



**THE AUSTRALASIAN
CORROSION
ASSOCIATION INC.**

ANNUAL REPORT

2021

A close-up photograph of a heavily rusted, hexagonal bolt standing upright in a dark, granular material like gravel or sand. The bolt is the central focus, with its threads and hex head clearly visible despite the corrosion. The background is blurred, showing more of the same dark material and some indistinct shapes in the distance.

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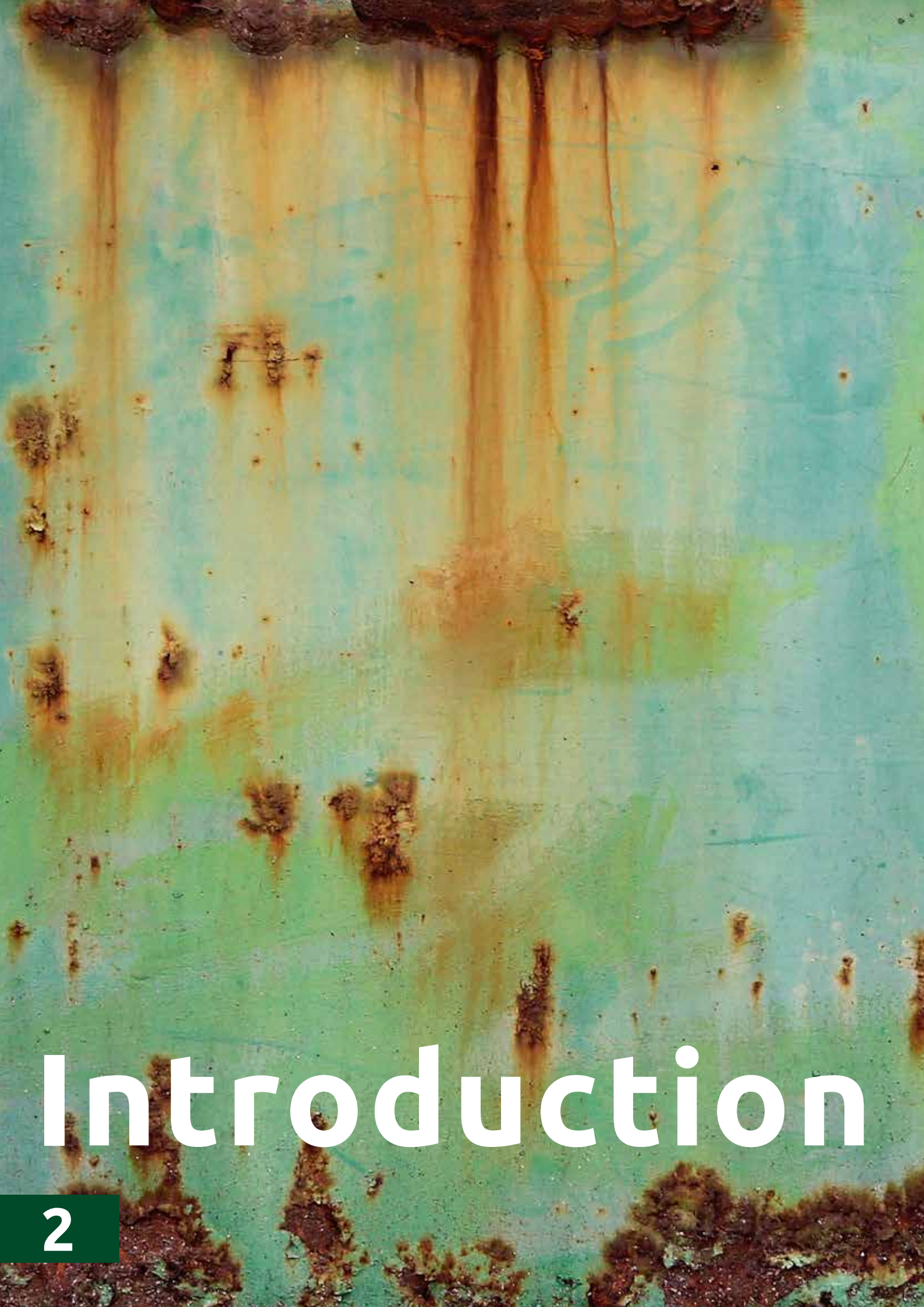
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Introduction

ABOUT US

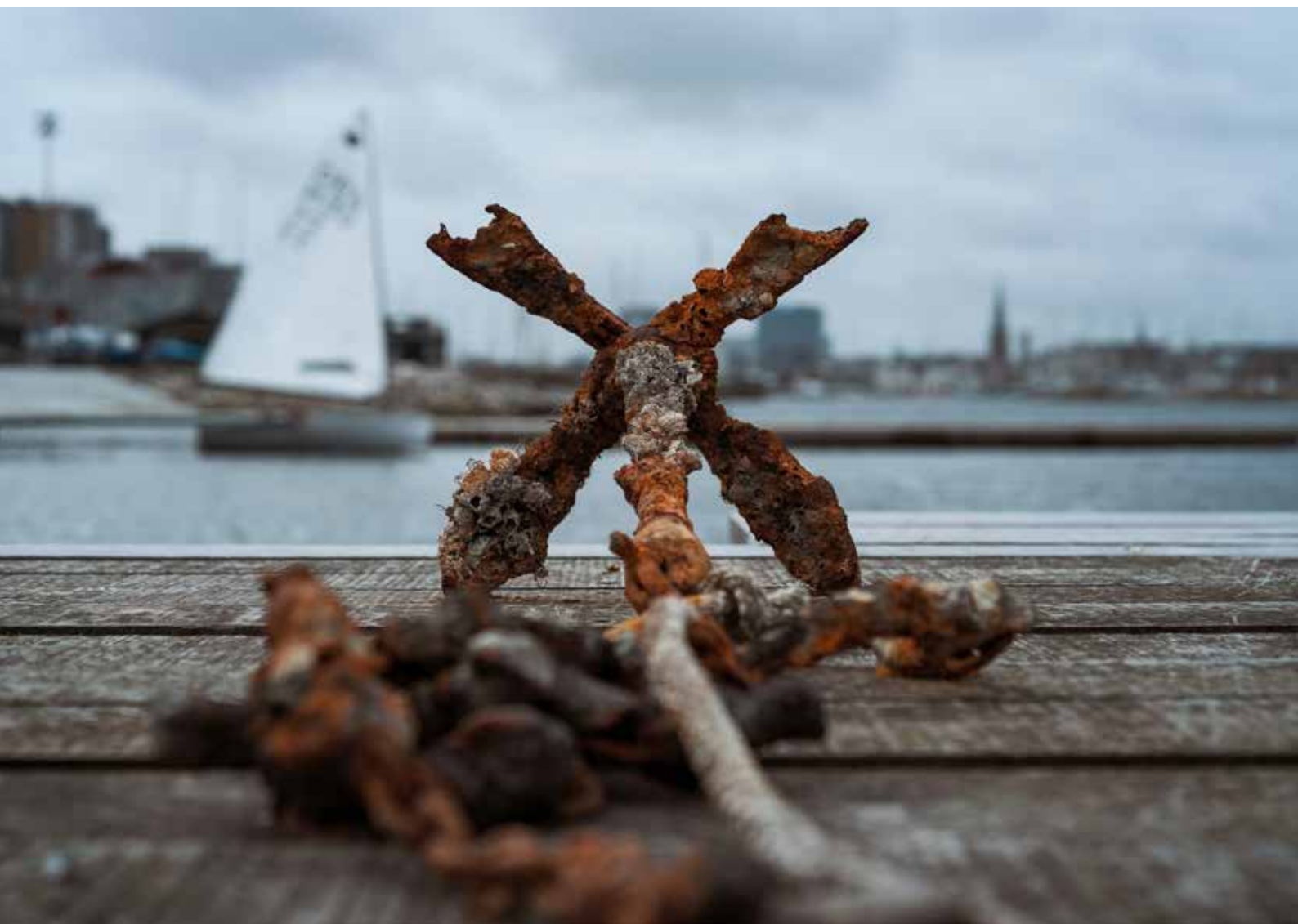
The **Australasian Corrosion Association (ACA)** is a not-for-profit, membership association which disseminates information on corrosion and its prevention or control, by providing training, seminars, conferences, publications and other activities.

