



**ICN** Industry  
Capability  
Network



ANNUAL  
**REPORT 2021–22.**





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ACN 068571513

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# CONTENTS.

Chairman's Review	2
2021–22 Highlights	4
Chief Executive Officer's Report	5
Function and Focus	7
Value Delivery	8
National Support	9
Marketing and Communications	10
Case Study	12
Technology Systems	14
Strategic Direction	16
Appendix 1 Company Membership	19
Appendix 2 Employee Details	20
Appendix 3 Board Composition	21
Appendix 4 Board Committees	22
Appendix 5 ICN Contact Details	23
Appendix 6 Independent Audit Report and Declaration	24
Appendix 7 Financial Statements	25



## CHAIRMAN'S REVIEW.

It is with great pleasure that I report on the continued development and growth of ICN Limited (ICNL).

The year 2022 had a number of significant milestones. The strategic direction set by the current Board and executed by the Executive Director and his team, built upon the great foundations that the company enjoys from many years devoted to the ICN Network and industry in Australia and New Zealand.

You will find more information on our strategic outcomes, including impressive outcomes such as a revised Gateway system, national project offerings and social procurement frameworks throughout this report.

We are particularly proud of being able to grow our team. This allows us to provide products and services to our many stakeholders that can add value to their activities and outcomes for the benefit of small and medium businesses. Everything we do is focused on and measured against this mission.

Our IT team has been enhanced with additional development and analyst capabilities to strengthen the knowledge and experience of our long term staff. It has also allowed us to lift our capability in and focus on security, at a time when it has never been more important. The outcomes achieved in this area would not have been possible without the support of the Australian Government Department of Industry, Science, Energy and Resources and the Board would like to specifically acknowledge the importance of that assistance.

Further, the governance provided by the IT Advisory Committee, chaired by Mr Russell Kenery, has ensured that the large and complex array of IT activities were closely monitored and that the direction, delivery and outcomes were made clear to the greater ICNL Board.

It was pleasing also to be able to welcome Tasmania back into the national ICN Network. Their rejoining, together with ICNL's decision to proceed with the establishment of an operational office in the ACT early in the new financial year, means that services supporting companies on both sides of the market will be seamlessly available right across Australia. We have also been working with our colleagues in New Zealand in an effort to provide improved services across the Tasman.



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There has been significant growth in the strategic delivery to priority manufacturing sectors. Of particular note is our engagement with Defence, which we expect to grow even stronger in 2023.

There has been significant growth in the strategic delivery to priority manufacturing sectors. Of particular note is our engagement with Defence, which we expect to grow even stronger in 2023. Of course, this has not been our only sector of focus. The depth of data within our systems is being sought out by a wide range of related stakeholders as is our reach to small business owners and operators. We continue to expand our network of strategic alliances and enhance those we have had for many years such as the Australian Made Campaign, AMTIL, Chambers of Commerce and the Ai Group to name just a few.

I would like to thank Chris Bridges-Taylor for her stewardship of our member's Advisory Committee. Due to the difficulties of travel and the restrictions COVID-19 placed upon us this year I met one on one with Chris and each member to learn directly those issues that were affecting them, how ICNL could work closely with them in achieving their goals and listening to their ideas on what the short, medium and long term future of industry and manufacturing, locally and globally, might look like from their perspective.

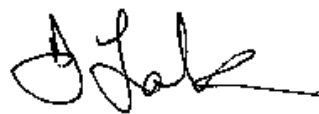
This information was invaluable when undertaking the strategic workshop in April. Thank you to all our members, strategic partners and staff who were able to attend and contribute to the collaborative development of this exciting plan.

I would like to thank my fellow Directors for their input and support on the governance of ICNL. The Board will miss Andrew Dettmer who retired at the end of his term, but his replacement Warren Tegg comes to us with a strong knowledge of industry and related policy and programs, and he has been warmly welcomed.

I would also like to express our thanks to Donna Looney and her team from the Department. The advice, guidance and support of the Company is very much appreciated. We stand ready to work side by side with the Department, the new Minister and new Government in delivering enhanced and expanded services for Australian industry and the economy as a whole.

To Warren Jansen and the entire team at ICNL, well done. This year has thrown up many challenges. This team has taken them in their stride and delivered outcomes that some would have thought improbable. You proved that with focus, resources and support we can achieve our mission.

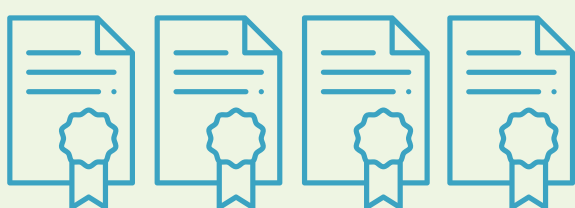
I look forward to the new year, new ideas, new innovations, and the best outcomes possible.



**Derek Lark**  
Chair ICNL

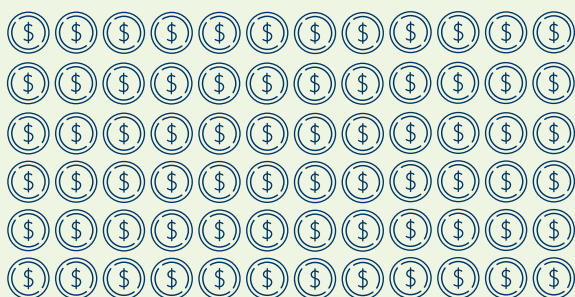
2021-22

# HIGHLIGHTS.



## \$2.757B

CONTRACTS AWARDED  
TO AUSTRALIAN COMPANIES



## 89,038M+

VALUE OF NEW PROJECTS  
ON OFFER



## 2,664

WORK PACKAGES  
LISTED ONLINE

## 171

NEW PROJECTS  
LISTED



## 6,530

CONTRACTS WON



## 3,526

NEW COMPANIES  
REGISTERED ON ICN GATEWAY





## CHIEF EXECUTIVE OFFICER'S REPORT.

**Just when we thought we bid farewell to a year that saw COVID-19 having a debilitating impact on businesses large and small, the year in review brought with it rising inflation and energy costs, global security challenges, unprecedented supply chain issues and a virus that's refusing to dissipate.**

For ICNL, these challenges were worrying but they created an environment to innovate and add value for existing and new local businesses to thrive in. The year commenced with the re-launch of ICN's flagship product Gateway. The platform user experience overhaul made it easier for buyers and suppliers to connect more freely and gain more exposure in the marketplace.

This was only the beginning!

ICNL's strategic milestones for the year included exciting projects such as optimising market channels, introducing increased system automation and data insights tools, strengthening national alignment with our ICN colleagues across the country, creating a data strategy, gaining a better understanding of customer needs, and right sizing the team to meet rising demand for services.

The ICNL team did an outstanding job to deliver these milestones, cementing ICNL's role as a national office, leading the way to build world class IT products and services and introducing crucial value-adds that enhance buyer and supplier journeys.

ICNL's co-investment strategy with our national colleagues has seen the introduction of ICN Procurement and ICN Perspective, both game-changing products that position ICN as an end-to-end service provider capable of managing the lifecycle of projects big and small. These products now enable buyers and suppliers to match more effectively through state-of-the-art market intelligence and transact with ease through easy-to-use procurement tools.

Underpinning this growth is ICNL's priority towards ensuring an elevated IT security posture that can withstand increased cyber threats and challenges. A critical ICNL partner and Company Member, the Department of Industry, Science, Energy and Resources (DISER), funded the hardening of ICNL's IT infrastructure, ensuring secure platforms for buyers and suppliers to interact on.

ICNL is grateful to DISER for its contribution, which helped secure over \$2.7B worth of contracts awarded to Australian businesses through ICN products in 2021-22.

The ICNL Board approved strategic investments in critical upgrades to overall platform design, which have helped place ICN products on the map of cutting-edge technology. ICNL implemented a branded-house approach by introducing new logos and clearer messaging to make it easier for buyers and suppliers to understand the numerous touch points throughout the life of a project, thus streamlining the national offering.



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ICNL is grateful to DISER for its contribution, which helped secure over \$2.7B worth of contracts awarded to Australian businesses through ICN products in 2021-22.

