory and Lecturing roles. John brings professional marketing and communications expertise and experience to the board with the voice of the customer, customer experience, key account management, crisis communications and digital engagement skills being of particular strengths. In addition, John has strong governance and strategic capabilities that is a prerequisite for any Board roles.</p> <p>John's board experience spans several years as a member of the Regional Arup Board (eight years), the Australia British Chamber of Commerce Advisory Board (3 years); is a Graduate of the Australian Institute of Company Directors and a Justice of the Peace (JP). During John's tenure at Arup, they developed and implemented programmes to deliver a client centric approach to the business. This not only supported the growth of the company, it also led to Arup being awarded the Best Professional Services Firm in 2017, as voted by clients. John was also honoured to receive AMI's Certified Marketer of the Year award (2017) and is applying his 25 years' experience in B2B marketing and communications to take on advisory assignments through his private firm <a href="http://www.clayadvisory.com">www.clayadvisory.com</a> and <a href="http://www.beatonglobal.com">www.beatonglobal.com</a>.</p> <p>John is also a Sessional Academic at the Business School at University of Technology Sydney; teaching undergraduate and post graduate students enrolled in marketing subjects.</p> <p><b>Special Responsibilities:</b> Member of the Finance Committee.</p>	
<b>Paul Nicolaou</b>	<b>Director</b>
<p><b>Qualifications and experience:</b> BA, MBA, GAICD, CPM, JP</p> <p>Paul Nicolaou is currently the Director of the Business Leaders Council, Director of Membership &amp; Events of the Australian Chamber of Commerce &amp; Industry. He is also the Director of Corporate &amp; Community Solutions a private company specialising in strategic advice, marketing, fundraising, media, public relations and event management.</p> <p>Paul sits on the Board of The Gut Foundation, which conducts research &amp; education campaigns on bowel cancer, The Estia Foundation, which provides support services to children with disabilities and as a Non-Executive Board Member of Group Colleges Australia which is a well-established, professional Registered Training Organisation (RTO) that provides support services to educational and associated institutions, such as marketing, financial and technological support services. In addition, Paul sits on the Advisory Board of Southern Cross Group Services and is a Non-Executive Director of Dymocks Children's Charities.</p> <p>Paul is also an ambassador of Start Up Australia which is an entrepreneur-led not for profit organisation that wants to create a strong Australia for the future, through the creation of more entrepreneurial ventures and a Member of the Association of Independent Schools of NSW Institute which is a high-level think-tank that assists Independent Schools to meet the challenges of a rapidly changing educational environment.</p> <p>Appointed a Director on 23 May 2019.</p>	
<b>John WS Kim</b>	<b>Director</b>
<p><b>Qualifications and experience:</b></p> <p>John Kim is an IT business management and market expert with over twenty-five (25) years of experience across Finance, Digital Marketing, Project Management and Sales Directing. John has put his passion, finances and energy into starting a business and successfully growing it to a multimillion-dollar business over the past thirteen (13) years.</p> <p>Always staying on the front foot of emerging technologies from early adoption of Cloud computing, Responsive Marketing to Gamification and in turn facilitating our well-known corporate clients to seamlessly transition into competitive positions. He is passionate about flawless engineering to create business strategies and solutions that meet the present challenges yet holds integrity and value in the long term.</p> <p>Appointed a Director on 23 May 2019.</p>	

**AUSTRALIAN MARKETING INSTITUTE LIMITED**  
**ABN 30 000 026 586**

**FINANCIAL REPORT - 30 JUNE 2020**

**DIRECTORS' REPORT**

**PRINCIPAL ACTIVITY**

The principal activities of the company during the financial year ended 30 June 2020 involved the promotion of the marketing profession, the provision of training services to members and the operation of numerous state and national events. The company's objective is to bring to marketers the cutting edge in marketing theory and application to advance both individual marketers and the profession (as the commercial success of the Marketing profession and the Australian Marketing Institute depends on the strength of each individual member). The company's aim is to ensure members have the resources to advance their abilities and careers. There were no significant changes in the nature of these activities during the year.