vision

Corrosion is managed sustainably and cost effectively to ensure the health and safety of the community and protection of the environment.

mission

Assisting society to manage the impact of corrosion on asset durability.





Message from our leaders



BOARD CHAIR

Dean Ferguson

Throughout the 2021 calendar year, the ACA continued to work towards its mission despite the disruptions and uncertainty brought about by the COVID-19 pandemic. Together as an association we continued to run events, seminars and webinars at branch and technical group level.

We provided a successful industry training program, with nearly double the number of courses delivered in 2021 than in any previous year. I would like to thank all our members and volunteers for their continued efforts, this association is built on your hard work!

I am pleased to report that the ACA continues to be in a strong financial position. Whilst navigating the challenges posed by changing COVID-19 restrictions and lock-downs which included postponing our conference for the second year running, the ACA recorded a surplus of nearly \$50,000 for the financial year. This is a significant recovery following

the net deficit of \$305,000 which was recorded in 2020 (a result which already factored approximately \$250,000 of government grants related to COVID relief).

Board activities

During 2021, the Board devoted significant time to assessing both the risks faced and opportunities for the ACA. This included commissioning external reviews of our internal systems and processes. We identified the need to upgrade our digital systems, including customer relationship management and financial management software, if we were to continue to deliver the activities required to achieve the Association's mission.

I am proud of the diligent and professional way the Board has approached this challenge, and for choosing to take action that will provide a significantly more efficient and effective platform for the long-term management of, and delivery by, the ACA. This longer-term vision focuses on creating an ACA that can sustainably deliver without reliance on a single person at any point in the chain.

As well as identifying internal changes, the Board also identified registration as an approved charity under the Australian Charities and Not-for-profits Commission (ACNC) as an opportunity that could provide improved financial outcomes for the ACA. Registered charities can access a range of concessions and benefits such as tax and other regulatory concessions

Key Personnel Changes

I'd like to take this opportunity to thank our outgoing General Manager, Ross Boucher, for his dedicated efforts across five years and several roles at the ACA. Following his departure, the Board acted swiftly to minimise disruptions to our business-as-usual services, and to commence our search for his replacement. I could not be more thrilled with the appointment of Emmanuel Pimentel to the role of Executive Officer. Manny is a member-focused leader, with a strong technical, managerial and people knowledge base, who is a natural fit for the ACA.

Equally I'd like to thank outgoing director Kingsley Brown (November 2021) for his contribution over eight years on the Board, including driving our Audit, Finance and Risk Committee in 2021. Two new directors joined the team in 2021 – Kim Jones who joined the ACA as an independent director in May 2021, and Lorraine Duffy who was elected to the Board in November 2021, after working with the Board's Membership Committee

throughout 2020. Kim stepped down from her role as director to act as interim CEO and provide support for the team after Ross' departure; with Manny's appointment, Kim has returned to her role on the Board.

Looking Ahead

Where appropriate, the Board is committed to reinvesting in our Association to improve and expand our advocacy, certification, member services, training, and education offerings in the future. This does not just include investing in our software and systems, but other areas such as improving the quality and quantity of our training equipment to ensure we provide a training experience that is industry leading.

In a time of major infrastructure spending across Australia and New Zealand, the management of corrosion and asset durability is more important than ever. Our members come together, drawn from various industries and sectors, with significant knowledge, experience, and strategies to support the management of corrosion. With your support, the ACA will continue to play a significant role facilitating the communication of our diverse knowledge, providing industry training, and advocating for improved corrosion mitigation practices.

Dean Ferguson
ACA Board Chair





EXECUTIVE OFFICER

Emmanuel Pimentel

I would firstly like to introduce myself as the EO of the ACA. I stepped into the position in December 2021, just in time for Christmas. I have a fairly long history with the corrosion industry, standards and the ACA and it's good to see so many familiar faces from over ten years ago as well as many new ones.

My background is electrical engineering (please don't hold that against me) and journalism (doubly please don't hold that against me!) Most of you probably don't know who Emmanuel is, but might recognise Manny – I'm happy with either.

There is no need to discuss COVID as it has been well covered for two years now. As I write this, it's still an issue, but the world is coming to terms with it and after a final flurry in the first quarter of this 2022 year, there is finally light at the end of the tunnel for a return to almost normal. The ACA would like to thank the members, lecturers and students who have started the progress back to face to face events and training courses.

My predecessors, both at Board and Operational level, have navigated the challenges well by leaving the ACA in a strong

state. Despite the difficult conditions, it was pleasing that the ACA managed a small surplus for the first time in three years. This is made even more impressive when there was no income due to government covid relief packages and also no conference income. This is the direct result of all the good work done by staff at the ACA at working diligently to keep costs down while continuing to deliver training courses when restrictions allowed.

There is lots to do including the delivery of the Digital Transformation Project, the investment in training equipment and, most importantly, investing in staff and resources to deliver the services that ACA members deserve. Despite the challenges of the first quarter, 2022 is starting to look positive and we are working to make sure it continues that way.

I would like to thank all members, lecturers, committee members, volunteers and staff for their continuing support in the best interests of the ACA.

Now that travel is back on the cards, I will be hoping to visit as many branches as possible to meet members face to face. In the meantime, I welcome the opportunity to meet you all at the Conference in Newcastle. Please make sure to come up and say hello if you see me around.

Emmanuel Pimentel
Executive Officer

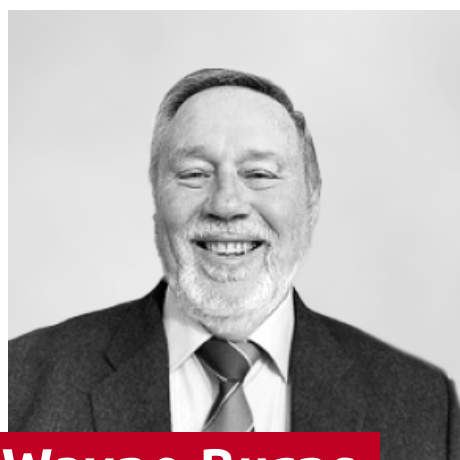
MEET THE BOARD



Dean Ferguson, General Manager of Infracorr Consulting, is a Materials Engineer and Chemist specialising in the durability and remediation of civil infrastructure. Dean also holds a Master of Business Administration from the Monash University Business School. Dean has been a member of the ACA since 2008 and an ACA director since 2018. In late 2020 Dean was appointed Board Chair.

