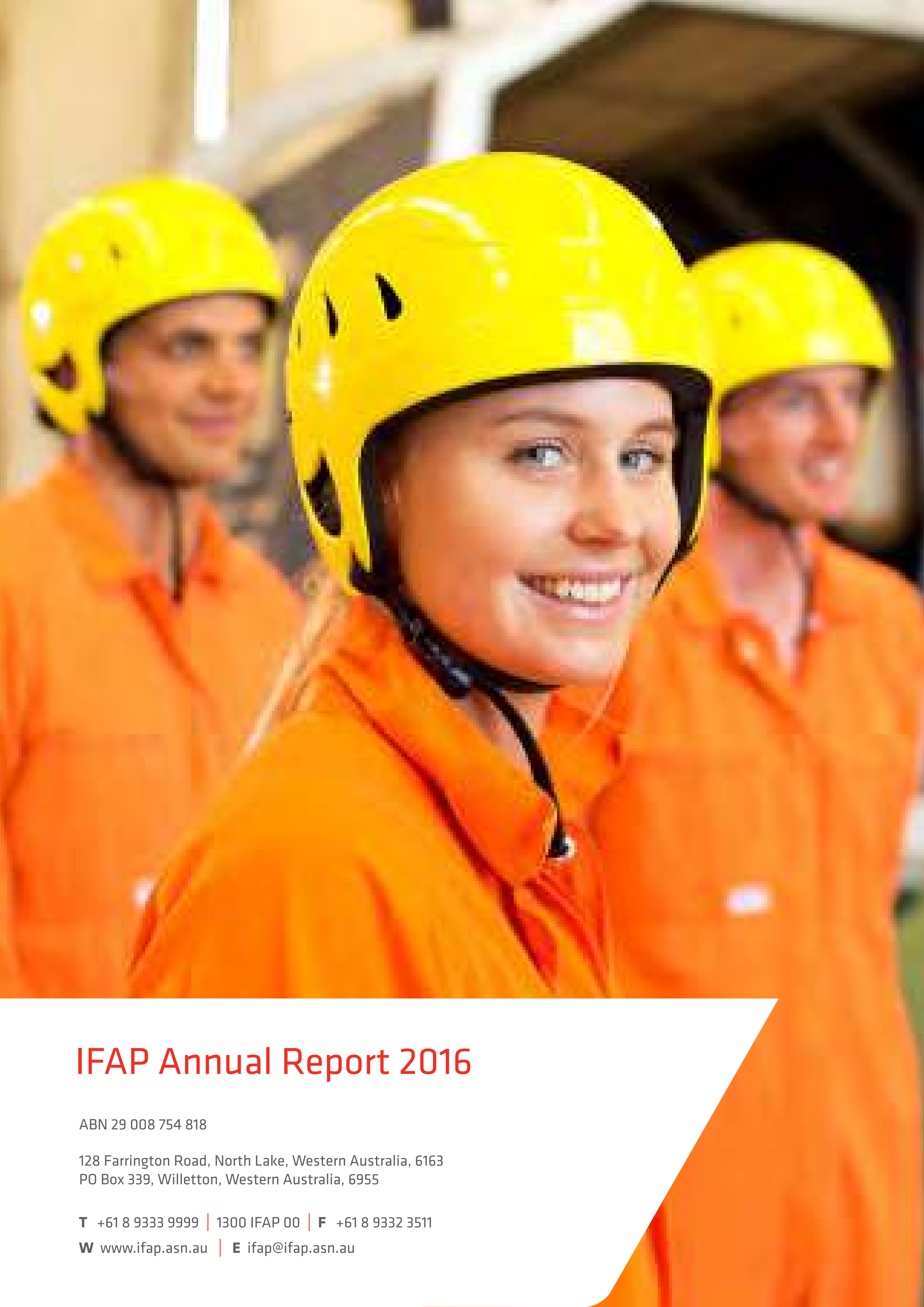
Annual Report 2016

IFAP

Safer Healthier Workplaces



IFAP Annual Report 2016

ABN 29 008 754 818

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Contents

Information

Presidents

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

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

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

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

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

Life Members

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

1. serving on the Board for more than 15 years;

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

3. serving on the Board of Directors for less than 10 years but holding the position of President, Vice President or Treasurer for more than 5 years.

Life Members are:

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

IFAP Board Members

President
Mr Richard R Mehan
Individual Member

Vice President
Ms Maria G Saraceni
Individual Member

Immediate Past President
Dr David R Leith (Retired October 2016)
Individual Member

Members

Dr Brian Galton-Fenzi
Occupational and Environmental Physician Safety and Risk Management
The Healthy Worker Pty Ltd

Mr Graham D Hogg
Partner - KPMG

Mr Craig Renner

Mr Dan A Smetana
Chairman - Joyce Corporation Limited

Mr Martin I Ralph (Retired October 2016)
Managing Director - IFAP

Board Sub-Committees

Audit Committee

> Mr G D Hogg (Chair)
> Dr D R Leith (Retired October 2016)
> Mr D A Smetana
> Mr M I Ralph (Retired October 2016)

Land Sub-Committee

> Mr R R Mehan (Chair)
> Dr D R Leith (Retired October 2016)
> Mr D A Smetana
> Mr M I Ralph (Retired October 2016)

Human Resources Sub-Committee

> Ms M G Saraceni (Chair)
> Dr B Galton-Fenzi
> Mr R R Mehan (Appointed June 2016)
> Mr M I Ralph (Retired October 2016)