The virtual meeting age isn't over yet, but the hybrid model which includes the most basic need for human interaction and relationship building, has stood us in good stead with increased stakeholder engagement. ICNL has strengthened ties with personnel in key sectors including Indigenous Engagement, Defence, Renewables and Carbon Emission Reduction, to name a few.

These relationships will see ICN's Social Procurement Strategy come to life, with the implementation of a Carbon Neutral Plan to help buyers fulfil regulatory obligations and suppliers navigate their journey towards net zero outcomes. The year in review has also set the foundation for ICNL to progress plans to add value to Indigenous businesses by partnering with organisations dedicated to their success and advancement.

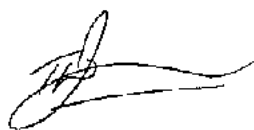
Our presence at national events throughout the year has helped put a face to much of the work done in the background, with a focus on introducing stakeholders to the passionate ICNL team that drives national IT systems, marketing, communications, strategy and business development. Our tech is backed by a passionate network of people; our most valuable asset.

2021-22 presented us with unique challenges and I would like to thank the ICNL Board for believing in the team and guiding us to achieve our goals. The Board, led by Chair Derek Lark, generously gave us their time, expertise and advice on navigating a year of significant growth and expansion. I am also grateful for the wise counsel of the Finance, Advisory and IT Committees that play an important role in ensuring ICNL has the highest governance standards.

Our partners and collaborators make up a long list of smart people who have not only helped us enhance our service offering throughout the year, but also helped us to keep striving for excellence in all we do. For that, I am very thankful!

The ICNL team, which I consider an extension of the national ICN family, is the driving force behind our achievements in 2021-22. They gave it their all to ensure our IT platforms, systems, processes and engagements worked harmoniously to meet our mandate of supporting local businesses.

To those who have stood by us and believed in us over the years, our commitment to you and our new and emerging partners and clients, is that we will ensure the value we deliver in 2022-23, is even greater than the year gone by!



**Warren Jansen**  
CEO ICNL

## FUNCTION AND FOCUS.

### The primary functions of ICNL are to:

- Provide a coordination role for the ICN Network offices ensuring a common and consistent approach to activities and to support the ongoing enhancement and development of ICN.
- Develop, manage and provide the national data and communications systems used by ICN Network, including ICN Toolbox and ICN Gateway.
- Coordinate the ICN Network to establish links with global supply chain managers to help Australian and New Zealand SMEs gain access to the global supply chains of major project developers.
- Coordinate ICN National Strategic Milestones, derived from a process where the ICN Network contribute towards setting annual milestones, including identifying overseers and contributors to successfully achieve the milestones.
- Develop nationally focused marketing and raise awareness and understanding of opportunities available to participate in major projects and global supply chains.
- Provide a direct interface to the Australian Government and relevant Australian Government departments.
- Undertake research on behalf of the states and Australian Government.
- Coordinate activities of the ICN Network to help companies identify Australian suppliers when applying for Tariff Concessions.
- Coordinate national projects where a prime is wanting to engage with ICNL as the centralised function that coordinates engagements with the ICN Network supporting their projects.
- Develop and manage national product roadmap of value-add products delivered by the national offices for all stakeholders.



# VALUE DELIVERY.

## CUSTOMER

- ICN Gateway launch.
- Quarterly newsletter.
- New Defence taxonomies.
- New ICN Gateway badging.
- Increased social media presence.
- Integrated campaigns outlining the benefits of ICN's products and services to new and existing customers and ICN offices.

## TECHNOLOGY

- Ongoing improvements to core systems.
- Delivered SA Defence Portal for South Australian Government.
- Delivered refreshed ICN Gateway.
- UX/UI review for ICN Toolbox.
- ICN Insight dashboards delivery for multiple clients.
- New product launch – ICN Perspective.
- Ongoing improvements to system security, stability and reliability.
- Ongoing collaboration with the Department of Defence to continue helping local companies better promote their capabilities in conjunction with Defence capability.
- Ongoing assistance to Melbourne University with the Indigenous Business Sector Snapshot.

## ICN GATEWAY

- 171 new projects listed.
- 44,251 registrations of interest from local businesses.
- Over \$89.03 billion new contracts on offer.

## FINANCIAL

- Re-invest commercial income.

## STRATEGIC DIRECTION

- Leading the ICN Network in monitoring the environment and developing the 'one network' strategic direction.
- Ensuring that our products and services are aligned to market needs and best practice.
- Identifying and creating strategic partnerships to enhance our service offerings.
- Creating a cohesive approach to achieving milestones and objectives.

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In 2021-22 there were  
44,251 registrations  
of interest from local  
businesses on ICN Gateway.



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ICNL and the ICN Network met in April 2022 for a strategic planning workshop to develop a new strategic plan and accompanying milestones for 2022–23.

## NATIONAL SUPPORT.

### ICNL continues to support seven ICN offices across Australia by:

- Enhancing the prime function of ICN, namely the promotion of local industry.
- Facilitating the collection and publication of appropriate statistics and standardisation of reports on ICN activities.
- Undertaking promotional work on behalf of participating ICN offices on Australian industry.
- Fostering an open exchange of information between participating ICN offices.
- Enhancing the ICN collective database on industry capability.
- Encouraging best practice in operations across ICN.
- Encouraging adoption of a unified approach to products and service delivery to ensure consistency from a national perspective.
- Coordinating and acting as secretariat for meetings of national significance.
- Making submissions on matters of national interest as agreed mutually by the ICN offices.
- Representing the interests of the collective ICN offices federally and in forums of national significance.

ICN's Executive Directors met twice during 2021–22; both meetings were held virtually.

ICNL and the ICN Network met in April 2022 for a strategic planning workshop to develop a new strategic plan and accompanying milestones for 2022–23.

Since that workshop, ICNL and the ICN Network Executive Directors have met every 30 days to measure success against the new milestones.



## MARKETING AND COMMUNICATIONS.

**The ICNL marketing team works closely with ICN offices to deliver products that support the growth of Australian and New Zealand SMEs.**

During this period, we relaunched our flagship product, ICN Gateway.

The overhaul of the Gateway was informed from user research conducted to capture perceptions and issues directly from the users, as they were set tasks to complete in ICN Gateway. The new prototype was informed by these insights, as well as the ICN Network feedback. The result of the improvements to ICN Gateway was 261% increase in attractiveness, 368% increase in functionality and 238% in efficiency (task completion).

The new ICN Gateway gives our customers an improved service for:

- A clearer dashboard which alerts them to sections of their profile which are incomplete or could be improved.
- Helping them complete these sections with handy tool tips along the way.
- Clearer categorisation of what projects are available and the industry they belong to, making it easier for them to find projects and work packages that are relevant to them.
- A clearer understanding of which EOIs are incomplete.
- Promoting their business more clearly.

Other initiatives for the period included:

### **SOCIAL PROCUREMENT FRAMEWORK**

A milestone was set in the ICN Network Strategic Plan to define the ICN Network offices' social procurement requirements and unify them into an aligned approach with the intention of establishing ICN as a well credentialed social procurement partner for policy delivery and supplier engagement.

Our value proposition is "Providing buyers and suppliers with opportunities to integrate social and sustainable procurement with the business objectives to help build competitive advantage in the marketplace."

ICNL Marketing and the IT team are working to create a portal designed with the following objectives:

- To introduce social value to procurement in Australia – Redefine value for money.
- To showcase social benefit suppliers and social enterprises within the ICN database.
- Increase profile of social and sustainable procurement nationally.
- To illustrate that social and sustainable procurement doesn't have to be costly – in fact, once part of your everyday procurement, it is done.
- To illustrate that social and sustainable procurement doesn't have to be time consuming.

### **NEW MARKETING FRAMEWORK**

ICNL and the ICN Network worked together to create a Marketing Framework in July 2021. This framework is designed to support a consistent and coordinated approach to ICN communications to continue to build (and maintain) ICN as the go-to:

- Procurement partner for all levels of buyers, across all states and territories.
- Network for Australian businesses seeking to build their capability to supply to government and big and medium business, and
- Data source for governments seeking intelligence on local businesses and procurement.



The framework:

- Guides all ICN offices across the ICN Network to engage in clear, coordinated and consistent communications that raise and maintain the ICN brand.
- Supports collaboration across the ICN Network and empowers all offices to communicate successfully.
- Is underpinned by continuously updated state-based communication strategies and plans (bespoke to local needs).