Dean joined the board in November 2018 and is a member of the Finance, Audit and Risk Management Committee and the Education and Training Committee.

Dean Ferguson, Chair



Wayne Burns has been a Corrosion engineer for 50 years beginning with 30 years at Wilson Walton International and most recently over 18 years at Anode Engineering. A life member of ACA, he has held office in all branch committee positions for over 40 years. Wayne is passionate about giving back to the corrosion community. As a founder, former director and frequent contributor to the ACA Foundation he believes that young people are the future of our association and hopes to continue his work in empowering young through his current role as Chair of the Membership Committee.

Wayne joined the board in November 2020 and is chair of the Membership Committee.

Wayne Burns



Lorraine Duffy is a strong advocate of membership associations. Through her work as CEO of some major industry bodies, Lorraine has delivered transformational improvements in sector perception and standards, having rolled out accreditation programs and engaged with all levels of government as an advocate on policy and legislation. Lorraine is now the General Manager of Hitech Industrial Services, a specialist in ultra high pressure water jetting.

Lorraine joined the board in November 2021 and is chair of the Education and Training Committee, chair of the Technical Groups Coordinating Committee and a member of the Governance Committee.

Lorraine Duffy

MEET THE BOARD



Kim Jones

Kim Jones, appointed to the ACA Board in May 2021, is an independent non-executive director. With Honours in marine science & zoology, Kim's careers range from teaching to Head of marketing & communications in an ASX100. Kim's passion for raising the profile of corrosion and corrosion experts is deeply connected to a mix of her scientific curiosity with a life of sailing, cleaning steel hulls, at sea on fisheries research vessels, working on ship ballast water treatment and supercritical fluid technology.

Kim is chair of the Finance, Audit and Risk Management Committee.



Blane McGuiness

Blane McGuiness is a Registered Professional Engineer (RPEng), and National Engineering Manager at Marine & Civil Maintenance (MCM), specialising in corrosion control and structural durability. Joining the ACA in 2008, Blane has been an active member of the association holding various positions including, NSW Branch Committee Member, YCG NSW Chair, and NSW Branch President. Through these positions Blane has illustrated a keen interest in membership engagement and services development, and subsequently joined the Board in November 2019 to enhance the membership offerings of the ACA.

Blane is a member of the Education and Training Committee and the Technical Groups Coordinating Committee.



Patricia Shaw

Trish Shaw holds a PhD in chemistry with 25 years experience in corrosion related applied research and consultancy. She has worked in the coatings and corrosion prevention field for over 20 years, mainly for the New Zealand Defence Force. More recently she worked in the building research sector before joining Callaghan Innovation. Trish is an active member of the ACA's NZ branch having held a variety of leadership positions at both Branch Level and for the Wellington Division.

Trish joined the board in November 2020 and is a member of the Finance, Audit and Risk Management Committee and Chair of the Conference Committee.

MEET THE BOARD



Aaron Sudholz

Aaron Sudholz is the Engineering Manager for BAE Systems Australia, and an Adjunct Research Fellow at Monash University. Aaron completed both his undergraduate and postgraduate studies in the areas of chemistry, materials science, and engineering. Aaron formerly conducted research with the Defence Science and Technology (DST) Group, characterising and modelling materials properties in the area of corrosion science and engineering. Aaron currently leads a team of multidisciplinary engineers in the development of corrosion prognostic health management technologies.

Aaron joined the board in November 2020 and is chair of the Governance Committee.



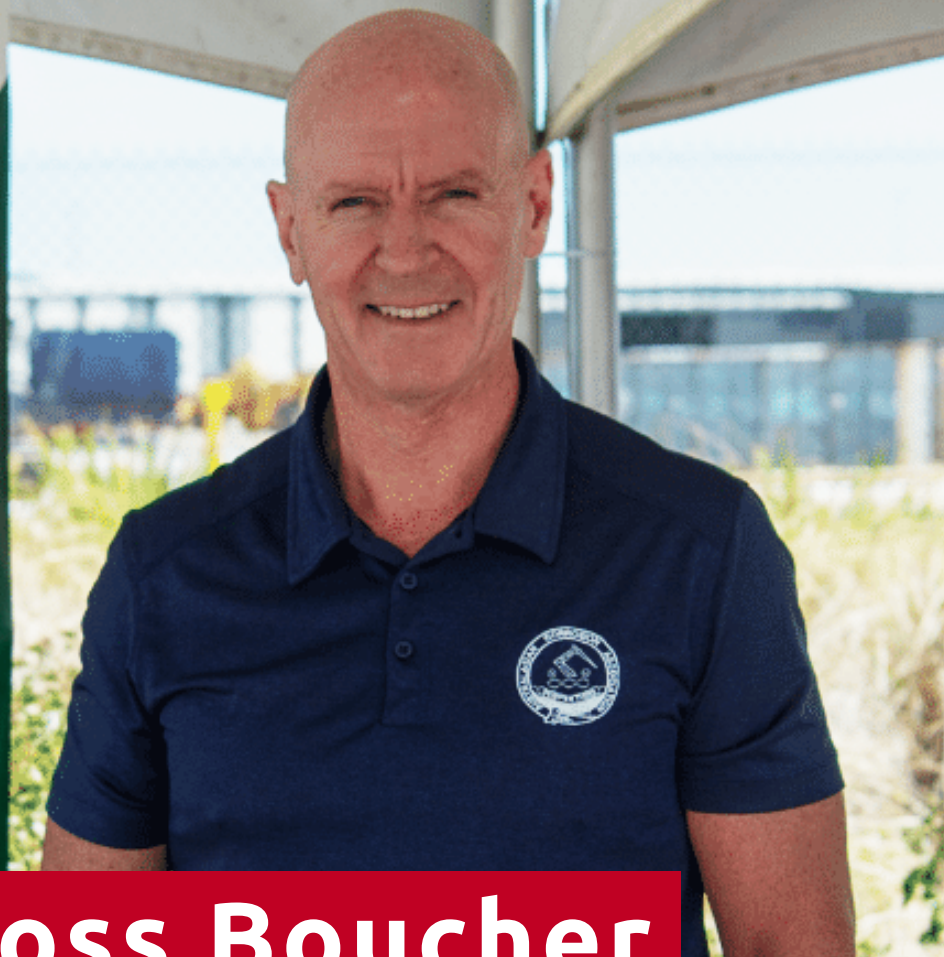
Michael Werle

Michael Werle is an accomplished, commercially focused senior human resources business partner and executive leader. Michael is passionate about organisational development and the employment experience. Learning, engagement, safety and inclusion programs Michael has designed have delivered outstanding results. His work has been recognised through a number of national award programs. He enjoys working collaboratively with his clients to solve business problems, build organisational capability and improve business performance.

Michael was appointed to the board in August 2018 as an independent non-executive director.



AUSTRALASIAN
CORROSION
OCIATION INC.



Farewell Ross Boucher

2021 marked the final chapter in Ross Boucher's tenure at the ACA. Ross has been with the ACA for nearly five years, filling a number of roles within our organisation throughout his time.