Legal and Administrative Information

Australian Business Number (ABN)
29 008 754 818

Registered Office
128 Farrington Road
North Lake WA 6163

Managing Director and Company Secretary
Mr Richard R Mehan (October 2016 to Present)
Mr Martin I Ralph (Managing Director to October 2016)

Auditors
Deloitte Australia
Brookfield Place
123 / 125 St Georges Terrace
Perth WA 6000

Bankers
WestPac Banking Corporation
218 St Georges Terrace
Perth WA 6000

Insurance Brokers
Willis Temby Insurance Brokers
7 Alvan Street
Mt Lawley WA 6050

Legal Advisors
Lavan Legal
1 William Street
Perth WA 6000

Highlights of 2016

$9.237m
Revenue
generated for the 12 month period ending 31 December 2016

13,384
Participants
attended IFAP training and e-learning programs

429
Participants
attended our Conferences and Breakfast events

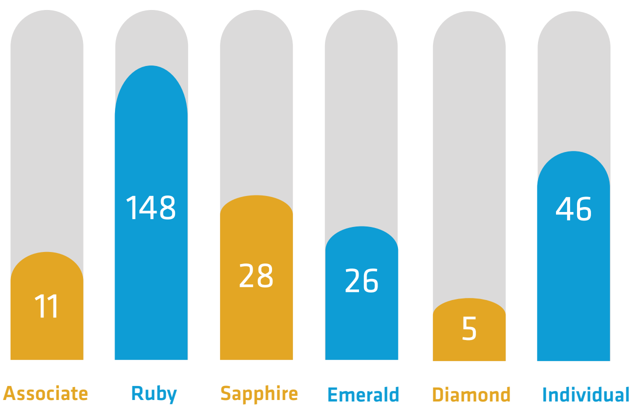
69
Entrants
in the Annual Safe Way Awards.

In 2016 there were 1,319 Members:

218
Corporates

46
Individuals

1,055
Alumni



117,296
unique website views

1,083
followers

826
Likes

632
followers

From the President

On behalf of the Board of Directors of IFAP, I provide Members with my President's report for 2016.

Business conditions remained challenging throughout 2016. In WA organisations, large and small, have focussed on cost reductions which continued to negatively impact our revenues. Disappointingly, IFAP returned a deficit of $647,000, compared to a deficit of $215,000 in 2015. While efforts to reduce costs continued, our cash position at years-end was $105,000, lower than the previous year.

In last year's report I flagged an organisational review which took place during the second half of the year. As a result, we have made some major changes to our organisational structure and to some of the major priorities of the organisation.

In October, long serving Managing Director, Martin Ralph left IFAP and the Board of Directors asked me to take on the role of acting CEO while we recruited a new leader. On behalf of the Board, I would like to thank Martin for his many years of dedicated service.

The new senior management team has been focused on improved cash flow management, eliminating waste, improving cost allocation and on a major overhaul of our sales and marketing effectiveness.

The transformation of the organisation and its culture is a challenging task and one which will need dedicated effort for the foreseeable future. I am confident that with the right leadership, and a strong focus on customer satisfaction and business development, IFAP can return to generating surpluses and building our revenue base.

During the year David Leith retired as a Director and we thank him for his contribution, especially for three years as IFAP's President. My thanks to the remaining Directors for their support and guidance, especially in relation to the restructuring which is underway and ongoing. We are actively seeking to identify individuals with relevant experience and skills to join the Board in 2017.

IFAP has a strong balance sheet, an enviable member and client base and a well motivated and talented staff to take us to the next stage in our long history. I appreciate the support staff have given me and for the continuing quality of the services we provide to industry.

I thank our Members for their ongoing support and look forward to reporting on the progress we make in 2017.

Mr Richard Mehan
PRESIDENT

Corporate Governance Statement

Board of Directors

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

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

Business Risk and Internal Control Framework

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

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

Composition of Board

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

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

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

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

Audit Committee

The Audit Committee comprises two non-Executive Directors and the Managing Director.

The Audit Committee meetings are attended by the Management Representative from the Accounts and Corporate Governance business unit and, when appropriate, the external auditors and the President of the Board of Directors.

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

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

Human Resources Sub-Committee

Senior Management remuneration and compliance with employment and occupational safety and health law is conducted under the auspices of the Human Resources Sub-Committee, which comprises the Managing Director and at least three non-Executive Directors.

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

Land Sub-Committee

The tenure and use of IFAP's land holdings and facilities are of strategic significance to the effective operation of the business. The Board of Directors has constituted a land-use sub-committee comprising the Managing Director and 3 non-executive Directors to provide oversight of the strategic utilisation of the land and associated infrastructure.

Terms of reference/charter are in place to ensure effective delineation of responsibilities and communication between the Committee and the full Board.

The sub-committee meets at least twice per annum.

Directors' Report

The Directors of Industrial Foundation for Accident Prevention ("IFAP" or "the Company") present their report together with the financial statements of the Company for the year ended 31 December 2016 and the auditor's report thereon.

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

- R R Mehan* - President
- M G Saraceni - Vice President
- B Galton-Fenzi
- G D Hogg
- D R Leith (Retired October 2016)
- M I Ralph (Retired October 2016)
- C Renner
- D A Smetana

*R R Mehan was the Acting Chief Executive Officer at IFAP from October – December 2016.

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

Company Secretary
Mr Martin Ralph held the position of Company Secretary until his retirement in October 2016.

Mr Richard Mehan held the position of Company Secretary from October 2016 to Present.

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

Changes in State of Affairs
There are no significant changes in the state of affairs of the Company during the year ended 31 December 2016.