### PROJECT PROPOSAL DOCUMENTATION

ICNL worked with the ICN Network to design and develop a streamlined approach to communications to project owners, including a new project proposal document and associated project documents as well as work templates, outlining products and services.

### ICN GATEWAY BADGING EXERCISE

ICNL has introduced new badging on ICN Gateway to easily identify suppliers as:

- Aboriginal and Torres Strait Islander owned
- Defence Ready Self Assessed (Premium suppliers only)
- Australian Made

### LOGO AND BRANDING EXERCISE

Whilst the ICN brand has a significant internal and identifiable reputation, it became apparent that our products were not positioned and branded in a consistent or cohesive way. ICNL embarked on a branding exercise to address the process around developing naming and positioning products.

The journey consisted of alignment and clarity on the strategy, competition, audience and differentiators to determine a value proposition for the product suite. The outcome set us in good stead and a branded house approach was agreed. A branded house strategy offers benefits to companies that offer multiple services or products under one branded entity.

This will form the basis for new product development as well as resulting in the refinement of some existing product names, for example, ICN Procurement is ICN Procure and ICN Insights is ICN Insight.

Work will commence on rolling out the brand in the 2022–23 financial year.

Other key outcomes for the period include:

- A quarterly newsletter which highlights the work that ICN does to support Australian SMEs.
- An integrated campaign outlining the benefits of ICN's products and services to new and existing customers.
- Further boosting the ICN national profile through social media.

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During this period, we relaunched our flagship product, ICN Gateway. The result of the improvements to ICN Gateway was 261% increase in attractiveness, 368% increase in functionality and 238% in efficiency (task completion).



# CASE STUDY.

## INNOVATIVE SA COMPANY TO REAP REWARDS OF FRIGATE CONTRACT

**The benefits of winning a major defence contract go way beyond monetary value, according to the Chief Operating Officer of an innovative South Australian manufacturing company that is making gasket parts for BAE Systems Australia's Hunter Class Frigate Program.**

Luke Sernecki, of PRP Manufacturing, said the company now not only has a deeper relationship with BAE Systems as a prime but could leverage exposure to other primes and related defence projects.

"We now have an accolade we are very proud of, and it's something we can use as a reference for future work," he said.

PRP has supplied 51 different types of gasket parts, for a total of 2,210, into the Hunter program's prototyping phase, after winning a tender via ICN Gateway.

Through Hunter, BAE Systems' maritime division is designing and building nine of the world's most advanced anti-submarine warfare frigates for the Royal Australian Navy.

At the state-of-the-art Osborne Naval Shipyard, the workforce is making good progress in establishing the productive environment where the Hunter Class frigates will be built.

During the program's prototyping phase, representative ship blocks are being built and the processes, systems, tools, facilities and workforce competencies are being extensively tested and refined, providing a solid operational foundation ahead of ship 01 construction.

The company maintains an active profile on ICN and has alerts set up to be notified of potential work packages. That is how Luke first became aware of the opportunity with BAE Systems.

"We've worked with many Defence-related companies in the past, mostly indirectly on many major projects, but this is the first project we successfully won through the Gateway and the tendering process," Luke said.

"It reflects both the influence of ICN and where we have come as a company. It was a rewarding moment for us and showed what we've done behind the scenes to put us in a position to win a tender like this.

"It can be challenging for a smaller company to get a foot in the door. ICN breaks down barriers and makes it more accessible."

Luke said that working with ICN helped the company understand the accreditation and compliance it needed to work with Defence primes.

"ICN made it black and white—made us sharpen our pencils," he said.

"When it comes to future projects it puts us in a stronger position. This tender has helped us establish and improve processes. We're a lot more productive and efficient, our quality control has evolved and we have advanced in-house software for managing accountability and traceability. We are constantly driving a mindset that fosters learning and improvement and this is reflective in the company's rapid progress.

"This will help us not only with future work in Defence but other industries as well."

“

It can be challenging for a smaller company to get a foot in the door. ICN breaks down barriers and makes it more accessible.

**Luke Sernicki**

Chief Operating Office  
PRP Manufacturing

These are just some of the non-monetary benefits for a smaller manufacturer in winning a Defence contract.

“The contract has helped establish foundations for us to invest in additional machinery. We expect to employ extra staff once we go full steam ahead. The long-term effect is more about strengthening our relationship with BAE Systems and increasing our exposure to future work.”

Outside of checking Gateway, PRP attends networking events where possible, including travelling to Queensland to take part in the Defence SA pavilion at Land Forces 2021. ICN SA was also involved on the same stand.

According to Luke: “It was great because the team was so approachable; they came up and spoke to us. It was good to meet a few more faces and create those networks.”

Land Forces 2021 attracted 12,766 people from industry, government and Defence over three days in the middle of last year. More than 700 companies took part, with participants learning from 26 conferences, symposia and seminars.

It was the first time PRP had exhibited at a Defence event.

According to Luke: “I think there were about 16 companies sharing the Defence SA stand and it was a great little icebreaker. Good for us because we were able to showcase our products with a lot of other SA companies,” Luke said.

Established in 1991, PRP Manufacturing provides advanced flatbed CNC cutting services and attracts diverse industries, including construction, HVAC, rail and the once robust automotive industry.



# TECHNOLOGY SYSTEMS.

Over the years, Australian suppliers and ICN operational offices have come to rely on ICNL's extensive and integrated IT Systems, such as ICN Gateway, ICN Toolbox, ICN Perspective, ICN Insight, ICN web services and the ICN database.

We know Australian SMEs depend on our systems, so we are constantly extending and enhancing them to provide:

A simple, easy-to-use online tool (ICN Gateway) to help suppliers create and edit their company profile, search for project opportunities, set up email notification preferences and submit expressions of interest for opportunities.

- The ability for the public to search for suppliers within regions and by capability.
- The ability to search for work packages on major projects, or smaller regional opportunities in specific local government areas, and to be notified of new opportunities.
- A secure and intuitive data administration tool (ICN Toolbox) that allows our Industry Specialists to easily and effectively manage industry capability data, help project proponents and buyers list new projects, work packages and opportunities, analyse and respond to expressions of interest, liaise with local government authorities more closely, engage with SMEs and produce timely, accurate reporting.

- The ability to interconnect and share industry data with other industry organisations.
- The ability to serve cloud framework and mobile applications.
- The ability to create and manage project prequalification questionnaires.
- Providing market intelligence to help with the development and refinement of contracting and procurement plans, as well as identifying key areas for expansion (ICN Perspective).





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We know Australian SMEs depend on our systems, so we are constantly extending and enhancing them.

## 2021–22 ACHIEVEMENTS

ICNL's IT Team have had a productive and extremely rewarding year:

- ICN Perspective launch.
- ICN Toolbox UX/UI research.
- Expansion of additional data sources to enhance company data.
- SA Defence Website launch.
- Initial integration of Artificial Intelligence/Machine Learning Social Enterprise solution planning. Ongoing improvements to system security, stability and reliability.
- Further leverage of AWS cloud-based technology.
- Ongoing collaboration with Department of Defence to continue helping local companies better promote their capabilities in conjunction with Defence Capability.
- Assisting Melbourne University with data provisioning for the Indigenous Business Sector snapshot 2.0.

## FUTURE DEVELOPMENTS

In 2022–23, our plans include:

- System expansion to capture Social Enterprise data.
- Carbon neutral/net zero solution.
- Indigenous business engagement strategy.
- ICN development framework upgrade.
- ICN Toolbox UI/UX improvement.
- ICN Procure integration.
- Defence DI2 data integration.
- Melbourne University Snapshot 2.0 data feed automation.
- Quad Chart integration with ICN Gateway.
- Expanding ICN Insight business data intelligence offerings.
- Continuing to work with other organisations at a federal, state and local level to develop customised solutions based on their needs (Australian Defence Exports Office, Department of Defence, CDIC, CASG, SA Health, Melbourne University, PWC).
- Improved system automation for ICN Gateway.
- Enhancements to client products.





# STRATEGIC DIRECTION.

ICNL is committed to working on the delivery of programs, maximising the opportunities for Australian companies and creating economic benefit.

ICNL, the ICN Network and some of our strategic partners met in April 2021 to review our current milestones and develop new strategic milestones.