**OPERATING RESULT**

The net result of the company for the financial year after providing for income tax was a surplus of \$180,543 (2019: surplus \$162,945). The company is a not-for-profit entity and is only taxable on its income from non-members under the Principle of Mutuality.

**OBJECTIVES OF THE COMPANY**

The core objectives of the Australian Marketing Institute are:

- a) To become the Professional Association of choice for Professional Marketers;
- b) Continue to listen, learn and adapt the Professional Development program to improve Marketing professionalism;
- c) Ensure Members receive a trusted and relevant Member Value Proposition to ensure Member retention and drive Member acquisition across all Membership categories; and
- d) Achieve financial stability and prosperity for the organisation so that it can continue to provide valued services to members and improve the financial standing of the company.

**OPERATING STRATEGIES**

The Australian Marketing Institute's 2020/2021 program is focused on raising Marketing professionalism. During the year ending 30 June 2021 we plan to:

- a) Strengthen AMI's relevance and value for the AMI Member community which includes Boards and C-suite Executives, General Business, Educational Institutions and Marketing Communities of practice;
- b) Achieve Membership revenue growth through repackaging the corporate member offering by including a relevant bundle of benefits;
- c) Grow Membership in the SME space by delivering their needs in a professional marketing context;
- d) Achieve Membership revenue growth through a redefined brand pillars, content, communication and engagement strategy for lead nurturing, acquisition, retention and win back of members;
- e) Continue the new AMI Marketing Credentials designations;
- f) Grow Certified Practicing Marketer (CPM) numbers by bringing in more rigor in the CPM application, assessment and certification process;
- g) Enhance Accreditation awareness. Renew University Course Accreditations and review Vocational Education Endorsements;
- h) Launch a new set of relevant professional development programmes and member networking events to grow paid registrations for Professional Development and State Events— both AMI and partner offerings;
- i) Continue to Redesign the Awards Gala format whilst protecting overall Award program profitability; and
- j) Foster effective Government Relations to move the Marketing specialist category from Short Term to Medium to Long term occupation listing.

**PERFORMANCE MEASUREMENT**

The company measures its performance through the use of both quantitative and qualitative benchmarks. The benchmarks are used by the Directors to assess the financial and qualitative performance and sustainability of the company and whether the company's short-term and long-term objectives are being achieved.

**AUSTRALIAN MARKETING INSTITUTE LIMITED**  
**ABN 30 000 026 586**

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**DIRECTORS' REPORT**

**LIMITATION OF MEMBERS' LIABILITY**

The company is incorporated under the Corporations Act 2001 as a company limited by guarantee. If the company is wound up, its Constitution states that each member is required to contribute a maximum of \$20 each towards meeting any outstanding obligations of the company. At 30 June 2020 the number of members was 4,202 and their collective liability was \$84,040.

**MEETING OF DIRECTORS**

The number of meetings each Director was eligible to attend and actually attended during the financial year is summarised as follows:

<b>Directors Name</b>	<b>Total Attendance</b>	<b>Total Apologies</b>	<b>Total Absent</b>	<b>Total Board Meetings Eligible</b>
Lynda Cavallera	8	1	0	9
Andrew Thornton	8	1	0	9
Nick Kariotoglou	8	1	0	9
Nicholas Ridis	7	1	0	8
Mona Lolas	7	1	0	8
John Clay	9	0	0	9
Paul Nicolaou	6	2	0	8
John Kim	7	1	0	8

**EVENTS OCCURRING AFTER BALANCE DATE**

Subsequent to the end of the financial year there have been considerable economic impacts in Australia and globally arising from the outbreak of the COVID-19 virus, and Government actions to reduce the spread of the virus.

At the date of signing the financial statements the Directors are unable to determine what financial effects the outbreak of the virus could have on the company in the coming financial period.

The Directors acknowledge their responsibility to continuously monitor the situation and evaluate this impact including its ability to pay its debts as and when they become due and payable.

There have been no other material events subsequent to balance date.