Joining us as Sales and Business Development Manager in 2017, Ross led the growth of our training business and has had a strong impact on all of us when it comes to fostering a customer focused approach across our business. Through Ross's time at the ACA, he was instrumental in strengthening relationships with members and with other like-minded associations. In 2020 Ross took the helm as General Manager and helped the ACA successfully manage the impact of COVID-19.

Ross brought to the ACA a passion for our mission that had followed him throughout his career in our industry, and this shone through in his commitment to our training programs. A member of the ACA for many years before he took on a staff role, Ross has moved to a new role with one of our Platinum Members (ALS) and we are sure he will continue to be an integral part of the ACA for many years to come.

On behalf of the ACA Board, and the members of the Australasian Corrosion Association, thank you Ross for your service to the ACA.



2021 in review



EDUCATION & TRAINING

Covid restrictions throughout 2021 once again impacted on training although the ACA still managed to run a significant number of courses. AMPP courses were strong, particularly CIP1 and CIP2. Some areas did better than others as the restriction on intrastate and international travel meant that lecturers were restricted to their home states and this meant that courses could only be run where they had local lecturer availability.

The pandemic did highlight the importance of having a structured pipeline for the introduction and development of more lecturers to provide greater capacity in the provision of courses. This also serves to provide ACA members with a pathway to professional development. Training is an important part of the ACA's activities as it meets member requirements for training and certification, services the wider industry and is a significant revenue source.

The focus on 2022 is investing in upgrading the kits to meet AMPP requirements for revamped courses and also to refresh them. The ACA has also invested in increasing the number of kits to meet the demand for more courses. Another focus in 2022 will be increasing the number of staff working in training. The ACA is also working to create online courses that can be undertaken at a student's own pace, but still provide a quality education experience.



EVENTS

Unfortunately the conference was moved from November to early February and then moved again due to the rise of Omicron, particularly in the Newcastle region. Work has already commenced on the 2023 conference in the familiar slot of November.

Highlights included:

East Asia Pacific Area (EAPA) Virtual Conference – this was a virtual conference co-hosted by the ACA and AMPP. ACA Queensland Branch Committee member, Council member and former Board member, Wayne Thomson, was a keynote speaker. Topics and streams included the cost of corrosion, MIC, coatings, cathodic protection and digital transformation in the field of corrosion.

Protective Coatings Roadshow – THE ACA Protective Coatings Technical Group and the ACA Applicators Technical Group hosted two events in Gladstone and Mackay as part of their Central QLD Roadshow. Due to last minute lockdowns, some speakers had to present remotely and everyone worked together to make sure that things went smoothly and around 80 delegates enjoyed the two days. Perennial ACA supporters, BlastOne, held demonstrations which included a virtual reality blasting and coating systems that is a great innovation for training. Dedicated ACA members, Justin Rigby, Mike Rutherford and Wayne Thomson put in a great deal of time and effort to make sure everything ran smoothly.

The Brian Cherry Awards Forum 2021 – The Brian Cherry Award honours the late Professor Brian Cherry of Monash University for his significant contribution to corrosion education, consulting and the ACA. The Forum is open to postgraduate and final year undergraduate research students studying at an Australasian University. Seven students were selected to represent their universities at the 3 Minute Thesis event and the worthy winner was Larissa Franziska Kopf from the University of Waikato for their paper called “Thermography Inspection for Undercoating Corrosion.”

Australian Electrolysis Committee – The Australian Electrolysis Committee met for the 88th time, on this occasion in a hybrid version of their biannual event hosted from the ACA Head Office in Preston. There were nearly 70 attendees for the event who enjoyed a variety of presentations, including from AEC Chair, Bruce Ackland. Richard Brodribb and Julie-Ann Latham of the ACA VIC Branch organised the Panelist Forum and AEC Secretary, Alireza Koukhan, pulled the whole event together.

Student Member Drive – During the year, the ACA also introduced a student member discount as part of a targeted membership drive and nearly 25 new student members were added to the ranks of the Association. This contributed to injecting new knowledge and enthusiasm into the Association’s membership.



TECHNICAL GROUPS

Co-ordinating committee (TGCC)

The TGCC was formed in late 2021 to facilitate dialogue and act as a hub of specific technical knowledge, advocacy, and networking within the ACA. As at this report the active Technical Groups are:

- Applicators Group
- Cathodic Protection
- Coatings
- Concrete Structures
- Oil & Gas

The Technical Groups are vital in sharing knowledge, education, collaboration, research and industry advocacy. Meeting quarterly, Technical Group Chairs provide an update regarding their specific group's activities.

As at this report the TGCC has met once to provide a framework and charter. Each Technical Group may operate slightly differently however the quarterly meeting objectives will focus on ways to support technical events through identification of relevant topics, review and discuss any Standards or Guidelines applicable to the nominated Technical Group which in turn allows for industry advocacy through representation.

The year ahead will assess the call for any additional Technical Groups, member engagement and communication of Technical Group activities and initiatives to the broader ACA members. Many of the Technical Groups have been successfully operating for some years and we acknowledge the commitment and dedication to those who have served as volunteers as they bring their skills, expertise and enthusiasm to advancing the profession.



CONFERENCE

Unfortunately, the conference was moved from November to early February and then moved again due to the rise of Omicron, particularly in the Newcastle region, to June 2022.

Work has already commenced on the 2023 conference in the familiar slot of November.

DIGITAL TRANSFORMATION

In 2021, ACA's staff continued to face many disruptions caused by the pandemic while continuing to demonstrate their flexibility, working remotely while still delivering online courses, events and connection for its members. However, with a digital ecosystem consisting of processes and systems that did not talk to each other, extensive manual intervention was required to maintain delivery, resulting in a significant loss of staff productivity.

The ACA digital ecosystem includes all systems which support:

- Stakeholder and Membership Management
(member application and processing, member directory management, group contact management, enquiry management)
- Event Management (bookings, payments, live webinar streaming)
- Training (bookings and scheduling, on demand courses – LMS)
- Certification (submission and approval of certification, database of records)
- Conference Management (conference paper management from abstract submission to reviews and approvals, ticket sales)
- Member Resource Databases
(blogs/articles, technical paper library, webinar recordings)
- Marketing and Communications (email and campaign management, social media integration, website, blog/news articles, job listings)
- Submissions
(scholarship/grant applications, nominations/applications for committees)
- Financial Management for all above functions (including payment processing, invoicing and receipting)
- Reporting and data management (to the Board, management and membership groups i.e. Branches)



Digital transformation

In July 2021, the Board commissioned an external audit of our digital systems, which identified five separate WordPress websites (main ACA site, training, conference, foundation, technical groups) each with inconsistent member databases of varying sizes and information (in addition, two other cloud-based member databases were in use). WordPress runs on a Linux Server that requires a high-level of technical skill and capability to administer.

Each WordPress site was found to be configured uniquely with inconsistent operation. 146 unique WordPress plugins were identified across the five sites, with the auditor indicating at most 30 plugins should be in operation for even the most complex business operations. Such a large number of plugins was considered to represent a significant security risk, as not all are currently being supported with security updates. The inability to update the sites and plugins was also considered responsible for the system being quite unstable. The fragile nature of our digital systems has been masked by the hard work and competence of a single dedicated digital system manager who was required to constantly monitor and maintain a system of great complexity.

One example of the loss of staff productivity identified was that there was no consistent approach to financial payment processing, revenue recognition or payment reconciliation across the core activities of the association (membership, training, events, conference) resulting in different manual processes being adopted for each function, rather than automation of these tasks.