Operating Results
The deficit of the Company for the financial year was $725,531 (2015: $155,528).

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

Environmental Regulation and Performance
The Company is subject to one environmental licence and complied with all requirements of the licence.

Non-Audit Services
The auditors did not provide any non-audit services to the Company during the year.

Auditor's Independence Declaration
The auditor's independence declaration under Subdivision 60-C of the Australian Charities and Not-for-profits Commission Act 2012 is set out on page 13.

Directors' Report -

Information about the Directors

RICHARD R MEHAN - PRESIDENT (NON-EXECUTIVE)

Qualifications
Bachelor of Economics, Monash University

Experience
President since June 2015
Board Member since May 2006

Mr Mehan has over 30 years' experience in the resources industry, the majority of which has involved positions in the iron ore industry.
Mr Mehan joined Portman Ltd in 1998 after 15 years with Rio Tinto working in a broad range of commercial roles.
He was appointed Managing Director and Chief Executive Officer in 2005, having previously held the positions of General Manager - Marketing and Chief Operating Officer.
In 2007 Mr Mehan was appointed as President and CEO of Cliffs Asia Pacific, a subsidiary of Cliffs Natural Resources.
On leaving Cliffs in 2011, Mr Mehan was appointed Managing Director and CEO of Jupiter Mines, and also joined the Board of Tshipi Borwa in the same year.
In 2012 Mr Mehan was appointed Managing Director and CEO of Grange Resources. After leaving that position in 2013, he was appointed Non-Executive Chairman of Pluton Resources, a position he held until June 2014.

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

MARIA G SARACENI - VICE PRESIDENT (NON-EXECUTIVE)

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

Experience
Vice President since June 2015
Board Member since October 2011

Maria is a barrister practising in regulatory law, specialising in occupational health and safety and employment related matters. Maria is also an Adjunct Professor at the Murdoch Law School where she lectures in both work health and safety and employment law.
Previously, Maria was a Partner in a multinational law firm and a large independent locally based firm. She was also President of the Law Society of WA and a Director of the Law Council of Australia.
Maria also holds a variety of other positions in the multicultural sector and women's issues both in the State and Federal areas
Maria is frequently invited to speak at conferences, workshops and seminars on health and safety topics.

Special Responsibilities
Human Resources Sub-Committee Member (Chair)

DR BRIAN GALTON-FENZI - NON-EXECUTIVE

Qualifications
MBBS MPH FAFOEM FAFPHM FRACMA
Fellow Australasian Faculty of Occupational and Environmental Medicine (RACP)
Fellow Australasian Faculty of Public Health Medicine (RACP)
Fellow Australian Institute Mining & Metallurgy
Assoc Fellow Australian Inst Risk Management
Certified Professional Fellow Safety Institute of Australia

Experience
Board Member since 2007

OH&S Manager - Mt Isa Mines Ltd, MIM Ltd
Specialist & Consultant - The Healthy Worker Pty Ltd
OH&S Manager - IBM Australia and New Zealand
Consulting Occupational Physician WA Dept Industry & Resources
Adjunct Professor Curtin University School of Health Sciences
Currently Brian consults widely in OHS&E focussing on the Health, Communications and Resources Industries. He also conducts specialist clinics assessing all occupational and environmentally related medical conditions. He consults at Fiona Stanley Hospital, Pain Medicine Unit.

Special Responsibilities
Human Resources Sub-Committee Member

GRAHAM D HOGG - NON-EXECUTIVE

Qualifications
Bachelor of Business
Member, Institute of Chartered Accountants, Australia
Registered Company Auditor

Experience
Board Member since 2011

Graham Hogg is a registered Company Auditor and a Partner with KPMG. Graham has been working with KPMG for over 25 years, in six countries, with over ten of those years as Partner.
Graham delivers audit, technical accounting advice, due diligence and advisory services to a range of clients primarily within the energy and natural resources sector, with significant clients in oil and gas, mining, exploration and ENR services. A further focus of Graham's is in sustainability assurance.

Special Responsibilities
Audit Committee Member (Chair)

Directors' Report -

Information about the Directors

CRAIG RENNER - NON-EXECUTIVE

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

Experience
Board Member since May 2015

Mr Renner specialises in the development and delivery of robust business strategy and planning outcomes together with guiding major capital and technology investments.
He has significant experience providing business and strategy consulting services to major corporates across a wide range of service, resource and utility businesses both in Australia and overseas.
He has also built substantial corporate experience as a senior executive with BHP Billiton, Bluescope Steel and SKILLED Group in the strategy, planning and investor relations areas.

Special Responsibilities
Nil

DANIEL A SMETANA - NON-EXECUTIVE

Qualifications
Dip Com FCPA FAIM FAICD

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

Mr Smetana has been Chairman of Joyce Corporation Ltd since 1984 and Chairman of Bedshed Franchising Pty Ltd since 1986. Director of KORAB Resources and Polymetalica Australia Ltd.
Mr Smetana was previously, Deputy Chairman Western Power Corporation and Chairman of the Department of Training and Employment, Science & Technology Advisory Group; past WA Chairman and National Councillor the Defence Reserves Support Council; and was also previously Director West Australian Symphony Orchestra; Deputy Chairman Youth Focus Charities Trust and until 2011, Vice President and Councillor of the WA Federation of Police and Community Youth Centres (Inc). Director EDGE Employment Solutions – Resigned 2013.
Mr Smetana received the Centenary Medal for Service to Commerce and the Community (2003); the Ian Chisholm Award 2007 for Distinguished National Service to OH&S; and has also received the 1988 WA Business Executive of the Year Award