**INDEPENDENCE DECLARATION**

The auditor's independence declaration as required under section 307C of the Corporations Act 2001 for the year ended 30 June 2020 has been received and can be found on the following page, which forms part of the Directors' report.

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



Lynda Cavallera  
Chair



Nick Kariotoglou  
Director

Sydney, 21 September 2020

**AUSTRALIAN MARKETING INSTITUTE LIMITED**  
**ABN 30 000 026 586**

**FINANCIAL REPORT - 30 JUNE 2020**

**AUDITOR'S INDEPENDENCE DECLARATION**  
**UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**  
**TO THE DIRECTORS OF**  
**AUSTRALIAN MARKETING INSTITUTE LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2020 there has been:

- (a) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.



**StewartBrown**  
Chartered Accountants



**S.J. Hutcheon**  
Partner

21 September 2020

**AUSTRALIAN MARKETING INSTITUTE LIMITED****STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2020**

	Note	2020 \$	2019 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	200,413	89,133
Trade and other receivables	7	60,801	99,716
<i>Total current assets</i>		<u>261,214</u>	<u>188,849</u>
<b>Non-current assets</b>			
Property, plant and equipment	8	19,977	27,271
Intangible assets	9	9,363	14,071
<i>Total non-current assets</i>		<u>29,340</u>	<u>41,342</u>
<b>TOTAL ASSETS</b>		<u>290,554</u>	<u>230,191</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	10	623,996	674,193
Borrowings	11	1,020	87,981
Provisions	12	30,509	18,531
<i>Total current liabilities</i>		<u>655,525</u>	<u>780,705</u>
<b>Non-current liabilities</b>			
Provisions	12	15,000	10,000
<i>Total non-current liabilities</i>		<u>15,000</u>	<u>10,000</u>
<b>TOTAL LIABILITIES</b>		<u>670,525</u>	<u>790,705</u>
<b>NET ASSETS (LIABILITIES)</b>		<u><b>(379,971)</b></u>	<u><b>(560,514)</b></u>
<b>FUNDS (DEFICIT)</b>			
Accumulated losses		<u>(379,971)</u>	<u>(560,514)</u>
<b>TOTAL FUNDS (DEFICIT)</b>		<u><b>(379,971)</b></u>	<u><b>(560,514)</b></u>

The accompanying notes form part of these financial statements



**AUSTRALIAN MARKETING INSTITUTE LIMITED****STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2020**

	Note	2020 \$	2019 \$
<b>Revenue</b>	4	1,476,445	1,606,056
		<u>1,476,445</u>	<u>1,606,056</u>
<b>Expenses</b>			
Administration and other expenses		(143,793)	(180,668)
Contractor and consultants		(93,875)	(99,807)
Depreciation and amortisation	5	(21,960)	(35,421)
Employee benefits expense		(605,754)	(643,191)
Finance costs	5	(11,216)	(29,630)
Function expenses		(230,050)	(257,406)
Insurance		(42,192)	(37,743)
Media expenses		(71,302)	(72,086)
Occupancy expenses		(70,760)	(82,159)
Other expenses		(5,000)	(5,000)
		<u>(1,295,902)</u>	<u>(1,443,111)</u>
<b>Surplus before income tax</b>		180,543	162,945
Income tax expense		-	-
		<u>-</u>	<u>-</u>
<b>Surplus for the year</b>		180,543	162,945
<b>Other comprehensive income</b>		-	-
		<u>-</u>	<u>-</u>
<b>Total comprehensive income for the year</b>		<u><b>180,543</b></u>	<u><b>162,945</b></u>

The accompanying notes form part of these financial statements

**AUSTRALIAN MARKETING INSTITUTE LIMITED****STATEMENT OF CHANGES IN FUNDS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	<b>Accumulated Losses</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>
<b>Balance at 1 July 2018</b>	(723,459)	(723,459)
<b>Comprehensive income</b>		
Surplus for the year	162,945	162,945
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<u>162,945</u>	<u>162,945</u>
<b>Balance at 30 June 2019</b>	<u><b>(560,514)</b></u>	<u><b>(560,514)</b></u>
<b>Balance at 1 July 2019</b>	(560,514)	(560,514)
<b>Comprehensive income</b>		
Surplus for the year	180,543	180,543
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<u>180,543</u>	<u>180,543</u>
<b>Balance at 30 June 2020</b>	<u><b>(379,971)</b></u>	<u><b>(379,971)</b></u>