The milestones were underpinned by investments in key areas such as collaboration, partnerships, personnel and systems development, data insights and effective marketing.

## 2021–22 STRATEGIC MILESTONES

Milestone 2022	Strategic investments	Outcomes 2024
Determined marketing ROI and optimised channels	Automation	Trusted national voice for One Network
Scoped and costed new automated version of Gateway and Toolbox.	Data accessibility, trust and insights	The most accessible and trusted single source of data and insights
Created and rolled out protocol for national agreements	Marketing	Collaborative and symbiotic federated Network (ICN and ICNL)
Internally agreed the national agenda	Team structure, culture and skills	Symbiotic relationships
Have stakeholder needs understood	Leading an agreed national agenda	Highly skilled, collaborative entrepreneurial and purpose driven team
Delivered an easy to use data insights tool	Stakeholder research	Financially viable business model to sustain growth
Refreshed product road map	Product strategy	
Defined data management strategy and commenced implementation (include automation)	ICN and ICNL communications and collaboration	
Embedded collaboration tools and processes in broader ICN Network		
Aligned ICNL organisation structure to meet strategy		



ICNL continues to focus on making the necessary investments to enable necessary growth and staying at the forefront of what the market and our stakeholders need. The continued agility displayed over the year in creation of new products including ICN Perspective is testament to our commitment to be focused on delivering value-add products.

Our strategic milestones achieved for the year were as a result of a brilliant team effort displayed by the entire ICNL team. The ICNL Board is committed to ensuring that the strategic plan aligns with current market trends to remain relevant as well as ensuring that our stakeholder needs are met. Together the main focus has been on ensuring that our strategic plan is aligned with medium to long term strategic objectives and outcomes.

Our 2022–23 strategic plan reflects the continuation of the hard work carried out in the 2021–22 year.

It also sets new milestones for the continuing success of ICNL.

# STRATEGIC PARTNERS.

- 4th Harmonic
- 12th Level
- Austmine
- Australian Defence Exports Office
- Office of Defence Industry Support
- Foresight Consulting
- IONYX
- Melbourne University Faculty of Business
- Australian Bureau of Statistics
- Waterfield Consulting
- ReKnow
- Giraffe





## APPENDIX 1

# COMPANY MEMBERSHIP.

**The Members of ICNL (2021–22) are:**

- Department of Industry, Science, Energy and Resources
- Australian Council of Trade Unions
- Industry Capability Network (VIC)
- Industry Capability Network (NSW)
- Department of State Growth (TAS)
- Queensland Manufacturing Institute Ltd (QLD)
- Business Promotions (NT) Pty Ltd
- The Chamber of Commerce and Industry of Western Australia
- Department for Trade and Investment (SA)



## APPENDIX 2

# EMPLOYEE DETAILS.



## APPENDIX 3

# BOARD COMPOSITION.

The Board of Directors consists of seven people elected by the Members.  
The full composition of the Board of Directors at 30 June 2022 was:

**Chair****Mr Derek Lark**

Industry Capability  
Network Limited  
PO Box 6267  
Conder ACT 2906

**Secretary****Mr Warren Jansen**

Chief Executive Officer  
Industry Capability  
Network Limited  
PO Box 130  
Deakin West ACT 2600

**Director****Mr Andrew Dettmer**

National President  
Australian Manufacturing  
Workers Union  
1/251 Queensberry Street  
Carlton South VIC 3053  
(Term ended 31/12/2021)

**Director****Ms Elizabeth Edwards**

Principal  
Williams Winter Solicitors  
Level 7, 555 Lonsdale Street  
Melbourne 3000

**Director****Mr Stuart Kenny**

Managing Director  
Utopia NT Pty Ltd  
2/27 Bishop Street  
Woolner Darwin NT 0820

**Director****Mr Warren Tegg**

National Director of Policy  
Australian Manufacturing  
Workers' Union  
4/133 Paramatta Road  
Granville NSW 2142  
(Term commenced 1/1/2022)

**Director****Dr Tim Turner**

Senior Manager  
Apis, part of Accenture  
PO Box 386  
Civic Square ACT 2608

**Director****Ms Rebecca Woods**

Director  
Strategic Capability Access  
Care Network Australia  
Level 9, 2 Phillip Law Street  
Canberra ACT 2600

## APPENDIX 4

# BOARD COMMITTEES.

## IT GOVERNANCE COMMITTEE

The IT Governance Committee provides strategic guidance for, and oversight of IT activities and operations to ICNL on behalf of the Board.

The full composition of the IT Governance Committee at 30 June 2022 was:

### Chair

**Mr Russel Kenery**

Principal, Kenery & Associates

### Members

- Dr Tim Turner  
Senior Manager, Apis, part of Accenture
- Mr Warren Jansen  
Chief Executive Officer, ICNL
- Michael Swart  
National Strategy Director, ICNL
- Ken McCutcheon  
IT Manager, ICNL
- Mr Kevin Peters  
Chair ICN Executive Directors
- Representatives of Department of Industry, Science, Energy and Resources

## ADVISORY COMMITTEE

The Advisory Committee acts in an advisory capacity to the ICNL Board. Its role is to identify, investigate, discuss and make recommendations to the Board in relation to the strategic direction of current and future services of ICNL.

The full composition of the Advisory Committee at 30 June 2022 was:

### Chair

**Ms Chris Bridges-Taylor**

Chairperson, QMI Solutions

### Members

- Mr Derek Lark, ICNL Board
- Mr Dennis Hendricks, ICN Tas
- Mr Mark Goodsell, ICN NSW
- Mr Chris Rodwell, ICN WA
- Mr Warren Jansen, ICNL
- Mr Stuart Kenny, ICNL Board
- Ms Bettina Venner, ICN SA
- Mr Kevin Peters, ICN NT
- Mr Tim Piper, ICN Vic



## APPENDIX 5

# ICN CONTACT DETAILS.

ICN has offices in most states and territories of Australia. The ICN offices in New South Wales, Northern Territory and Victoria also have branch offices in regional centres.

## ICNL

37 Geills Court, Deakin ACT 2600  
PO Box 130, Deakin West ACT 2600  
P 02 6285 2033  
E [info@icn.org.au](mailto:info@icn.org.au)

## NEW SOUTH WALES

Suite 2 Century Plaza, 80 Berry Street,  
North Sydney NSW 2060  
PO Box 2013, North Sydney NSW 2059  
P 02 9927 3100  
E [info@icnns.org.au](mailto:info@icnns.org.au)

## NORTHERN TERRITORY

101/12 Salonika Street, Parap NT 0820  
GPO Box 1882, Darwin NT 0801  
P 08 8922 9422  
E [info@icnnt.org.au](mailto:info@icnnt.org.au)

## QUEENSLAND

3 Clunies Ross Court, Eight Mile Plains QLD 4113  
PO Box 4037, Eight Mile Plains QLD 4113  
P 07 3364 0670  
E [info@icnqld.org.au](mailto:info@icnqld.org.au)

## SOUTH AUSTRALIA

Level 4, 11 Waymouth Street, Adelaide SA 5000  
GPO Box 320, Adelaide SA 5001  
P 1300 553 309  
E [info@icnsa.org.au](mailto:info@icnsa.org.au)

## TASMANIA

4 Salamanca Place, Hobart TAS 7000  
GPO Box 536, Hobart TAS 7001  
P 1800 440 026  
E [info@icntas.org.au](mailto:info@icntas.org.au)

## VICTORIA

Level 11, 10 Queens Road, Melbourne VIC 3004  
PO Box 7492, Melbourne VIC 3004  
P 03 9864 6700  
E [info@icnvic.org.au](mailto:info@icnvic.org.au)

## WESTERN AUSTRALIA

Level 5, 235 St Georges Terrace, Perth WA 6000  
PO Box 7298, Cloisters Square WA 6850  
P 08 9365 7623  
E [info@icnwa.org.au](mailto:info@icnwa.org.au)



APPENDIX 6

# INDEPENDENT AUDIT REPORT AND DECLARATION.

20 September 2022

The President/Chairperson  
Industry Capability Network  
Po Box 130  
Deakin ACT 2600

Dear Sir / Madam,

**Re: 2022 Audit Management Letter**

We have completed the audit of Industry Capability Network Limited for the year ended 30 June 2022. During the course of our audit work, the following matters came to our attention upon which we would like to comment:

**1) Operating result for the year**

The company achieved an overall operating loss for the year totalling \$122,881 as compared to a total operating surplus for the 2021 year of \$176,567. The current year result represents an overall decrease of \$299,448.