Special Responsibilities
Land Sub-Committee Member
Audit Committee Member

Directors' Report -

Meeting of Directors

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

Directors	Directors' Meetings		Audit Committee Meetings		Human Resource Sub-Committee Meetings		Land Sub-Committee Meetings	
	Number Eligible to Attend	Number Attended	Number Eligible to Attend	Number Attended	Number Eligible to Attend	Number Attended	Number Eligible to Attend	Number Attended
R R Mehan	8	6	-	-	1	1	2	2
M G Saraceni	8	6	-	-	1	1	-	-
B Galton-Fenzi	8	6	-	-	1	1	-	-
G D Hogg	8	7	1	1	-	-	-	-
D R Leith	5	4	1	1	-	-	2	2
M I Ralph	4	4	1	1	1	1	-	-
C Renner	8	8	-	-	-	-	-	-
D A Smetana	8	6	1	0	-	-	2	2

Indemnification and Insurance of Officers and Auditors

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

The Company has paid premiums to insure each of the Directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the Company, other than conduct involving a wilful breach of duty in relation to the Company.

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

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

DIRECTOR

DIRECTOR

Dated this 23rd day of May 2017.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

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123 St Georges Terrace
Perth WA 6000
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Perth WA 6837 Australia

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Fax: +61 8 9365 7001
www.deloitte.com.au

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

23 May 2017

Dear Board Members,

Industrial Foundation for Accident Prevention

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

As lead audit partner for the audit of the financial statements of Industrial Foundation for Accident Prevention for the financial year ended 31 December 2016, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements as set out in the *Australian Charities and Not-for profits Commission Act 2012* in relation to the audit; and

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

Yours sincerely

DELOITTE TOUCHE TOHMATSU

DELOITTE TOUCHE TOHMATSU

John Sibenaler
Partner

Financials

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	31 Dec 2016 $	31 Dec 2015 $
Continuing Operations			
Revenue			
Rendering of services	3a	8,037,123	9,585,049
Members' subscriptions		221,690	274,562
Revenue from Partnerships		828,817	1,028,399
Sale of goods		12,040	22,840
Other income	3b	108,679	158,295
Interest received		29,566	37,833
		9,237,915	11,106,978
Changes in inventory of finished goods		(488)	653
Advertising		(118,779)	(193,051)
Cleaning		(183,546)	(200,938)
Computer expenses		(234,731)	(228,884)
Consultancy fees		(177,941)	(30,482)
Course costs		(1,382,989)	(1,680,685)
Employee benefits expenses	3c	(5,045,339)	(5,649,054)
Depreciation expense		(412,978)	(446,901)
Amortisation expense		(62,782)	(50,990)
Insurance		(126,845)	(144,345)
Interest		(7,591)	(4,758)
Maintenance		(224,688)	(187,214)
Members' expenses		(145,949)	(174,729)
Partnership Expenses		(482,199)	(599,115)
Other expenses from ordinary activities	3d	(529,299)	(592,919)
Programme costs		(169,740)	(293,886)
Rent and outgoings		(458,142)	(506,046)
Travel and accommodation		(66,273)	(82,069)
Vehicle expenses		(133,147)	(197,091)
		(9,963,446)	(11,262,505)
Deficit for the year from continuing operations	14	(725,531)	(155,528)
Total Deficit for the year		(725,531)	(155,528)
Other comprehensive income			
Other comprehensive income for the year		-	-
Total comprehensive loss for the year		(725,531)	(155,528)

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2016

	Note	31 Dec 2016 $	31 Dec 2015 $
CURRENT ASSETS			
Cash and cash equivalents	6	1,394,525	1,499,878
Trade and other receivables	7	768,487	1,114,058
Inventories		15,456	16,698
Prepayments		330,513	332,930
TOTAL CURRENT ASSETS		2,508,981	2,963,564
NON-CURRENT ASSETS			
Property, plant and equipment	8	2,769,877	3,163,753
Intangible assets	9	98,904	92,243
Capital work in progress		-	80,162
TOTAL NON-CURRENT ASSETS		2,868,781	3,336,158
TOTAL ASSETS		5,377,762	6,299,722
CURRENT LIABILITIES			
Trade and other payables	10	630,018	720,127
Interest-bearing loans and borrowings	11	129,652	104,910
Provisions	12	463,210	592,110
TOTAL CURRENT LIABILITIES		1,222,880	1,417,147
NON-CURRENT LIABILITIES			
Provisions	12	10,911	13,073
TOTAL NON-CURRENT LIABILITIES		10,911	13,073
TOTAL LIABILITIES		1,233,791	1,430,220
NET ASSETS		4,143,971	4,869,502
MEMBERS FUNDS			
Reserves	13	1,300,000	1,300,000
Accumulated Surplus	14	2,843,971	3,569,502
TOTAL MEMBERS FUNDS		4,143,971	4,869,502

The accompanying notes form part of these financial statements.