In response to identification of this significant corporate risk, an extensive review of available options to upgrade our digital ecosystem was undertaken, considering account data migration costs, licensing fees, set up costs, training costs, ongoing support and alignment to ACA's future needs.

For ACA's comprehensive investment in the future ecosystem to be successful, the former IT systems for each function were reviewed so that in the future, the ACA could deliver a member-centric framework in tranches that capture:

- Each member's life cycle - from student, employee, own business to retired
- Training program attendance
- CPD for each member
- Volunteer engagement & management
- Membership benefits
- Membership payments and invoices
- Events, including conferences
- Donations and fund-raising
- Personalised marketing and comms, including a record of engagement for each member
- Reporting to members, executive officer and the board



Digital transformation

In October 2021 ACA became an ACNC-registered Not-for-Profit, and subsequently gained access to significant discounts offered for digital software packages. Following the review of the available options, the Board advised the members via the ACA Council that it had approved the design and implementation of a new Customer Relationship Management (CRM) software (Salesforce), which will incorporate events software (Blackthorn), marketing and communications software (Pardot) and a refresh of the ACA website. As part of this strategic investment, ACA also engaged:

- Enrite Solutions ('Enrite') to provide system design and implementation of the new CRM and integrated software for ACA's functions, and
- Technicalities, an IT Services Provider, for addressing internal project management of daily technical issues.

From November 2021, Enrite began supporting ACA to manage the fragile WordPress-based business system and infrastructure that was experiencing multiple issues of significant errors and failures, including website crashes, serious system access errors, and data security issues. This critical work took priority to keep the business running and unfortunately delayed the first stage of designing the new CRM.

However, the first stage has now commenced in 2022 with Lachlan Sebbens as Project Manager of the ACA Digital Transformation, working with Enrite to create "one source of truth" - by consolidating our various disparate systems into a single, streamlined, digital ecosystem that will significantly improve the member experience in their interactions with head office, our website (including reading news and accessing services such as training and events bookings) and our email communications. A financial return on this investment is expected thanks to improved staff productivity and increased member engagement.

This project is the most significant investment into the ACA's digital ecosystem for many years. Integrating our training, membership and conference information into one source of truth for our members will lay the foundation for our association for the decades to come.

The background of the slide features a teal, textured surface, possibly representing water or a painted metal plate. This central area is framed by irregular, rusted metal borders at the top and right. Two metallic rivets are visible on the top border, one on the left and one on the right.

Partnerships & collaboration

DIAMOND MEMBERS



Blast One

www.blastone.com.au
1800 190 190



Scape Consulting

(07) 5329 4725



Corrosion Control Engineering

www.cceng.com.au
1300 267 364

Platinum members



Anode Engineering

www.anodeengineering.com



SMEC

www.smec.com/en_au



AIWC

www.aiwc.com.au



Universal Corrosion Coatings

www.unicc.com.au



Marine & Civil Maintenance

www.marineandcivil.com.au



INGAL

www.ingalcivil.com.au



AECOM Australia

www.aecom.com/au



AkzoNobel

www.akzonobel.com/en

platinum members



ALS Industrial Pty Ltd

www.alsglobal.com/en-au

ALTEX COATINGS LTD

Altex Coatings Ltd

www.altexcoatings.com



Jemena

www.jemena.com.au



Patch and Caulk Pty Ltd

www.patchandcaulk.com.au



Savcor Products
Australia Pty Ltd

www.savcorproducts.com.au



Dulux Group Australia

www.duluxprotectivecoatings.com.au



Santos

www.santos.com



Duratec

www.duratec.com.au



PPG Industries
Australia Ltd

www.ppgrefinish.com.au



Denso Australia

www.densoaustralia.com.au



WSP

www.wsp.com/en-NZ



Qenos

www.qenos.com.au



Hempel

www.hempel.com



Xypex Australia

www.xypex.com.au



Mondo

www.mondo.com.au



BCRC Durability
Consultants

www.patchandcaulk.com.au



Financial report

THE AUSTRALASIAN CORROSION ASSOCIATION INC
A.B.N. 66 214 557 257

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THE AUSTRALASIAN CORROSION ASSOCIATION INC
A.B.N. 66 214 557 257

Statement from Members of the Board

The Board Members submit the financial report of The Australasian Corrosion Association Inc. for the year ended 31 December 2021.

Board Members

The names of Board Members of the Australasian Corrosion Association Inc. throughout the year and at the date of this report are:

Mr Dean Ferguson
Mr Kingsley Brown (resigned 25 November 2021)
Mr Wayne Burns
Ms Lorraine Duffy (appointed 25 November 2021)
Ms Kim Jones (appointed 3 May 2021)
Mr Blane McGuinness
Ms Patricia Shaw
Mr Aaron Sudholz
Mr Michael Werle

Board members have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal Activities

During the year, the principal activities of the Association were to disseminate information on corrosion and its prevention or control by providing training, seminars, conferences, publications and other activities. The Association operates on a not-for-profit basis.

Significant changes in the State of Affairs

During 2021, the Association was registered as a charity with the Australian Charities and Not-for-Profit Commission effective 3 December 2012. In addition, the Association was granted charity tax concessional status for income tax, GST and fringe benefits tax effective 3 December 2012.

Operating Results

The surplus from ordinary activities amounted to \$47,573 (2020: deficit of \$129,876).

Matters subsequent to the end of the financial year

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Association, the results of those operations, or the state of affairs of the Association in subsequent financial years.

Environmental regulation

The Association is not subject to significant environmental regulation in respect of its operations.

THE AUSTRALASIAN CORROSION ASSOCIATION INC
A.B.N. 66 214 557 257

Meetings of Board and Committee Members

The number of meetings of the Board and the Audit, Finance & Risk Management Committee held during the year ended 31 December 2021, and the number of meetings attended by each Board member is as follows:

Names of Board members during the financial year ended 31 December 2021	Board Meetings of Directors		Meetings of Audit, Finance & Risk Committee	
	Held	Attended	Held	Attended
Mr Dean Ferguson	9	9	5	4
Mr Kingsley Brown	8	8	5	5
Mr Wayne Burns	9	8	-	-
Ms Lorraine Duffy	1	1	-	-
Ms Kim Jones*	4	3	-	-
Mr Blaine McGuinness	9	8	-	-
Ms Patricia Shaw	9	9	-	-
Mr Aaron Sudholz	9	9	5	3
Mr Michael Werle	9	9	-	-

*Approved by the Board to step down from the Board (Sep-Dec 2021) to act as Interim CEO, following the resignation of the General Manager early October 2021 and prior to appointment of new Executive Officer in December 2021.

Indemnifying Officer or Auditor

The Association has provided for and paid premiums during the year for Board members' and Officers' liability and legal expenses insurance contracts. This is in the form of an association liability insurance policy. No indemnities have been given or agreed to be given during or since the end of the financial year, including to the auditor of the Association.

Auditor Independence Declaration

A copy of the Auditor's Independence Declaration is included in this financial report and forms part of the Board Member's Report.