**AUSTRALIAN MARKETING INSTITUTE LIMITED****STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2020**

	Note	2020 \$	2019 \$
<b>Cash flows from operating activities</b>			
Receipts from customers		1,606,505	1,744,917
Payments to suppliers and employees		(1,387,329)	(1,534,720)
Interest received		239	239
Finance costs		(11,216)	(29,630)
<i>Net cash flows from operating activities</i>		<u>208,199</u>	<u>180,806</u>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(9,958)	(2,706)
Payments for intangible assets		-	(17,133)
<i>Net cash flows from investing activities</i>		<u>(9,958)</u>	<u>(19,839)</u>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		-	50,000
Repayment of borrowings		(72,549)	(140,249)
<i>Net cash flows from borrowing activities</i>		<u>(72,549)</u>	<u>(90,249)</u>
Net increase in cash and cash equivalents		125,692	70,718
Cash and cash equivalents at the beginning of the financial year		<u>73,701</u>	<u>2,983</u>
Cash and cash equivalents at the end of the financial year	13	<u><b>199,393</b></u>	<u><b>73,701</b></u>

The accompanying notes form part of these financial statements

**AUSTRALIAN MARKETING INSTITUTE LIMITED****NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020****Note 1 - Reporting entity**

The financial report is for Australian Marketing Institute Limited as an individual entity, incorporated and domiciled in Australia. Australian Marketing Institute Limited is a company limited by guarantee under the *Corporations Act 2001*.

The financial statements were approved by the Board of Directors on 21 September 2020.

**Note 2 - Basis of preparation*****Statement of compliance***

Australian Marketing Institute Limited adopted Australian Accounting Standards - Reduced Disclosure Requirements as set out in AASB 1053: *Application of Tiers of Australian Accounting Standards* and AASB 2010-2: *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements*.

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001*. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions.

***Basis of measurement***

The financial statements, except for the cash flow information, 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.

***Comparatives***

Where required by Accounting Standards comparative figures have been adjusted to conform to changes in presentation for the current financial year. Where the company has retrospectively applied an accounting policy, made a retrospective restatement or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

***Critical accounting estimates and judgements***

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

**Key estimates*****Impairment***

The company assesses impairment at the end of each reporting period by evaluation of conditions and events specific to the company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

***Capitalised development costs***

Development costs are only capitalised by the company when it can be demonstrated that the technical feasibility of completing the intangible asset is valid so that the asset will be available for sale or use.

***Unearned income***

Calculation of unearned income and related revenue recognition in relation to events requires the company to make an estimate of the costs of providing services in the future.

***Estimated useful lives of assets***

The estimation of the useful lives of assets has been based on historical experience as well as manufacturers' warranties. In addition, the condition of assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary.

**AUSTRALIAN MARKETING INSTITUTE LIMITED**

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

**Note 2 - Basis of preparation (continued)**

***Going concern***

The financial report has been prepared on a going concern basis which assumes the company will have sufficient cash to pay its debts as and when they become payable for a period of at least 12 months from the date of the financial report.

The statement of profit or loss and other comprehensive income for the year ended 30 June 2020 reflects a net surplus of \$180,543 (2019: surplus \$162,945). The company has a net current asset deficiency of \$394,311 (2019: deficiency \$591,856) and a net asset deficiency of \$379,971 as at 30 June 2020 (2019: deficiency \$560,514).

A key component of this deficiency relates to Membership Income Received in Advance of \$445,131 (2019: \$479,536) which results from accounting adjustments made from 2014. Each year the Membership Income Received in Advance revolves such that the previous year's advances are taken as income in the current year and current years advances are recorded as a liability. The AMI company constitution clause 9 stipulates that membership subscriptions paid are non-refundable. Therefore, the Directors calculate that resulting actual surplus in net current assets is \$50,820 (2019: \$112,320 deficiency).