Total income for the year of \$3,646,065 represented 12% increase as compared to FY 2021 total of \$3,261,101.

It should be appreciated that our audit procedures are designed primarily to enable us to form an opinion on the financial statements of the company, and may therefore not bring to light all the errors or weaknesses that may exist in terms of internal controls, procedures and systems. It is the directors' responsibility to maintain an adequate system of internal control as the principle safeguard against irregularities which an audit examination may not disclose.

We would like to thank you and your staff for your assistance and co-operation while conducting our work.

Should you require any further assistance, please do not hesitate to contact our office.

Yours sincerely



Phillip Miller  
Director

## APPENDIX 7

# FINANCIAL STATEMENT.

For the year ended 30 June 2022  
Industry Capability Network Limited  
ABN 85 068 571 513

Directors' Report	26
Consolidated Statement of Profit or Loss	30
Consolidated Statement of Financial Position	31
Consolidated Statement of Changes in Equity	32
Consolidated Statement of Cash Flows	33
Notes to the Consolidated Financial Statements	34
Directors' Declaration	52

## Industry Capability Network Limited

### Directors' report

30 June 2022

Your Directors submit their report for the year ended 30 June 2022.

#### Directors

The names and details of the Company's Directors in office during the financial year and until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated.

Andrew Dettmer	Term ended: 31 December 2021
Derek Lark	
Elizabeth Edwards	
Rebecca Woods	
Stuart Kenny	
Timothy Turner	
Warren Tegg	Term commenced: 1 January 2022

#### Review of operations

The net result after tax of the Group for year ended 30 June 2022 was (\$122,881) [2021: \$176,567].

A review of the operations of the company during the financial year and the results of those operations are as follows:

#### Strategic Objectives

The company's short-term objectives are to:

- Have determined marketing ROI and optimised channels.
- Scoped and costed new automated version of Gateway and Toolbox.
- Created and rolled out protocol for national agreements.
- Internally agreed the national agenda.
- Have stakeholder needs understood.
- Delivered an easy to use data insights tool.
- Refreshed product road map.
- Defined data management strategy and commenced implementation (include automation).
- Embedded collaboration tools and processes in broader ICN Network.
- Aligned ICNL organisation structure to meet strategy.

The company's long-term objectives are to:

- Trusted national voice for One Network.
- The most accessible and trusted single source of data and insights.
- Collaborative and symbiotic federated Network (ICN and ICNL).
- Symbiotic relationships.
- Highly skilled, collaborative entrepreneurial and purpose driven team.



## Industry Capability Network Limited

### Directors' report

30 June 2022

#### Review of operations (continued)

- Financially viable business model to sustain growth.

#### Strategy for achieving the objectives

ICN Limited (ICNL) continues to provide coordination of the network of seven ICN offices across Australia.

The strategy is to continue to build upon the foundations for ICN's overall service offering whilst at the same time enhancing our value proposition through a wider suite of products and services, improved quality and consistency of service delivery and leveraging our key relationships.

To better achieve these objectives, ICN's wholly-owned subsidiary, ICNL Technologies Pty Ltd (ICNLT) has also acquired a 30% share in a joint venture called Optimise Procurement Services Pty Ltd on the 2nd of July 2021. More information on this investment can be found in Note 11 of the Notes to the Financial Statement section of this report.

#### Principal activities

The principal activities during the year of entities within the consolidated group were:

- To maximise Australian and New Zealand industry participation in investment projects and global supply chains. This was achieved through facilitating the use of the Industry Capability Network by procurement agencies and project managers in both the public and private sectors with the objective of giving Australian industry a greater share of domestic and international business opportunities.
- ICNL's operations are part of the Federal Government's Australian Industry Participation (AIP) Policies and Programs. ICNL operational funding is in place until the end of June 2022.

No significant change in the nature of these activities occurred during the financial year.

#### Key performance measures

The amounts contained in the financial report have been rounded to the nearest \$1 (where rounding is applicable) where noted (\$) under the option available to the Company under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. The Company is an entity to which this legislative instrument applies.

#### Events subsequent to the end of the reporting period

There have been no significant events occurring after the balance date which may affect either the Group's operations or results of those operations or the Group's state of affairs.

#### Likely developments and expected results

Likely developments in the operations of the Group and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Group.

#### Environmental regulation and performance

The Group is not subject to any particular or significant environmental regulation under laws of the Commonwealth or of a State or Territory.

## Industry Capability Network Limited

### Directors' report

30 June 2022

#### Information on Directors

<b>Mr Derek Lark</b> <b>Qualifications &amp; Experience</b>	<ul style="list-style-type: none"> <li>- Chair</li> <li>- Master of Business Administration</li> <li>- Bachelor of Engineering (Elec)</li> <li>- Fellow Australian Institute of Company Directors (Order of Merit)</li> <li>- Director, CEO, Company Secretary and senior executive</li> <li>- Past Strategy consultant, Board Member and Finance Committee Member, Cerebral Palsy Education Centre, Melbourne</li> <li>- Chairman, Kinloch Court Owners Corporation</li> <li>- Director, Alembec Pty Ltd - Past Director, Progressing Business Institute Ltd</li> <li>- Non-Executive Director, Give Industries Ltd</li> <li>- Past Director, Progressing Business Institute Ltd</li> </ul>
<b>Ms Elizabeth Edwards</b> <b>Qualifications &amp; Experience</b>	<ul style="list-style-type: none"> <li>- Director</li> <li>- Bachelor of Arts (Psychology) and Bachelor of Law Degree from UTAS</li> <li>- Adv. Dip in International Humanitarian Law from Transatlantic College London</li> <li>- Board Member, ICNL Technologies</li> <li>- Principal / Director of Williams Winter Solicitors since 2010</li> </ul>
<b>Mr Stuart Kenny</b> <b>Qualifications &amp; Experience</b>	<ul style="list-style-type: none"> <li>- Director</li> <li>- Member, Australian Institute of Company Directors</li> <li>- Agriculture, Defence, Manufacturing and Government Relations</li> <li>- Director, Chamber of Commerce NT</li> <li>- Board Member, Manufacturers Council NT</li> <li>- Board Member, ICNL Technologies</li> </ul>
<b>Dr Timothy Turner</b> <b>Qualifications &amp; Experience</b>	<ul style="list-style-type: none"> <li>- Director</li> <li>- GAICD</li> <li>- Fellow, Australian Computer Society, Past Branch Chair</li> <li>- Sole Director, Electric Spells Pty Ltd</li> <li>- Board Member, ICNL Technologies</li> <li>- Company Secretary, Indigenous Reading Project</li> </ul>
<b>Mr Warren Tegg</b> <b>Qualifications &amp; Experience</b>	<ul style="list-style-type: none"> <li>- Director (Term commenced 1 January 2022)</li> <li>- Bachelor of Science, Bachelor of Arts (Hons)</li> <li>- Masters of Public Policy</li> <li>- Councillor, Georges River Council</li> </ul>
<b>Ms Rebecca Woods</b> <b>Qualifications &amp; Experience</b>	<ul style="list-style-type: none"> <li>- Director</li> <li>- Fellow, Australian HR Institute</li> <li>- Member, UNSW Canberra School of Business Advisory Board</li> <li>- Member, Australian Institute of Company Directors</li> <li>- Former State Council member: Australian HR Institute</li> <li>- Master of Management</li> <li>- 25 years in workforce and organisational development, communications and culture</li> </ul>
<b>Mr Andrew Dettmer</b> <b>Qualifications &amp; Experience</b>	<ul style="list-style-type: none"> <li>- Director (Term ended 31 December 2021)</li> <li>- National President, The Australian Manufacturing Workers Union</li> <li>- Previous Board Member, QMI Solutions</li> <li>- Previous Member, ICN Queensland, the Queensland Training and Employment Recognition Council and Construction Skills Queensland</li> <li>- Represents the ACTU on SafeWork Australia</li> <li>- Previous Board Member, Carbon Nexus</li> <li>- Previous Board Member, Australian Workforce and Productivity Agenda</li> <li>- Board Member, The Australian Institute</li> <li>- Chair, APHEDA</li> <li>- Board Member, TAFE Queensland Board</li> </ul>

## Industry Capability Network Limited

### Directors' report

30 June 2022

#### Directors' meetings

During the financial year, four Directors' meetings were held. Attendances by each Director is as follows:

Director	Number eligible to attend	Number attended
Andrew Dettmer	1	1
Derek Lark	4	4
Elizabeth Edwards	4	4
Rebecca Woods	4	3
Stuart Kenny	4	4
Timothy Turner	4	4
Warren Tegg	3	3

#### Indemnification and insurance of Directors and officers

The entity 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 entity, other than conduct involving a wilful breach of duty in relation to the entity.