This report is made in accordance with a resolution of the Board

Dean Ferguson
Dean Ferguson (Apr 28, 2022 15:27 GMT+10)

Name: Dean Ferguson
Chairman

Dated: 28 April 2022

THE AUSTRALASIAN CORROSION ASSOCIATION INC
A.B.N. 66 214 557 257

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 \$	2020 \$
Revenue	3	2,121,504	1,670,697
Expenditure			
Depreciation and amortisation		(69,376)	(112,446)
Employee benefits expenses		(528,749)	(781,567)
Occupancy expense		(74,391)	(39,330)
Finance costs		(24,871)	(29,391)
Meeting, course and venue costs		(772,114)	(449,402)
Marketing expense		(6,648)	(22,097)
Travel and accommodation		(15,212)	(20,857)
Royalty payment		(405,891)	(355,350)
Professional fees		(109,118)	(46,724)
Foreign exchange loss		-	(17,099)
Loss on disposal of fixed assets		-	(38,555)
Other expenses		(67,561)	(63,287)
		(2,073,931)	(1,976,104)
Net profit/(loss) for the year		47,573	(305,407)
Other comprehensive income			
<i>Items that will be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations		403	1,518
Revaluation of land and buildings		-	174,013
Other comprehensive income/(loss) for the year		403	175,531
Total comprehensive income/(loss) for the year		47,976	(129,876)

THE AUSTRALASIAN CORROSION ASSOCIATION INC
A.B.N. 66 214 557 257

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 \$	2020 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	1,983,741	1,421,245
Trade and other receivables	5	539,589	54,287
Other current assets	8	70,595	31,396
TOTAL CURRENT ASSETS		<u>2,593,925</u>	<u>1,506,928</u>
NON-CURRENT ASSETS			
Property, plant and equipment	6	1,472,243	1,473,045
Right of use assets	7	-	35,420
TOTAL NON-CURRENT ASSETS		<u>1,472,243</u>	<u>1,508,465</u>
TOTAL ASSETS		<u>4,066,168</u>	<u>3,015,393</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	342,458	97,430
Employee benefits	10	22,650	37,963
Lease liabilities	7	-	48,622
Other current liabilities	11	1,442,257	599,880
TOTAL CURRENT LIABILITIES		<u>1,807,365</u>	<u>783,895</u>
NON-CURRENT LIABILITIES			
Employee benefits	10	1,173	21,844
TOTAL NON-CURRENT LIABILITIES		<u>1,173</u>	<u>21,844</u>
TOTAL LIABILITIES		<u>1,808,538</u>	<u>805,739</u>
NET ASSETS		<u>2,257,630</u>	<u>2,209,654</u>
EQUITY			
Reserves	12	802,991	802,588
Accumulated surplus	13	1,454,639	1,407,066
TOTAL EQUITY		<u>2,257,630</u>	<u>2,209,654</u>

THE AUSTRALASIAN CORROSION ASSOCIATION INC
A.B.N. 66 214 557 257

STATEMENT OF CHANGES IN MEMBERS' FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	Reserves \$	Retained earnings \$	Members' funds \$
Balance at 1 January 2020		627,057	1,712,473	2,339,530
Surplus/(deficit) for the year		-	(305,407)	(305,407)
Revaluation of land & building		174,013	-	174,013
Exchange differences on translation of foreign operations		1,518	-	1,518
Total comprehensive income for the year		175,531	(305,407)	(129,876)
Balance at 31 December 2020		802,588	1,407,066	2,209,654
Surplus/(deficit) for the year		-	47,573	47,573
Exchange differences on translation of foreign operations		403	-	403
Total comprehensive income for the year		403	47,573	47,976
Balance at 31 December 2021		802,991	1,454,639	2,257,630

THE AUSTRALASIAN CORROSION ASSOCIATION INC
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 \$	2020 \$
Cash flows from operating activities			
Receipts from customers		2,720,326	2,185,703
Payments to suppliers and employees		(2,081,948)	(2,079,651)
Interest received		6,511	7,316
Interest paid		(1,020)	(5,180)
Net cash (used in)/provided by operating activities	14	<u>643,869</u>	<u>108,188</u>
Cash flows from investing activities			
Purchase of property, plant and equipment		(33,154)	(18,100)
Net cash used in investing activities		<u>(33,154)</u>	<u>(18,100)</u>
Cash flows from financing activities			
Principal repayments of lease liabilities		(48,622)	(64,033)
Net cash used by financing activities		<u>(48,622)</u>	<u>(64,033)</u>
Net (decrease)/increase in cash and cash equivalents		562,093	26,055
Effect of exchange rate changes		403	1,518
Cash and cash equivalents at beginning of the financial year		<u>1,421,245</u>	<u>1,396,672</u>
Cash at cash equivalents at end of the financial year	4	<u>1,983,741</u>	<u>1,421,245</u>

THE AUSTRALASIAN CORROSION ASSOCIATION INC
A.B.N. 66 214 557 257

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1 Basis of Preparation

This financial report is a special purpose financial report prepared in order to satisfy the financial report preparation requirements of the *Australian Charities and Not-for-profit Commission 2012*. The Board has determined that The Australasian Corrosion Association Inc. is a non-reporting entity. The Australasian Corrosion Association Inc is a not-for-profit entity for the purposes of preparing the financial report.

The financial report has been prepared in accordance with the recognition and measurement principles of all applicable Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the requirements of the *Australian Charities and Not-for-profit Commission 2012* unless otherwise disclosed in the financial report. It contains the disclosures that are mandatory under the Accounting Standards and those which the Board have determined are appropriate to meet the needs of the Members. Such accounting policies are consistent with the previous year unless stated otherwise.

The financial report has been prepared on an accruals basis and under the historical cost convention, as modified by revaluations to the fair value for certain classes of assets as described in the accounting policies.

The financial report has been authorised for issue by the Board.

The accounting policies that have been adopted in the preparation of these statements are as follows:

2 Statement of Significant Accounting Policies

Foreign currency translations

Functional and presentation currency

The financial statements are presented in Australian dollars which is the Association's functional and presentation currency. The financial statements of each Branch within the Association is measured using the currency of the primary economic environment in which that entity operates (the functional currency).

Transaction and Balances

Foreign currency monetary items that are outstanding at the reporting date (other than monetary items arising under foreign currency contracts where the exchange rate for that monetary items is fixed in the contract) are translated using the spot rate at the end of the financial year.

Branches that have a functional currency different from the presentation are translated as follows:

- Assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- Income and expenses are translated at actual exchange rates or average exchange rates for the period, where appropriate; and
- All resulting exchange differences are recognised as a separate component in Other Comprehensive Income.

THE AUSTRALASIAN CORROSION ASSOCIATION INC
A.B.N. 66 214 557 257

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Revenue

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Association expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Association have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Specific revenue streams

The Association recognises the majority of its revenue from

- The delivery of training courses and other technical events
- Member based services
- An annual conference and other events

Provision of training courses and other technical events and provision of annual conference

Revenue from the provision training courses, other technical events and from the annual conference is recognised when the event is held.

Where payment is required in advance, a contract liability is created on receipt and recognised as revenue as and when the services are provided.

Membership fees

Membership fees are paid annually in advance. A contract liability is recognised on receipt of the payment and recognised as revenue as the services are provided to the end of the reporting period as a proportion of the total services to be provided.

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

Other income

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

THE AUSTRALASIAN CORROSION ASSOCIATION INC
A.B.N. 66 214 557 257

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Cash and Cash Equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position.