Financials

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	31 Dec 2016 $	31 Dec 2015 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		10,467,639	12,023,492
Payments to suppliers and employees		(10,561,677)	(11,930,941)
Interest received		29,566	37,833
Interest paid		(7,591)	(4,758)
Net cash (used in) /generated from operating activities	16(b)	(72,063)	125,626
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of non-current assets		(78,032)	(206,885)
Sale of non-current assets		20,000	5,455
Net cash used in investing activities		(58,032)	(201,430)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts from borrowings		194,728	140,396
Repayment of borrowings		(169,986)	(191,948)
Net cash generated from/(used in) financing activities		24,742	(51,552)
Net decrease in cash held		(105,354)	(127,356)
Balance at the beginning of the year		1,499,878	1,627,234
Balance at the end of the year	16(a)	1,394,525	1,499,878

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2016

	Reserves $	Accumulated Surplus $	Total $
At 1 January 2015	1,300,000	3,725,030	5,025,030
Deficit for the year	-	(155,528)	(155,528)
Other comprehensive income for the year	-	-	-
Total comprehensive loss for the year	-	(155,528)	(155,528)
At 31 December 2015	1,300,000	3,569,502	4,869,502
Deficit for the year	-	(725,531)	(725,531)
Other comprehensive income for the year	-	-	-
Total comprehensive loss for the year	-	(725,531)	(725,531)
At 31 December 2016	1,300,000	2,843,971	4,143,971

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 1 : CORPORATE INFORMATION

The financial report of IFAP for the year ended 31 December 2016 was authorised for issue in accordance with a resolution of the Directors on 23rd May 2017.

Industrial Foundation for Accident Prevention is a public Company limited by guarantee incorporated in Australia and is registered as a not for profit entity.

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

Registered office of the Company is:	128 Farrington Road, North Lake WA 6163
Principal place of business is:	128 Farrington Road, North Lake WA 6163

NOTE 2 : SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of Compliance

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

(b) Basis of Preparation

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

The financial report is presented in Australian dollars.

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(c) New Standards and Interpretations

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

New and revised Standards and amendments thereof and Interpretations effective for the current financial year that are relevant to the company include:

- AASB 2014-4 Amendments to Australian Accounting Standards – Clarification of acceptable methods of Depreciation and Amortisation.
- AASB 2015-1 Amendments to Australian Accounting Standards – Annual improvements to Australia Accounting Standards 2012-2014 Cycle.
- AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101.

Impact of the application of AASB 2014-4 Clarification of acceptable methods of Depreciation and Amortisation 'Amendments to AASB 116 and AASB 138'
The amendment of AASB 116 and AASB 138 was to:

- Establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset; and.
- Clarify that the use of revenue-based methods to calculate the depreciation or amortisation of an asset is not appropriate; however, this may be rebutted in limited circumstances for intangible assets.

The adoption of AASB 2014-4 does not have any material impact on the disclosures or the amounts recognised in the Company's financial statements as IFAP does not employ revenue based methods for calculating depreciation or amortisation.

Impact of the application AASB 2015-1 Amendments to Australian Accounting Standards – Annual improvements to Australia Accounting Standards 2012-2014 Cycle 'Amendments to AASB 1, AASB 2, AASB 3, AASB 5, AASB 7, AASB 11, AASB 110, AASB 119, AASB 121, AASB 133, AASB 134, AASB 137 and AASB 140'

The Main Requirements:

AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*	Changes in methods of disposal.
AASB 7 *Financial Instruments: Disclosures*	Servicing contracts.
	Applicability of the amendments to AASB 7 to condensed interim financial statements.
AASB 119 *Employee Benefits*	Discount rate: regional market issue.
AASB 134 *Interim Financial Reporting*	Disclosure of information 'elsewhere in the interim financial report'.

The application of these amendments does not have any material impact on the disclosures in the Company's financial statements.

Impact of the application of AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101
Arises from the IASB's Disclosure Initiative project and provides narrow-focus amendments to address some of the concerns expressed about existing presentation and disclosure requirements and to ensure entities are able to use judgement when applying a Standard in determining what information to disclose in their financial statements. The adoption of amending standard does not have any material impact on the disclosures or the amounts recognised in the company's financial statements.

Notes to the Financial Statements

NOTE 2 : SIGNIFICANT ACCOUNTING POLICIES (Cont.)

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

New or revised requirement	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 'Financial Instruments', and the relevant amending standards	1 January 2018	31 December 2018
AASB 16 ' Leases"	1 January 2019	31 December 2019
AASB 15 'Revenue from Contracts with Customers' and AASB 2014-5 'Amendments to Australian Accounting Standards arising from AASB 15'	1 January 2018	31 December 2018
AASB 1058 Income of Not-for-Profit Entities, AASB 1058 Income of Not-for-Profit Entities (Appendix D), AASB 2016-8 Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities	1 January 2019	31 December 2019
AASB 2016-7 Amendments to Australian Accounting Standards - Deferral of AASB 15 for Not-for-Profit Entities	1 January 2017	31 December 2017
AASB 2016-2 Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 107	1 January 2017	31 December 2017
AASB 2016-4 Amendments to Australian Accounting Standards - Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities	1 January 2017	31 December 2017
Annual Improvements to IFRS Standards 2014-2016 Cycle • IFRS 1 First-time Adoption of International Financial Reporting Standards • IFRS 12 Disclosure of Interests in Other Entities IAS 28 Investments in Associates and Joint Ventures	 1 January 2018 1 January 2017 1 January 2018	 31 December 2018 31 December 2017 31 December 2018

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

At the date of authorisation of the financial statements, the following IASB Standards and IFRIC Interpretations were also in issue but not yet effective, although Australian equivalent Standards and Interpretations have not yet been issued..

New or revised requirement		
None at the time of publication		

(d) Property Plant and Equipment

Plant and equipment is stated at cost less accumulated depreciation and any impairment in value.
Land and buildings are measured at cost less depreciation.

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

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

The useful lives and residual values of property, plant and equipment are reviewed on the annual basis. The amount of the adjustment arising on the restatement or elimination of accumulated depreciation forms part of the increase or decrease in carrying amount that is accounted for in accordance with AASB 116 ‘Property, Plant and Equipment’.