#### 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 part of those proceedings. The company was not a party to any such proceedings during the year.

The company is incorporated under Corporations Act and is a company limited by guarantee. If the company is wound up the constitution states that each member is required to contribute a maximum of \$50 towards any outstanding liabilities. At 30 June 2022, the total amount that members of the company are liable to contribute if the company is wound up is \$500 (2021: \$450).

#### Auditor independence declaration

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

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

On behalf of the Directors.



Derek Lark  
Chair

20/09/2022

**Industry Capability Network Limited**  
**Consolidated statement of profit or loss**  
**For the year ended 30 June 2022**

		2022	2021
		\$	\$
	Notes		
<b>Revenue</b>	3	3,646,065	3,261,101
<b>Expenses</b>			
Administrative expenses	4	(346,057)	(379,796)
Auditor expense	4	(16,643)	(15,500)
Depreciation expense	4	(84,152)	(80,941)
IT and network costs		(386,147)	(160,629)
Marketing and promotion		(206,604)	(184,260)
Net loss on disposal of assets		(962)	-
Other expenses	4	(628,969)	(571,452)
Rent and utilities	4	(31,198)	(39,183)
Salaries and employee benefits		(1,963,173)	(1,601,238)
Travel costs		(69,743)	(51,535)
<b>(Deficit)/Surplus before income tax expense</b>		(87,583)	176,567
Share of loss of an associate and a joint venture	11	(35,298)	-
Income tax expense		-	-
<b>(Deficit)/Surplus after income tax expense for the year attributable to the members of Industry Capability Network Limited</b>		(122,881)	176,567
Other comprehensive income for the year, net of tax		-	-
<b>Total comprehensive (loss)/income for the year attributable to the members of Industry Capability Network Limited</b>		<u>(122,881)</u>	<u>176,567</u>

*The above consolidated statement of profit or loss should be read in conjunction with the accompanying notes.*



**Industry Capability Network Limited**  
**Consolidated statement of financial position**  
**As at 30 June 2022**

	Notes	2022 \$	2021 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and short-term deposits	5	821,221	1,051,859
Trade receivables	6	167,587	29,149
Financial assets	7	3,501,279	3,499,079
Other current assets	8	13,165	50,726
<b>Total current assets</b>		<u>4,503,252</u>	<u>4,630,813</u>
<b>Non-current assets</b>			
Property, plant and equipment	9	190,591	254,209
Intangible assets	10	3,276	3,276
Investment in associates	11	64,702	-
Loan to associates	12	28,476	-
<b>Total non-current assets</b>		<u>287,045</u>	<u>257,485</u>
<b>Total assets</b>		<u>4,790,297</u>	<u>4,888,298</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	13	834,469	662,561
Contract liabilities	14	1,218,241	1,342,549
Provisions	15	139,680	78,782
<b>Total current liabilities</b>		<u>2,192,390</u>	<u>2,083,892</u>
<b>Non-current Liabilities</b>			
Provisions	16	15,400	19,705
Lease liabilities	17	-	79,313
<b>Total non-current liabilities</b>		<u>15,400</u>	<u>99,018</u>
<b>Total liabilities</b>		<u>2,207,790</u>	<u>2,182,910</u>
<b>Net assets</b>		<u>2,582,507</u>	<u>2,705,388</u>
<b>Equity</b>			
Retained surpluses	18	2,582,507	2,705,388
<b>Total equity</b>		<u>2,582,507</u>	<u>2,705,388</u>

*The above consolidated statement of financial position should be read in conjunction with the accompanying notes.*

**Industry Capability Network Limited**  
**Consolidated statement of changes in equity**  
**For the year ended 30 June 2022**

	Retained earnings	Total
	\$	\$
<b>Balance at 1 July 2020</b>	<b>2,528,821</b>	<b>2,528,821</b>
Surplus after income tax expense for the year	176,567	176,567
Other comprehensive income for the year, net of tax	-	-
<b>Total comprehensive income for the year</b>	<b>176,567</b>	<b>176,567</b>
<b>Balance at 30 June 2021</b>	<b>2,705,388</b>	<b>2,705,388</b>
	Retained earnings	Total
	\$	\$
<b>Balance at 1 July 2021</b>	<b>2,705,388</b>	<b>2,705,388</b>
Deficit after income tax expense for the year	(122,881)	(122,881)
Other comprehensive income for the year, net of tax	-	-
<b>Total comprehensive loss for the year</b>	<b>(122,881)</b>	<b>(122,881)</b>
<b>Balance at 30 June 2022</b>	<b>2,582,507</b>	<b>2,582,507</b>

*The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.*

**Industry Capability Network Limited**  
**Consolidated statement of cash flows**  
**For the year ended 30 June 2022**

		2022	2021
		\$	\$
	<b>Notes</b>		
<b>Cash flows from operating activities</b>			
Receipts from customers		2,467,019	2,642,979
Payments to suppliers		(3,418,100)	(2,833,991)
Interest received		20,631	22,267
Grant received		896,000	860,000
Net cash from/(used in) operating activities	19	(34,450)	691,255
<b>Investing activities</b>			
Purchase of property, plant and equipment		(21,496)	(308,067)
Changes in investment		(81,514)	(220,000)
Investment in associates and joint venture		(64,702)	-
Loan to an associate		(28,476)	-
Net cash used in investing activities		(196,188)	(528,067)
Net cash flows from/(used in) financing activities		-	-
Net (decrease)/increase in cash and cash equivalents		(230,638)	163,188
Cash and cash equivalents at 1 July		1,051,859	888,671
Cash and cash equivalents at 30 June	5	821,221	1,051,859

*The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.*

## Industry Capability Network Limited

### Notes to the consolidated financial statements

30 June 2022

#### Note 1. Significant accounting policies

##### 1.1 Basis of preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

The consolidated financial statements have been prepared on a historical cost basis, except for investment properties, certain office properties (classified as property, plant and equipment), derivative financial instruments, debt and equity financial assets and contingent consideration that have been measured at fair value. The carrying values of recognised assets and liabilities that are designated as hedged items in fair value hedges that would otherwise be carried at amortised cost are adjusted to recognise changes in the fair values attributable to the risks that are being hedged in effective hedge relationships.

The consolidated financial statements are presented in Australian dollars, except when otherwise indicated under the option available to the Company under ASIC Corporations (Rounding in Financial/Directors' reports) Instrument 2016/191. The Company is an entity to which this legislative instrument applies.

The group has prepared the financial statements on the basis that it will continue to operate as a going concern.

The consolidated financial statements provide comparative information in respect of the previous period. In addition, the Group presents an additional consolidated statement of financial position at the beginning of the preceding period when there is a retrospective application of an accounting policy, a retrospective restatement, or a reclassification of items in financial statements. An additional consolidated statement of financial position as at 1 July 2020 is presented in these consolidated financial statements due to the retrospective correction of an error.

#### **Compliance with Australian Accounting Standards (AASB)**

The financial report also complies with Australian Accounting Standards (AASB) as issued by the International Accounting Standards Board.

##### 1.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 30 June 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee;
- The ability to use its power over the investee to affect its returns.

The Group's voting rights and potential voting rights:

- The contractual arrangement(s) with the other vote holders of the investee;
- Rights arising from other contractual arrangements;
- The Group's voting rights and potential voting rights.



## Industry Capability Network Limited

### Notes to the consolidated financial statements

#### 30 June 2022

#### **Note 1. Significant accounting policies (continued)**

##### **1.2 Basis of consolidation (continued)**

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

##### **1.3 Summary of significant accounting policies**

##### **Revenue recognition**

The company recognises revenue as follows:

###### *Revenue from contracts with customers*

Revenue is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

###### *Sales revenue*

Events, fundraising and raffles are recognised when received or receivable.