Property, Plant & Equipment

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

Property

Freehold land and buildings are measured at fair value. At each balance date the carrying amount of each asset is reviewed to ensure that it does not differ materially from the asset's fair value at reporting date. Where necessary, the asset is revalued to reflect its fair value. Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against the related revaluation reserve directly in equity; all other decreases are charged to the statement of profit or loss and other comprehensive income.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and Equipment

Plant and equipment is measured at cost.

Depreciation

Fixed assets are depreciated over their estimated useful lives commencing from the time the asset is held ready for use. Land and the land component of any class of fixed asset is not depreciated. The useful lives used for each class of depreciable assets are:

<i>Class of Fixed Asset</i>	<i>Useful life</i>
Buildings at valuation	40 years
Plant & Equipment	7 – 15 years
Furniture & Fittings	15 – 20 years
Office equipment	3 - 10 years

THE AUSTRALASIAN CORROSION ASSOCIATION INC
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Leases

At inception of a contract, the Association assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Association has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Association has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

At the lease commencement, the Association recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Association believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy. The estimated life of the right-of-use assets is based on those of property, plant and equipment. The right-of-use asset is subject to the impairment requirements and is assessed for impairment indicators at each reporting date.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Association's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Association's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Exceptions to lease accounting

The Association has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Association recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

THE AUSTRALASIAN CORROSION ASSOCIATION INC
A.B.N. 66 214 557 257

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Income tax

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

Provisions

Provisions are recognised when the Australasian Corrosion Association Inc. 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 are measured using the best estimate of amounts required to settle the obligation at the end of the reporting period.

Employee Benefits

Short term employee benefit obligations

Liabilities arising in respect of wages and salaries, annual leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. The expected cost of short-term employee benefits in the form of compensated absences such as annual leave is recognised in the provision for employee benefits. All other short term employee benefit obligations are presented as payables.

Long term employee benefit obligations

Liabilities arising in respect of long service leave and annual leave which are not expected to be settled within twelve months of the reporting date are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date.

Employee benefit obligations are presented as current liabilities in the statement of financial position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement date is expected to occur.

Goods and Services Tax (GST)

Revenues, expenses and assets (with the exception of receivables) are recognised net of the amount of 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 the expense.

Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

THE AUSTRALASIAN CORROSION ASSOCIATION INC
A.B.N. 66 214 557 257

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Financial Instruments

Initial recognition and measurement

Financial instruments are recognised initially using trade date accounting, i.e. on the date that Association becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Classification and subsequent measurement

Financial instruments are subsequently measured at either *fair value*, amortised cost using the effective interest rate method, or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in arm's length transaction. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

The *effective interest rate method* is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets, or, where appropriate, a shorter period.

The classification of financial instruments depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and at the end of each reporting period for held-to-maturity assets.

Impairment

At each reporting date, the Association assesses whether there is objective evidence that a financial instrument has been impaired. The carrying amount of financial assets including uncollectible trade receivables is reduced by the impairment loss through the use of an allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying value of the allowance account are recognised in profit or loss.

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

THE AUSTRALASIAN CORROSION ASSOCIATION INC
A.B.N. 66 214 557 257

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Critical accounting estimates and judgements

The Board makes estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

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

New and amended standards adopted by the Association

The Association has adopted all the amendments to Australian Accounting Standards issued by the Australian Accounting Standards Board, which are relevant to and became effective for the first time at 31 December 2021.

None of the amendments issued have had a significant impact on the Association.

THE AUSTRALASIAN CORROSION ASSOCIATION INC
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 \$	2020 \$
3	Revenue and Other Income		
	<i>Revenue from contract with customers</i>		
	Courses	1,715,394	1,075,960
	Conferences and events	72,126	33,555
	Membership fees	277,545	277,852
	Advertising and subscriptions	-	1,636
		<u>2,065,065</u>	<u>1,389,003</u>
	<i>Other revenue</i>		
	Interest income	5,555	6,285
	Government grants – COVID relief	-	253,250
	Foreign Exchange Gain	319	-
	Other revenue	<u>50,565</u>	<u>22,159</u>
		<u>56,439</u>	<u>281,694</u>
	Total Revenue	<u>2,121,504</u>	<u>1,670,697</u>
	Disaggregation of revenue from contracts with customers		
	Revenue from contracts with customers has been disaggregated into timing of revenue, recognition, and the following table shows this breakdown:		
	Revenue recognition		
	- At a point in time	1,787,520	1,109,515
	- Overtime	<u>277,429</u>	<u>279,488</u>
		<u>2,064,949</u>	<u>1,389,003</u>
4	Cash and Cash Equivalents		
	Cash at Bank	1,677,238	377,435
	Cash on Deposit	<u>306,503</u>	<u>1,043,810</u>
		<u>1,983,741</u>	<u>1,421,245</u>
5	Trade and Other Receivables		
	Trade Debtors	<u>539,589</u>	<u>54,287</u>
		<u>539,589</u>	<u>54,287</u>

THE AUSTRALASIAN CORROSION ASSOCIATION INC
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 \$	2020 \$
6 Property, Plant and Equipment			
Land at valuation			
Suites 1&3/458 Middleborough Road, Blackburn		570,000	570,000
Buildings at valuation			
Suites 1&3/458 Middleborough Road, Blackburn		855,000	855,000
Less: Accumulated Amortisation		<u>(15,785)</u>	<u>-</u>
		839,215	855,000
Total Land and Buildings		<u>1,409,215</u>	<u>1,425,000</u>
Plant & Equipment			
Plant & Equipment		202,448	178,589
Less: Accumulated Depreciation		<u>(162,203)</u>	<u>(154,650)</u>
		40,225	23,939
Office Equipment		87,092	78,332
Less: Accumulated Depreciation		<u>(69,791)</u>	<u>(61,098)</u>
		17,301	17,234
Furniture, fixtures and fittings		28,586	28,051
Less: Accumulated Depreciation		<u>(23,104)</u>	<u>(21,170)</u>
		5,482	6,881
Total Plant and Equipment		<u>63,028</u>	<u>48,045</u>
Total Property, Plant and Equipment		<u>1,472,243</u>	<u>1,473,045</u>

Measurement of revalued amounts

Independent valuations of the fair value of the freehold interests for Suites 1&3/458 Middleborough Road, Blackburn were conducted by Chris Mason & Associates Pty Ltd as at 25 February 2021. The valuation was based on the current market value of the property as at the date of inspection, assuming the property had been notionally offered for sale in prevailing market conditions.

The revaluation surplus was credited to an asset revaluation reserve in members funds.

7 Leases

Information relating to the leases in place and associated balances and transactions are provided below.

Terms and conditions of leases

A building lease for the Association's head office, together with training facilities, was entered into during 2019. The lease was for two years and expired in July 2021. The Association has informed the landlord of its preference to remain at the premises. Both parties have agreed to continue the lease arrangement on the same terms and conditions while a new lease agreement is finalised.