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

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

If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

The recoverable amount of plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

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

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

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

Notes to the Financial Statements

SIGNIFICANT ACCOUNTING POLICIES (Cont.)

(e) Intangible Assets

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

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

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

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

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

Research and development costs
Research and development costs are expensed as incurred.

	Patents and Licences
Useful lives	*Finite*
Method used	*3 - 5 years - Straight line*
Internally generated / acquired	*Acquired*
Impairment test / Recoverable amount testing	*Amortisation methods reviewed at each financial year-end; Reviewed annually for indicator of impairment*

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

(f) Capital Work in Progress

Capital Work in Progress – fixed assets in the process of being installed but not yet capitalised.

Fixed assets in the process of being manufactured or installed that are not ready to be commissioned at the balance date due are reported at cost. These assets will be capitalised upon completion at which time depreciation will commence.

(g) Income Tax

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

(h) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense.

Receivables and payables are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

(i) Recoverable Amount of Assets

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

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

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

(j) Inventories

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

(k) Trade and Other Receivables

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

(l) Cash and Cash Equivalents

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

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

Notes to the Financial Statements

SIGNIFICANT ACCOUNTING POLICIES (Cont.)

(m) Borrowing Costs

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

(n) Financial Liabilities

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

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

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

(o) Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits, expected to be settled within one year, together with benefits arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled, plus related on costs. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the Company to employee superannuation funds and are charged as expense when incurred.

(p) Income in Advance

Members' annual subscription is levied in advance for the 12 months to 31 December 2017. Subscriptions received prior to 31 December 2016 in respect of the following year are recorded in the financial statements as unearned income received in advance.

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

(q) Leases

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

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

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

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

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(r) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

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

Revenue from the provision of consultancy and training services is recognised for short duration projects at the end of the project and for long duration projects, revenue is recognised with reference to the stage of completion.

Stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours for each contract.

Where the contract outcome cannot be measured reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

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

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

(s) Financial Risk Management Objectives and Policies

The Company's principal financial instruments comprise receivables, payables, interest bearing loans and borrowings, cash and short-term deposits.

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

The Board reviews and agrees policies for managing each of these risks as summarised below.

Primary responsibility for identification and control of financial risks rests with the Financial Controller under the authority of the Board. The Board reviews and agrees policies for managing each of the risks identified below, including credit allowances, and future cash flow forecast projections.

Credit Risk
Credit risk arises from the financial assets of IFAP, which comprise cash and cash equivalents, trade and other receivables. IFAP's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. Exposure at balance date is addressed in each applicable note.

IFAP does not request collateral nor is it IFAP's policy to securitise its trade and other receivables.

It is IFAP's policy that members are offered credit terms. Non members can apply for credit and are subject to credit verification procedures including an assessment of their independent credit rating, financial position, past experience and industry reputation.

Notes to the Financial Statements

SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Both members and non members must supply valid purchase order numbers as part of the credit terms. If a breach of credit terms occurs the Financial Controller may revoke the credit terms and place the offending party on a "Cash only" list. It is IFAP's policy that before any long term contracts are signed, regardless of member status, credit terms will be subject to credit verification procedures being conducted.

In addition, receivable balances are monitored on an ongoing basis.

The Company monitors rolling forecasts of liquidity reserves on the basis of expected cash flow.

At balance date, the Company has available $550,000 bank overdraft available for its immediate use. This facility is currently not in use.

(t) Donated Assets

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

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

In the application of Australian Accounting Standards, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

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

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

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

NOTE 3 : REVENUE AND EXPENSES		31 Dec 2016 $	31 Dec 2015 $
(a)	**Rendering of Services**		
	Public Training Courses	5,678,731	6,809,655
	Corporate Training Courses	1,669,384	2,087,831
	Assessments	69,050	72,122
	Consultancy and Services	516,606	425,385
	Recognised Prior learning	9,846	10,795
	Programmes	93,506	179,260
		8,037,123	9,585,049
(b)	**Other Income**		
	Gain on disposal of property, plant and equipment	6,468	5,455
	Bad Debts Recovered	234	3,416
	Unclaimed Refunds	23,744	10,518
	Safety Leadership Workshop	11,100	-
	Hire Charges	28,183	44,250
	Donations	38,950	94,656
		108,679	158,295
(c)	**Employee Benefits**		
	Wages and salaries	4,572,881	4,986,762
	Superannuation	408,222	452,584
	Other employee benefits	64,236	209,708
		5,045,339	5,649,054
(d)	**Other Expenses**		
	Net loss on disposal of non-current assets	56,118	-
	Bad and doubtful debts - trade debtors	1,350	5,916
	Remuneration of auditor – audit of financial statements	23,625	33,325
	Purchases – Resale Other	5,776	9,614
	Bank fees	40,375	51,639
	Other General Operating Expenses – Postage, Stat, Light etc	402,055	492,425
		529,299	592,919

The auditors of IFAP is Deloitte Touche Tohmatsu

(e)	**Rental on Operating Leases**		
	Minimum lease payments	430,327	501,417

Notes to the Financial Statements

NOTE 4 : REMUNERATION OF DIRECTORS

Directors Remuneration
Non-Executive Directors receive no remuneration.