###### *Donations*

Donations are recognised at the time the pledge is made.

## Industry Capability Network Limited

### Notes to the consolidated financial statements

#### 30 June 2022

#### **Note 1. Significant accounting policies (continued)**

##### *Grants*

Grant revenue is recognised in profit or loss when the company satisfies the performance obligations stated within the funding agreements.

If conditions are attached to the grant which must be satisfied before the company is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a liability until those conditions are satisfied.

##### *Interest*

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

##### *Other revenue*

Other revenue is recognised when it is received or when the right to receive payment is established.

##### *Volunteer services*

The company has elected not to recognise volunteer services as either revenue or other form of contribution received. As such, any related consumption or capitalisation of such resources received is also not recognised.

#### **Income tax**

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

#### **Goods and Services Tax ('GST') and other similar taxes**

Revenues, expenses and assets are recognised net of the amount of GST, except:

- When the GST incurred on a sale or purchase of assets or services is not payable to or recoverable from the taxation authority, in which case the GST is recognised as part of the revenue or the expense item or as part of the cost of acquisition of the asset, as applicable;
- When receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

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

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

#### **c) Current versus non-current classification**

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading.



## Industry Capability Network Limited

### Notes to the consolidated financial statements

#### 30 June 2022

#### Note 1. Significant accounting policies (continued)

- Expected to be realised within twelve months after the reporting period;
- Or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period;

Or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments does not affect its classification.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

#### d) Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

#### e) Trade and other receivables

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

#### f) Contract assets

Contract assets are recognised when the company has transferred goods or services to the customer but where the company is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

#### g) Property, plant and equipment

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

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

Furniture and fittings	5-20 years
Leasehold improvements	40 years
Motor vehicles	8 years
Plant and equipment	2-20 years
Software development	5 years

## Industry Capability Network Limited

### Notes to the consolidated financial statements

#### 30 June 2022

#### Note 1. Significant accounting policies (continued)

The Group reviews the estimated residual values and expected useful lives of assets at least annually.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

#### h) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

#### *Goodwill*

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

#### *Research and development*

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale.



## Industry Capability Network Limited

### Notes to the consolidated financial statements

#### 30 June 2022

#### Note 1. Significant accounting policies (continued)

- Its intention to complete and its ability and intention to use or sell the asset;
- How the asset will generate future economic benefits;
- The availability of resources to complete the asset;
- The ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation is recorded in cost of sales. During the period of development, the asset is tested for impairment annually.

#### *Patents and trademarks*

Significant costs associated with patents and trademarks are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 10 years.

#### *Customer contracts*

Customer contracts acquired in a business combination are amortised on a straight-line basis over the period of their expected benefit, being their finite life of five years.

#### *Software*

Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of five years.

#### *Other long-term employee benefits*

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

#### *Defined contribution superannuation expense*

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

#### **i) Fair value measurement**

The Group measures financial instruments such as derivatives, and non-financial assets such as investment properties, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability;
- Or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

## Industry Capability Network Limited

### Notes to the consolidated financial statements

30 June 2022

#### Note 1. Significant accounting policies (continued)

##### j) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

##### *Group as a lessee*

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

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

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- |                       |               |
|-----------------------|---------------|
| • Plant and equipment | 2 to 20 years |
| • Motor vehicles      | 8 years       |

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (s) Impairment of non-financial assets.

##### *(ii) Lease liabilities*

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in Interest-bearing loans and borrowings.



## Industry Capability Network Limited

### Notes to the consolidated financial statements

30 June 2022

#### Note 1. Significant accounting policies (continued)

##### *(iii) Short-term leases and leases of low-value assets*

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

##### *Group as a lessor*

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

#### **k) Investment in associates and joint ventures**

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group's investment in its associate and joint venture are accounted for using the equity method.

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

The consolidated statement of profit or loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

**Industry Capability Network Limited****Notes to the consolidated financial statements****30 June 2022****Note 1. Significant accounting policies (continued)**

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss within 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.



## Industry Capability Network Limited

### Notes to the consolidated financial statements

30 June 2022

#### **Note 2. Significant accounting judgements, estimates and assumptions**

##### *Coronavirus (COVID-19) pandemic*

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the company operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

##### *Estimation of useful lives of assets*

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down. Impairment of non-financial assets other than goodwill and other indefinite life intangible assets The company assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

##### *Employee benefits provision*

As discussed in Note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

**Industry Capability Network Limited**  
**Notes to the consolidated financial statements**  
**30 June 2022**

	2022 \$	2021 \$
<b>Note 3. Revenue</b>		
<i>Revenue from contracts with customers</i>		
Grant income	896,000	860,000
	<u>896,000</u>	<u>860,000</u>
<i>Other revenue</i>		
Cost recoveries	51,500	28,826
Interest received	14,980	27,444
Jurisdictional payments	179,721	178,000
Other revenue	2,041,057	1,960,609
Project revenue	462,807	206,222
	<u>3,646,065</u>	<u>3,261,101</u>
Revenue		
<i>Disaggregation of revenue</i>		
The disaggregation of revenue from contracts with customers is as follows:		
<i>Geographical regions</i>		
Australia	<u>896,000</u>	<u>860,000</u>
<b>Note 4. Expenses</b>		
Surplus before income tax includes the following specific expenses:		
Auditor remuneration	<u>16,643</u>	<u>15,500</u>
Depreciation and amortisation	<u>84,152</u>	<u>80,941</u>
<b>Note 4a. Lease interest expense</b>		
Lease interest expense	5,957	9,459
Other expense	25,241	29,724
Total rent and utilities	<u>31,198</u>	<u>39,183</u>
<b>Note 4b. Property, plant and equipment expense</b>		
Property, plant and equipment	-	3,159
Other	346,057	376,637
Total administration expense	<u>346,057</u>	<u>379,796</u>
Property, plant and equipment	-	33,985
Other	628,969	537,467
Total other expense	<u>628,969</u>	<u>571,452</u>

**Industry Capability Network Limited**  
**Notes to the consolidated financial statements**  
**30 June 2022**

	2022 \$	2021 \$
<b>Note 5. Current assets - cash and cash equivalents</b>		
Combined cheque account	608,892	839,277
Combined online account	212,684	212,763
Consolidated credit card	(355)	(181)
	<u>821,221</u>	<u>1,051,859</u>
<b>Note 6. Current assets - trade and other receivables</b>		
Accrued interest	2,598	8,249
Accrued income	330	-
Trade receivables	164,659	20,900
	<u>167,587</u>	<u>29,149</u>
<b>Note 7. Current assets - contract assets</b>		
Held-to-maturity investments	<u>3,501,279</u>	<u>3,499,079</u>
<b>Note 8. Current assets - other</b>		
Prepayments	<u>13,165</u>	<u>50,726</u>
	<u>13,165</u>	<u>50,726</u>
<b>Note 9. Non-current assets - Property, plant and equipment</b>		
Leasehold improvements	96,534	96,534
Less: Accumulated depreciation	(8,755)	(6,342)
	<u>87,779</u>	<u>90,192</u>
Office equipment	58,177	55,210
Less: Accumulated depreciation	(52,971)	(52,772)
	<u>5,206</u>	<u>2,438</u>
Plant and equipment	104,787	87,530
Less: Accumulated depreciation	(80,264)	(72,481)
	<u>24,523</u>	<u>15,049</u>
Right of use asset	219,251	219,795
Less: Accumulated depreciation	(146,168)	(73,265)
	<u>73,083</u>	<u>146,530</u>
Software	11,007	11,007
Less: Accumulated depreciation	(11,007)	(11,007)
	<u>-</u>	<u>-</u>
	<u>190,591</u>	<u>254,209</u>

# Industry Capability Network Limited

## Notes to the consolidated financial statements

30 June 2022

### Note 9. Non-current assets - Property, plant and equipment (continued)

#### Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Land and buildings \$	Office equipment \$	Plant and equipment \$	Right of use asset \$	Software \$	Total \$
Balance at 1 July 2021	90,192	2,438	15,049	146,530	-	254,209
Additions	-	2,966	18,893	-	-	21,859
Disposals	-	-	(962)	-	-	(962)
Depreciation expense	(2,413)	(198)	(8,457)	(73,084)	-	(84,152)
Revaluation adjustment	-	-	-	(363)	-	(363)
<b>Balance at 30 June 2022</b>	<b>87,779</b>	<b>5,206</b>	<b>24,523</b>	<b>73,083</b>	<b>-</b>	<b>190,591</b>



**Industry Capability Network Limited**  
**Notes to the consolidated financial statements**  
**30 June 2022**

	2022 \$	2021 \$
<b>Note 10. Non-current assets - intangibles</b>		
Patents and trademarks - at cost	3,276	3,276
Less: Accumulated amortisation	-	-
	<u>3,276</u>	<u>3,276</u>

**Note 11. Non-current assets - investment in an associate**

ICNLT has a 30% interest in Optimise Procurement Services Pty Ltd.