The Directors are taking steps to improve the operating cash flows of the company by:

- Seeking to increase the membership base by a focus on corporate membership and SME sector with a variety of incentives and value offerings;
- Increasing revenue by: -
  - o Targeting additional and long-term sponsorship support
  - o Developing a greater role in Accreditation and Endorsement of Tertiary courses
  - o Seeking new business opportunities domestically and overseas.
- Promoting Events, Functions and Professional Development;
- Increased focus on reduction of cash outgoings; and
- Undertaking strategic projects to reduce overheads.

The Directors have forecast a budgeted surplus and positive cash flows for the year ending 30 June 2020 and are confident of the ability of the company to achieve these forecasts. These forecasts contain assumptions and performance objectives which are planned to be achieved and the company will continue as a going concern. The assumptions contained in the forecasts, include:

- Grow membership: Achieve growth of 1,000 Members; Achieve 9 new Corporates; Achieve 100 new SMEs;
- Generate revenues from new business;
- Reduce staffing and overhead costs; and
- Create reserves.

Furthermore, to mitigate the risk from Covid-19 downturn the AMI Board has taken specific measures to ensure that Australian Marketing Institute remains financially viable, a 3 point, Survive/Revive/Thrive plan is put in place with the following focus areas:

1. Membership Acquisition and Retention (Member Value Proposition)
2. Marketing, Public Relations and Communication
3. Professional Development, Certified Practising Marketer certification and Professional Maintenance Program
4. Marketing Excellence Program and Emerging Marketer Program
5. New Business

**AUSTRALIAN MARKETING INSTITUTE LIMITED**

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

**Note 2 - Basis of preparation (continued)**

***Going concern (continued)***

The financial statements are based on the Directors' assessment that the company will grow and continue as a going concern. This is further demonstrated by the company's ability to pay off all its debts on time, including statutory payments, repayment instalments for large and small loans, overdraft and credit card debts.

The financial statement does not include adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that might be necessary should the company not continue as a going concern.

***New and revised standards that are effective for these financial statements***

Several new accounting standards and interpretations are mandatory for the 30 June 2020 reporting period. These include:

- AASB 15 *Revenue from Contracts with Customers*
- AASB 16 *Leases*
- AASB 1058 *Income of Not-for-profit Entities*

The adoption of AASB 15 and AASB 1058 has not resulted in any changes to the company's recognition of revenue and accordingly has not materially impacted the company's financial statements.

***New and revised standards that are effective for these financial statements (continued)***

***AASB 16 Leases***

AASB 16 removes the current operating and finance lease distinction for lessees and requires entities to recognise all material leases on the *Statement of Financial Position*. AASB 16 requires the recognition of a right-of-use asset and a corresponding lease liability at the commencement of all leases, except for short-term leases and leases of low value assets. The company does not have any leases that meet the recognition criteria of the standard.

***New standards and interpretations not yet adopted***

There are no other new accounting standards and interpretations expected to have any significant impact on the company's financial report that are issued and not yet applicable.

**Note 3 - Significant accounting policies**

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

***Income tax***

Australian Marketing Institute Limited is a not-for-profit professional association exempt from tax on its mutual income (i.e. income from members) under the principle of mutuality but assessable on non-member taxable income. Current income tax expense charged to the profit or loss is the tax payable on taxable income (i.e. income from non-members) calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

***Goods and services tax (GST)***

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). 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 ATO is included with other receivables or 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 ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

**AUSTRALIAN MARKETING INSTITUTE LIMITED****NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020****Note 3 - Significant accounting policies (continued)*****Revenue recognition***

Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes including goods and services tax (GST). Revenue is recognised for the major business activities as follows:

***Membership fees and subscriptions***

Subscriptions are payable annually in advance. Revenue from membership fees and subscriptions is recognised on an accrual's basis.