Income paid or payable to all Directors of the Company from the company and any related parties	366,481**	181,348

*** In 2016 Remuneration includes: M Ralph's termination benefits and R Mehan's wages whilst Acting CEO.*

Number of Directors whose income was within the following bands:

$0 - $9,999	9	9
$100,000 - $199,999	0	1
$200,000 - $211,011	0	0
Over $211,011	1	0

NOTE 5 : MEMBERS' GUARANTEE

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

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

Following the implementation of the revised membership structure in 2015, the distribution of members as at December 2016* was:

Associate	11
Ruby	148
Sapphire	28
Emerald	26
Diamond	5
TOTAL CORPORATE MEMBERS	**218**
Individuals	46
Alumni	1,055
TOTAL INDIVIDUALS	**1,101**

* NOTE – as opposed to previous years, Branch members are not included in this analysis.

	31 Dec 2016 $	31 Dec 2015 $

NOTE 6 : CASH AND CASH EQUIVALENTS

Cash at bank	1,393,025	1,498,378
Cash on hand	1,500	1,500
	1,394,525	1,499,878

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

NOTE 7 : TRADE AND OTHER RECEIVABLES

	31 Dec 2016 $	31 Dec 2015 $
Current		
Trade debtors	739,655	978,718
Allowance for impairment loss (a)	(4,000)	(4,000)
	735,655	974,718
Other receivables	32,832	139,340
	768,487	1,114,058

(a) Allowance for Impairment Loss

Trade receivables are non-interest bearing and are generally on 14 days terms. A provision for impairment loss is recognised when there is objective evidence that an individual trade receivable is impaired. An impairment allowance of $4,000 (2015: $4,000) has been recognised by IFAP.

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

	Total	0 - 30 Days	31 - 60 Days	+61 Days PDNI *	+61 Days CI **
2016	735,655	251,799	305,653	178,204	4,000
2015	974,718	319,114	431,095	224,509	4,000

* Past due not impaired ('PDNI')
** Considered impaired ('CI')

Notes to the Financial Statements

NOTE 8 : PROPERTY, PLANT AND EQUIPMENT

	31 Dec 2016 $	31 Dec 2015 $
Land and Buildings		
Land:		
At cost	1,300,000	1,300,000
	1,300,000	1,300,000
Buildings:		
At cost	5,221,225	5,225,108
Accumulated depreciation	(4,399,031)	(4,346,220)
	822,194	878,888
Total Land and Buildings	2,122,194	2,178,888
Plant and Equipment		
At cost	4,435,948	6,003,934
Accumulated depreciation	(3,788,265)	(5,019,069)
Total Plant and Equipment	647,683	984,865
Total Property, Plant and Equipment	2,769,877	3,163,753

(a) Movements in Carrying Amounts

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

2015	Land $	Buildings $	Leasehold Buildings $	Plant & Equipment $	Total $
Balance at beginning of year	1,300,000	670,792	295,581	1,136,002	3,402,375
Additions / Adjustments	-	-	-	208,279	208,279
Disposals	-	(1,330)	-	(321,934)	(323,264)
Adj. to Accum. Dep. Disposals	-	1,330	-	321,934	323,264
Depreciation expense	-	(57,373)	(30,112)	(359,416)	(446,901)
Carrying amount at end of year	1,300,000	613,419	265,469	984,865	3,163,753

2016	Land $	Buildings $	Leasehold Buildings $	Plant & Equipment $	Total $
Balance at beginning of year	1,300,000	613,419	265,469	984,865	3,163,753
Additions / Adjustments	-	67,699	-	17,106	84,805
Disposals	-	(71,582)	-	(1,585,092)	(1,656,674)
Adj. to Accumulated Dep. Disposals	-	-	30,132	1,560,839	1,590,971
Depreciation expense	-	(63,913)	(21,195)	(327,870)	(412,978)
Carrying amount at end of year	1,300,000	545,623	274,406	649,848	2,769,877

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

NOTE 9 : INTANGIBLE ASSETS	Patents and Licences 31 Dec 2016 $	 31 Dec 2015 $
Historical Cost at beginning of year	315,357	264,210
Additions	69,443	51,146
Accumulated Amortisation	(285,895)	(223,114)
Carrying amount at end of year	98,904	92,243

During 2013/14, 2015 & 2016 IFAP developed new courses for OSH and OMTC to be amortised over 3 years on a straight line basis.

NOTE 10 : TRADE AND OTHER PAYABLES	31 Dec 2016 $	31 Dec 2015 $
Current		
Trade payables	312,831	355,178
Accruals	65,289	48,030
Subscriptions in advance	41,360	61,020
GST liability	24,874	30,415
Income in advance	73,888	121,496
Other payables	111,776	103,988
	630,018	720,127

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

NOTE 11 : INTEREST-BEARING LOANS AND BORROWINGS

Current	Effective Interest Rate %	Maturity	31 Dec 2016 $	31 Dec 2015 $
Other loans:				
Insurance Premium Loan:	3.18% (2015: 3.00%)	30 June 2017	129,652	104,910

Notes to the Financial Statements

NOTE 12 : PROVISIONS	31 Dec 2016 $	31 Dec 2015 $
Current		
Annual Leave	211,445	302,307
Long Service Leave	251,765	289,803
	463,210	592,110
Non-Current		
Long Service Leave	10,911	13,073

NOTE 13 : RESERVES

Capital Reserve	1,300,000	1,300,000

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

NOTE 14: ACCUMULATED SURPLUS	**31 Dec 2016**	**31 Dec 2015**
	$	**$**
Accumulated surplus at the beginning of the financial year	3,569,502	3,725,030
Net deficit attributable to members of the Company	(725,531)	(155,528)
Accumulated surplus at the end of the financial year	2,843,971	3,569,502

NOTE 15 : CAPITAL AND LEASING COMMITMENTS

(a) Operating Lease Commitments

Non-cancellable operating leases contracted for, but not capitalised in the financial statements	**31 Dec 2016**	**31 Dec 2015**
Payable: -	**$**	**$**
- not later than 1 year	430,327	501,417
- later than 1 year but not longer than 5 years	1,105,941	1,093,782
- later than 5 years	-	258,185
	1,536,268	1,853,384

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

The property lease (Koolinda House, Rous Head) was terminated on the 31st August 2016 as IFAP made the decision to vacate the premises.