THE AUSTRALASIAN CORROSION ASSOCIATION INC
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 \$	2020 \$
Right of use assets			
Balance at beginning of year		35,420	96,140
Depreciation charge		<u>(35,420)</u>	<u>(60,720)</u>
Balance at end of year		<u><u>-</u></u>	<u><u>35,420</u></u>

Lease Liabilities

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	<1 year \$	1 – 5 years \$	Total undiscounted lease liabilities \$	Lease liabilities included in this SOFP \$
2021				
Lease Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
2020				
Lease Liabilities	<u>49,642</u>	<u>-</u>	<u>49,642</u>	<u>48,622</u>

Statement of Profit or Loss and Other Comprehensive Income

The amounts recognised in the statement of profit or loss and other comprehensive income relating to leases where the Association is a lessee are shown below:

	2021	2020
Interest expense on lease liabilities	1,020	5,712
Depreciation of right of use assets	<u>35,420</u>	<u>60,720</u>
	<u><u>31,259</u></u>	<u><u>66,432</u></u>

Statement of Cash Flows

Total cash outflow for leases	<u><u>49,642</u></u>	<u><u>69,213</u></u>
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THE AUSTRALASIAN CORROSION ASSOCIATION INC
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 \$	2020 \$
8 Other Assets			
Prepayments		70,358	30,203
Income receivable		<u>237</u>	<u>1,193</u>
		<u>70,595</u>	<u>31,396</u>
9 Trade and Other Payables			
Trade Creditors		280,033	53,705
GST Payable		48,215	9,549
Sundry Creditors and Accruals		<u>14,210</u>	<u>34,175</u>
		<u>342,458</u>	<u>97,430</u>
10 Employee Benefits			
Current			
Provision for Annual Leave		22,650	37,963
Provision for Long Service Leave		-	-
Current Employee Benefits		<u>22,650</u>	<u>37,963</u>
Non-current			
Provision for Long Service Leave		<u>1,173</u>	<u>21,844</u>
Non-current Employee Benefits		<u>1,173</u>	<u>21,844</u>
		<u>23,823</u>	<u>59,807</u>
11 Other Liabilities			
Deferred course and sponsorship revenue		1,021,450	424,982
Deferred conference revenue		300,258	12,500
Deferred membership fees		<u>120,549</u>	<u>162,398</u>
		<u>1,442,257</u>	<u>599,880</u>

THE AUSTRALASIAN CORROSION ASSOCIATION INC
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 \$	2020 \$
12 Reserves			
Foreign currency translation reserve		(9,118)	(9,521)
Asset revaluation reserve		<u>812,109</u>	<u>812,109</u>
		<u>802,991</u>	<u>802,588</u>

The foreign currency translation reserve is used to record the exchange differences arising on translation of the results of the Association's New Zealand branch into Australian dollars, its presentation currency.

The asset revaluation reserve records increments and decrements in the fair value of land and buildings.

13 Accumulated Surplus/Deficit

Accumulated surplus at the beginning of the year	1,407,066	1,712,473
Net surplus/(deficit) attributable to members of the Association	<u>47,573</u>	<u>(305,407)</u>
Accumulated surplus at the end of the year	<u>1,454,639</u>	<u>1,407,066</u>

THE AUSTRALASIAN CORROSION ASSOCIATION INC
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 \$	2020 \$
14 Cash Flow Information			
Reconciliation of net income to net cash provided by operating activities			
Surplus/(deficit) for the year		47,573	(305,407)
Adjustments and non-cash items			
- Depreciation and amortisation		69,376	117,627
- Loss on sale of fixed assets		-	38,555
Changes in assets and liabilities			
- (increase)/decrease in trade and other receivables		(485,302)	(22,137)
- (increase)/decrease in inventories		-	1,000
- (increase)/decrease in other assets		(39,199)	9,621
- Increase/(decrease) in trade and other payable		245,028	(66,729)
- Increase/(decrease) in other liabilities		-	(37,180)
- Increase/(decrease) in deferred revenue		842,377	344,728
- Increase/(decrease) in employee benefits		(35,984)	33,290
Cash flow from operating activities		<u>643,869</u>	<u>113,368</u>

15 Related party transactions

During the year the Association entered into the following related party transactions:
 Kim Jones stepped down from the Board (Sep - Dec 2021) to act as Interim CEO, following the resignation of the General Manager early October 2021 and prior to appointment of the new Executive Officer in December 2021. Ms Jones was paid \$28,500 for these services.
 Wayne Burns was a lecturer of one course during the year and was paid \$7,638 for these services, based on the standard rate scale set by the AMPP.
 Kingsley Brown was a lecturer of three courses during the year and was paid \$16,793 for these services, based on the standard rate scale set by the AMPP.

16 Entity Details

The Australasian Corrosion Association Inc.
 30a Jessie Street
 Preston Vic 3072

The Entity comprises the head office and the following branches:

Australia

Newcastle	South Australia
Western Australia	Queensland
Tasmania	New South Wales
Victoria	

New Zealand

Australasian Corrosion Association NZ Branch Inc. (registered with the NZ Charities Commission)

THE AUSTRALASIAN CORROSION ASSOCIATION INC
A.B.N. 66 214 557 257

STATEMENT BY MEMBERS OF THE BOARD

The Board has determined that the Association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the accounting policies outlined in Note 1 to the financial statements.

The Board declares that:

1. The financial statements and notes, as set out on pages 3 to 19 present fairly the Association's financial position as at 31 December 2021 and its performance for the year ended on that date.
2. In the Board Members' opinion, there are reasonable grounds to believe that the Association will be able to pay its debt as and when they become due and payable.
3. Except as described in note 15 to the financial statements, during the financial year to which the accounts relate, no Board Member or a firm in which the Board Member is a member or a body corporate in which the Board Member has a substantial financial interest has received or become entitled to receive a benefit as a result of a contract between the Board Member, firm or body corporate and the Association.
4. During the financial year to which the accounts relate, no Board Member has received directly or indirectly from the Association any payment or other benefit of a pecuniary value other than expenses paid to attend meetings on the Association's behalf with its international partners and out of pocket expenses to attend Board meetings of the Association. This statement excludes any benefit, including salaries paid, to Board Members who are employees of the Association.

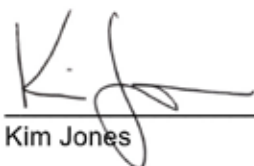
This declaration is made in accordance with a resolution of the Board and is signed for and on behalf of the Board by:

Chairman:



Dean Ferguson (Apr 28, 2022 15:27 GMT+10)

Dean Ferguson


Kim Jones

Dated:

28 April 2022

INDEPENDENT AUDITOR'S REPORT

To the Members of The Australasian Corrosion Association Inc

Opinion

I have audited the financial report of The Australasian Corrosion Association Inc (ACA or the Entity), which comprises the statement of financial position as at 31 December 2021, the statement of profit or loss and other comprehensive income, statement of changes in members' funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and managements' assertion statement.

In my opinion the financial report of ACA has been prepared in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012* (ACNC Act), including:

- giving a true and fair view of the registered entity's financial position as at 31 December 2021 and of its financial performance for the year then ended; and
- complying with Australian Accounting Standards to the extent disclosed in note 1 to the financial statements and the ACNC Act.

Basis for Opinion

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

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

Emphasis of Matter – Basis of Accounting

I draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist The Australasian Corrosion Association Inc to meet the requirements of the *ACNC Act*. As a result, the financial report may not be suitable for another purpose. My opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the *ACNC Act* and for such internal control as management determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

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

A handwritten signature in black ink, appearing to read 'Susan Barbour', with a stylized, flowing script.

Susan Barbour

Baumgartner Audit Pty Ltd

Date: 5 May 2022

Melbourne



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