***Other revenue***

The company's policy of accrual accounting with respect to the recognition of revenue and expenses on activities such as Awards' presentation, professional development, education networking and conferences are as follows:

- (a) For activities which are completed on or before balance date, any surplus or deficit is incorporated into the current financial year's results;
- (b) For activities which take place wholly after the end of the financial year, any revenue received and expense incurred on such activities, prior to balance date, is deferred and carried forward in the statement of financial position as income in advance or prepayments respectively;
- (c) 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.

***Cash and cash equivalents***

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

***Trade receivables***

For all sources of recurrent income, trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off. A provision for impairment in relation to doubtful receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables.

***Property, plant and equipment*****Recognition and measurement**

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit or loss and other comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

**Subsequent costs**

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

**AUSTRALIAN MARKETING INSTITUTE LIMITED**

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

**Note 3 - Significant accounting policies (continued)**

***Property, plant and equipment (continued)***

**Depreciation**

The depreciable amount of all relevant property, plant and equipment, is depreciated on a straight-line basis over the asset's expected useful life to the company commencing from the time the asset is held ready for use.

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

Office equipment	20% - 33%
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***Intangible assets***

***Membership database and accreditation development costs***

Costs associated with the company's member database and its accreditation programme have been capitalised. Amortisation of these costs is applied over its expected useful life of between 5 and 7 years.

***Impairment of assets***

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are compared at the lowest levels for which there are separately identifiable cash flows (cash generating units).

Impairment losses are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimate used to determine the recoverable amount.

***Leases***

The company does not recognise leases that have a lease term of 12 months or less or meet the definition of a "peppercorn" lease. The lease payments associated with these leases are recognised as an expense in the *Statement of Profit or Loss and Other Comprehensive Income* on a straight-line basis over the lease term.

***Trade and other payables***

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability. The carrying amount of trade and other payables is deemed to reflect fair value.

***Income received in advance***

Income that is received before the service to which the payment relates has been provided is recorded as a liability until such time as the service has been provided, at which time it is recognised in the statement of profit or loss and other comprehensive income.

***Provisions***

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



**AUSTRALIAN MARKETING INSTITUTE LIMITED****NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020****Note 3 - Significant accounting policies (continued)*****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 settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on high quality corporate bonds with terms to maturity that match the expected timing of cash flows.

***Borrowing costs***

Borrowing costs are recognised as an expense when incurred. Australian Marketing Institute Limited does not currently hold qualifying assets, but, if it did, the borrowing costs directly associated with this asset would be capitalised (including any other associated costs directly attributable to the borrowing and temporary investment income earned on the borrowing).

***Make good provision***

Costs required to return certain leased premises to their original condition as set out in the lease agreement are recognised as a provision in the financial statements. The provision has been calculated as an estimate of future costs and discounted to a present value.

## AUSTRALIAN MARKETING INSTITUTE LIMITED

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

	2020 \$	2019 \$
<b><u>Note 4 - Revenue</u></b>		
Members subscription fees	882,918	1,050,456
Functions revenue	492,539	551,710
COVID-19 subsidy income	98,500	-
Interest received	239	239
Other revenue	2,249	3,651
<i>Total revenue</i>	<u>1,476,445</u>	<u>1,606,056</u>
<b><u>Note 5 - Expenses</u></b>		
Depreciation	17,252	15,220
Amortisation - intangible assets	4,708	20,201
<i>Total depreciation and amortisation</i>	<u>21,960</u>	<u>35,421</u>
Bad and doubtful debts	5,500	457
Finance costs	11,216	29,630
Rent expense relating to operating leases	67,627	77,738
<b><u>Note 6 - Cash and cash equivalents</u></b>		
Cash at bank and on hand	200,413	89,133
<i>Total cash and cash equivalents</i>	<u>200,413</u>	<u>89,133</u>
<b><u>Note 7 - Trade and other receivables</u></b>		
<b><u>Current</u></b>		
Trade receivables	11,190	64,100
Provision for impairment	(5,500)	(457)
Other receivables	18,369	-
Security deposits	17,011	17,011
Prepayments	19,731	19,062
<i>Total current trade and other receivables</i>	<u>60,801</u>	<u>99,716</u>
<b><u>Note 8 - Property, plant and equipment</u></b>		
	<b>Equipment &amp; Fittings \$</b>	<b>Total \$</b>
<b>At 30 June 2019</b>		
Cost	144,387	144,387
Accumulated depreciation	(117,116)	(117,116)
<i>Net carrying amount</i>	<u>27,271</u>	<u>27,271</u>
<b><i>Movements in carrying amounts</i></b>		
Opening net carrying amount	27,271	27,271
Additions	9,958	9,958
Depreciation charge for the year	(17,252)	(17,252)
Closing net carrying amount	<u>19,977</u>	<u>19,977</u>
<b>At 30 June 2020</b>		
Cost	154,345	154,345
Accumulated depreciation	(134,368)	(134,368)
<i>Net carrying amount</i>	<u>19,977</u>	<u>19,977</u>