Operating Lease agreement with Easy Fleet was entered into on 18th September 2011 for lease of motor vehicles. Vehicles arrived during November and December 2011. This was renewed for an additional 36 months, and is due to expire in November 2017.

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

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Notes to the Financial Statements

NOTE 16 : CASH FLOW INFORMATION

		31 Dec 2016 $	31 Dec 2015 $
(a)	**Reconciliation of Cash**		
	Cash at the end of the financial period as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:		
	Cash on hand and at bank	1,394,525	1,499,878
(b)	**Reconciliation of Cash Flow from Operations with Accumulated Surplus from Ordinary activities**		
	Deficit from ordinary activities	(725,531)	(155,528)
	Non-cash flows in accumulated surplus from ordinary activities:		
	Net Loss / (Gain) on disposal of plant and equipment	49,650	(5,455)
	Depreciation	412,978	446,901
	Amortisation	62,782	50,990
	Working Capital item movements:		
	(Increase) / Decrease in trade and other receivables	345,571	(146,566)
	(Increase) / Decrease in inventory	1,241	(5)
	(Increase) / Decrease in prepayments	2,417	41,333
	Increase / (Decrease) in trade and other payables	(90,110)	(69,380)
	Increase / (Decrease) in provisions	(131,061)	(36,664)
	Cash flows used in operations	(72,063)	125,626

(c) Credit Stand-by Arrangements with Banks

The Company has a bank overdraft facility with Westpac Bank Ltd (with a fixed and floating charge) amounting to a total of $550,000 (2015: $150,000). At 31 December 2016 this facility was not used and Interest rates are variable.

(d) Non-Cash Transactions

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

NOTE 17 : FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

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

The main risks arising from the Company's financial instruments are interest rate risk, liquidity risk and credit risk. The board reviews and agrees policies for managing each of these risks and they are summarised below.

(a) Interest Rate Risk

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

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

	Carrying amount	
	31 Dec 2016	**31 Dec 2015**
	$	**$**
Fixed Rate Instruments		
Interest Bearing Loans and Borrowings	(129,652)	(104,910)
	(129,652)	(104,910)
Variable Rate Instruments		
Cash at Bank	1,394,525	1,499,878
Interest Bearing Loans and Borrowings	-	-
	1,394,525	**1,499,878**

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

Notes to the Financial Statements

Cash flow sensitivity analysis for variable rate instruments
A change of 200 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss for the Company by $23,900 (2015: $32,500). This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2016.

(b) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at reporting date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts, as disclosed in the Statement of Financial Position and notes to the financial report. The credit risk on cash at bank is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

(c) Net Fair Values

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

(d) Liquidity Risk

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

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

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

31 December 2016	**Weighted Average Effective Interest Rate %**	**Less than a month to 6 months**	**6 months to a year**	**1-5 years**	**5 + years**	**Total**
Non Interest bearing	-	312,831	-	-	-	312,831
Insurance Premium Loan	3.18	129,652	-	-	-	129,652
TOTAL		442,483	-	-	-	442,483
31 December 2015						
Non Interest bearing	-	355,178	-	-	-	355,178
Insurance Premium Loan	3.00	104,910	-	-	-	104,910
TOTAL		460,088	-	-	-	460,088

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

NOTE 18: EVENTS AFTER THE REPORTING PERIOD

No subsequent events affecting the accounts after balance day have been identified.

NOTE 19: CONTINGENT LIABILITIES

No contingent liabilities have been identified.

NOTE 20: RELATED PARTY INFORMATION

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

- B Galton-Fenzi
- G D Hogg
- D R Leith (Retired October 2016)
- R R Mehan
- M I Ralph (Retired October 2016)
- C Renner
- M G Saraceni
- D A Smetana

Since the end of the previous financial year, no director of the Company has received or become entitled to receive a benefit (other than as remuneration as disclosed in Note 4), by reason of a contract made by the Company.

NOTE 21: SEGMENT INFORMATION

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

Directors' Declaration

The Directors declare that:

a. in the Directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

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

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

On behalf of the Directors,

DIRECTOR DIRECTOR

Dated this 23rd day of May 2017.

Deloitte.

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

Opinion

We have audited the financial report of Industrial Foundation for Accident Prevention (the "Entity") which comprises the statement of financial position as at 31 December 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

(a) giving a true and fair view of the Entity's financial position as at 31 December 2016 and of its financial performance for the year ended on that date; and

(b) complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Entity in accordance with the auditor independence requirements of the ACNC Act and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the ACNC Act, which has been given to the directors of the Entity, would be in the same terms if given to the directors as at the time of this auditor's report.

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

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Other Information

The directors are responsible for the other information. The other information comprises the directors' report, but does not include the financial report and our auditor's report thereon.

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

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

Responsibilities of the Directors for the Financial Report

The directors are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the ACNC Act and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

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

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be though to bear on our independence, and where applicable, related safeguards.

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DELOITTE TOUCHE TOHMATSU

John Sibenaler
Partner
Chartered Accountants
Perth, 23 May 2017

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