Optimise Procurement Services Pty Ltd was incorporated on the 23rd of June 2021.

The main social purpose of the Optimise Procurement Services Pty Ltd's incorporation is to maximise local industry participation in economic development by connecting local suppliers with the opportunity to supply goods and services, creating procurement (supply) efficiencies, facilitating chain partners to participate in all aspects of an investment project and developing sustainability in local communities and local industry.

ICNLT has subscribed for shares in Optimise Procurement Services Pty Ltd as it believed that the amalgamation of different in-kind contributions provided by the shareholders of Optimise Procurement Services would allow Optimise Procurement Services to better achieve its social purpose while returning a good profit.

Although Optimise Procurement Services Pty Ltd has achieved a loss in the 2022 financial year, ICNLT still believes that the product offered by Optimise Procurement Services Pty Ltd remains distinct enough to warrant continued investment in the company.

ICNLT's interest in Optimise Procurement Services Pty Ltd is accounted for using the equity method in the consolidated financial statements. The following table illustrates the summarised financial information of the Group's investment in Optimise Procurement Services Pty Ltd.

The associate had no contingent liabilities or capital commitments as at 30 June 2022.

Current assets	261,483	-
Non-current assets	17,068	-
Current liabilities	(295,511)	-
<b>Equity</b>	<u>(16,960)</u>	<u>-</u>
Group's share in equity - 30%	(5,088)	-
Goodwill	69,790	-
<b>Group's carrying amount of the investment</b>	<u>64,702</u>	<u>-</u>
Revenue	503,250	-
Expenses	(620,910)	-
Profit before tax	<u>(117,660)</u>	<u>-</u>
<b>Total comprehensive (loss)/income for the year (continuing operations)</b>	<u>(117,660)</u>	<u>-</u>
<b>Group's share of (loss)/profit for the year</b>	<u>(35,298)</u>	<u>-</u>

**Industry Capability Network Limited**  
**Notes to the consolidated financial statements**  
**30 June 2022**

	2022 \$	2021 \$
<b>Note 12. Non-current assets - loan to associates</b>		
Loan to Optimise Procurement Services Pty Ltd	28,476	-
<b>Note 13. Current liabilities - trade and other payables</b>		
Accrued costs	553,705	438,158
Fringe benefit payable / (refundable)	1,969	(14,168)
Provision for GST	62,288	76,711
Trade payables	150,320	106,242
Withholding taxes payable	57,764	55,618
Payroll tax	8,423	-
	<u>834,469</u>	<u>662,561</u>
<b>Note 14. Current liabilities - contract liabilities</b>		
Advance subscription liability	1,138,928	944,157
Income in advance	-	325,250
Lease liability	79,313	73,142
	<u>1,218,241</u>	<u>1,342,549</u>
<b>Note 15. Current liabilities - employee benefits</b>		
Annual leave	137,931	78,782
Long service leave	1,749	-
	<u>139,680</u>	<u>78,782</u>
<b>Note 16. Non-current liabilities - employee benefits</b>		
Long service leave	<u>15,400</u>	<u>19,705</u>

## Industry Capability Network Limited

### Notes to the consolidated financial statements

30 June 2022

#### Note 17. Lease liabilities

##### Leases

The company currently holds a lease for part of a building for the offices occupied by ICNL. This lease is reflected on the balance sheet as a right-of-use asset and a lease liability. The company classified its right-of-use asset in a consistent manner to its property, plant and equipment.

The following information describes the nature of the Company's leasing activities by the type of right-of-use asset recognised in the statement of financial position.

Right-of-use asset	Leasehold land
Lease period	3 years
Remaining period of lease	1 year
Extension Option	Nil

The right-of-use asset is included in the same line item as where the corresponding underlying assets would be presented if they were owned.

	Current \$	Total \$
Total lease commitments	85,270	85,270
Future interest charges	(5,957)	(5,957)
Total	<u>79,313</u>	<u>79,313</u>

There are no lease liabilities and amounts in respect of possible future lease termination options not recognised as liability.

**Industry Capability Network Limited**  
**Notes to the consolidated financial statements**  
**30 June 2022**

	2022 \$	2021 \$
<b>Note 18. Equity - retained surplus</b>		
Retained surpluses at the beginning of the financial year	2,705,388	2,528,821
Surplus/(Deficit) after income tax expense for the year	<u>(122,881)</u>	<u>176,567</u>
<b>Retained surpluses at the end of the financial year</b>	<b><u>2,582,507</u></b>	<b><u>2,705,388</u></b>
<b>Note 19. Reconciliation of profit after income tax to net cash from operating activities</b>		
Profit before tax from continuing operations	(122,881)	176,567
Adjustments for:		
Depreciation and amortisation	84,152	80,941
Loss / Gain on disposal of property, plant and equipment	962	-
Change in assets and liabilities		
Decrease/(increase) in trade and other receivables	(138,438)	(8,383)
Decrease/(increase) in prepayments	37,561	(32,418)
Increase/(decrease) in trade and other payables	171,908	95,353
Increase/(decrease) in contract liabilities	(124,308)	345,670
Increase/(decrease) in other provisions	56,594	(45,788)
Increase/(decrease) in lease liabilities	<u>-</u>	<u>79,313</u>
<b>Net cash (used in)/from operating activities</b>	<b><u>(34,450)</u></b>	<b><u>691,255</u></b>

**Note 20. Compensation of key management personnel of the Group**

*Compensation*

The aggregate compensation made to Directors and other members of key management personnel of the company is set out below:

Aggregate compensation	<u>452,046</u>	<u>543,996</u>
------------------------	----------------	----------------

**Note 21. Contingent liabilities**

The company had no commitments for expenditure as at 30 June 2022 and 30 June 2021.

**Note 22. Commitments and contingencies**

The company had no contingent liabilities as at 30 June 2022 and 30 June 2021.



## Industry Capability Network Limited

### Notes to the consolidated financial statements

30 June 2022

#### **Note 23. Related party transactions disclosure**

##### *Key management personnel*

Warren Jansen, the Secretary for ICNL, is also a Secretary of ICNL Technologies Pty Ltd and a Director of Optimise Procurement Services Pty Ltd.

Disclosures relating to remuneration of key management personnel are set out in note 20.

##### *Transactions with related parties*

There were no transactions with related parties during the current and previous financial year.

##### *Receivables from and payables to related parties*

There were no trade receivables from or trade payables to related parties at the current and previous reporting period.

##### *Loans to/from related parties*

There were no loans to or from related parties at the current and previous reporting date.

#### **Note 24. Events after the reporting period**

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been financially positive for the company up to 30 June 2022, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

## Industry Capability Network Limited

### Directors' declaration

In accordance with a resolution of the Directors of Industry Capability Network Limited, I state that:

1. In the opinion of the Directors:
  - (a) the financial statements and notes of Industry Capability Network Limited for the financial year ended 30 June 2022 are in accordance with the *Corporations Act 2001*, including:
    - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2022 and of its performance for the year ended on that date; and
    - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*;
    - (iii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*;
    - (iv) complying with Victorian legislation the Fundraising Act 1998 and associated regulations;
  - (b) the financial statements and notes also comply with Australian Accounting Standards as disclosed in Note 1.1; and
  - (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. This declaration has been made after receiving the declarations required to be made to the Directors by the chief executive officer and chief financial officer in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2022.

On behalf of the Board



Derek Lark

20/09/2022



The cover of this annual report is made from elemental chlorine free bleached pulp and the paper used is sourced from well-managed forests and controlled sources. It is manufactured by an ISO 14001 certified mill.







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