## AUSTRALIAN MARKETING INSTITUTE LIMITED

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

**Note 9 - Intangible assets**

	Website & Data Development	Accreditation Development	Total
	\$	\$	\$
<b>At 30 June 2019</b>			
Cost	386,147	55,914	442,061
Accumulated amortisation	(372,076)	(55,914)	(427,990)
<i>Net carrying amount</i>	<u>14,071</u>	<u>-</u>	<u>14,071</u>
<b>Movements in carrying amounts</b>			
Opening net carrying amount	14,071	-	14,071
Additions	-	-	-
Amortisation charge for the year	(4,708)	-	(4,708)
Closing net carrying amount	<u>9,363</u>	<u>-</u>	<u>9,363</u>
<b>At 30 June 2020</b>			
Cost	386,147	55,914	442,061
Accumulated amortisation	(376,784)	(55,914)	(432,698)
<i>Net carrying amount</i>	<u>9,363</u>	<u>-</u>	<u>9,363</u>

	2020	2019
	\$	\$
<b>Note 10 - Trade and other payables</b>		
<u>Current</u>		
Trade payables	23,146	28,676
Income in advance	445,131	479,536
Other payables	155,719	165,981
<i>Total current trade and other payables</i>	<u>623,996</u>	<u>674,193</u>

**Note 11 - Borrowings**

<u>Current</u>		
Bank overdraft	1,020	15,432
Loans - unsecured	-	72,549
<i>Total current borrowings</i>	<u>1,020</u>	<u>87,981</u>
<b>Loans (secured and unsecured)</b>		
Opening balance	72,549	162,798
Proceeds	-	50,000
Repayments	(72,549)	(140,249)
Closing balance	<u>-</u>	<u>72,549</u>

**Security**

The bank overdraft facility has a right of offset against the operating account and monies on deposit and is unsecured.

**Note 12 - Provisions**

<u>Current</u>		
Employee entitlements - annual leave	30,509	18,531
<i>Total current provisions</i>	<u>30,509</u>	<u>18,531</u>
<u>Non-Current</u>		
Make good provision	15,000	10,000
<i>Total non-current provisions</i>	<u>15,000</u>	<u>10,000</u>

**AUSTRALIAN MARKETING INSTITUTE LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**

	2020	2019
	\$	\$

**Note 13 - Reconciliation of cash and cash equivalents**

For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand and in banks net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial year, as shown in the statement of cash flows, is reconciled to the related items in the statement of financial position as follows:

Cash at bank and in hand	200,413	89,133
Bank overdraft	(1,020)	(15,432)
	<u>199,393</u>	<u>73,701</u>

**Note 14 - Commitments****Operating lease commitments**

Non-cancellable operating leases contracted for but not recognised in the financial statements are payable as follows:

Within one year	72,267	69,680
Later than one year but not later than five years	22,037	94,304
	<u>94,304</u>	<u>163,984</u>

The company is committed to a short-term lease of office space.

**Note 15 - Key management personnel****Remuneration of key management personnel**

The aggregate amount of compensation paid to key personnel during the year was:

	<u>162,973</u>	<u>240,832</u>
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**Note 16 - Related party transactions**

Transactions between related parties during the year consisted of:

Payments on behalf of the related party - Lee Vanessa Tonnitto (ex CEO)	71,541	-
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**Additional disclosures**

Interest expense - related party	1,065	4,657
Loans payable (current) - related party	-	70,435

**Note 17 - Limitation of members' liability**

The company is limited by guarantee. If the company is wound up, the Constitution states that each member is required to contribute a maximum of \$20 each towards meeting any outstanding obligations of the company. At 30 June 2020 the number of members was 4,202 (2019: 3,943).

**Note 18 - Events occurring after balance date**

During and subsequent to the end of the financial year there have been considerable economic impacts in Australia and globally arising from the outbreak of the COVID-19 virus, and Government actions to reduce the spread of the virus.

At the date of signing the financial statements the Directors are unable to determine what financial effects the outbreak of the virus could have on the company in the coming financial period.

The Directors acknowledge their responsibility to continuously monitor the situation and evaluate this impact including its ability to pay its debts as and when they become due and payable.

There were no other significant events occurring after balance date.

**AUSTRALIAN MARKETING INSTITUTE LIMITED**  
**ABN 30 000 026 586**

**FINANCIAL REPORT - 30 JUNE 2020**

**DIRECTORS DECLARATION**

The Directors of Australian Marketing Institute Limited declare that:

1. The financial statements, which comprises the statement of financial position as at 30 June 2020, and the statement of profit or loss and other comprehensive income, statement of changes in funds and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes are in accordance with the *Corporations Act 2001* and:
  - (a) comply with Australian Accounting Standards - Reduced Disclosure Requirements (including the Australian Accounting Interpretations); and
  - (b) give a true and fair view of the financial position as at 30 June 2020 and of the performance for the year ended on that date of the company.
2. In the opinion of the Directors there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Lynda Cavallera  
Chair



Nick Kariotoglou  
Director

Sydney, 21 September 2020

**AUSTRALIAN MARKETING INSTITUTE LIMITED**  
**ABN 30 000 026 586**

**FINANCIAL REPORT - 30 JUNE 2020**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**  
**AUSTRALIAN MARKETING INSTITUTE LIMITED**

***Opinion***

We have audited the financial report of Australian Marketing Institute Limited which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, the statement of changes in funds and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Directors' Declaration.

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

- a) giving a true and fair view of the company's financial position as at 30 June 2020 and of its financial performance for the year then ended, and
- b) 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 Responsibility for the Audit of the Financial Report* section of our report. We are independent of the company 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 company, 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.

***Material Uncertainty Related to Going Concern***

Without modifying our opinion, we draw attention to Note 2 to the financial statements headed "Going concern", which indicates that the company has incurred a surplus for the year of \$180,543 (2019: \$162,945 surplus). The company has a net current asset deficiency of \$394,311 (2019: deficiency \$591,856) and a net asset deficiency of \$379,971 as at 30 June 2020 (2019: deficiency \$560,514).

The company's ability to continue as a going concern is dependent upon the continued support of its members and the ability of the company to successfully execute its approved business strategy and generate sufficient operating cash flows. We also draw attention to Note 18 of the financial statements headed "Events occurring after balance date" and the Directors inability to determine what financial effects the outbreak of the COVID-19 virus could have on the company in the coming financial period.

These conditions indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

**AUSTRALIAN MARKETING INSTITUTE LIMITED****ABN 30 000 026 586****FINANCIAL REPORT - 30 JUNE 2020****INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**  
**AUSTRALIAN MARKETING INSTITUTE LIMITED*****Directors' Responsibility for the Financial Report***

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

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

The Directors are responsible for overseeing the company's financial reporting process.

***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* and the website address is <http://www.auasb.gov.au/Home.aspx>

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

**StewartBrown**

Chartered Accountants

**S.J. Hutcheon**

Partner

21 September 2020