ANNUAL

REPORT 2022–23

ICN NATIONAL OFFICE

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CONTENTS.

CHAIRMAN'S REVIEW.

During 2022-23, ICN Limited (ICNL or the ICN National Office) continued to enjoy steady growth that proves with hard work and solid industry knowledge, our Network can future-proof Australian and New Zealand businesses, despite economic downturns.

I am pleased to report that we made significant progress against our Strategic Milestones, building on nearly 40 years of industry experience.

We are particularly proud to welcome the ACT back into the fold, with Ms Louise Wakefield at the helm. This means we now have a presence in every state and territory. In March, CEO Warren Jansen and myself also met with the NZ High Commissioner, to discuss re-establishing an ICN presence in NZ. These efforts will continue in 2023-24.

We invested in people, systems and resources to improve user experience and deliver on our promises to members and local industry. We enhanced IT capabilities through growing the team and aligning with companies that give our Network and our subscribers access to world-class data and information systems, including the improved Gateway platform. This work has come at a significant financial cost to us, but we regard this cost as an essential investment in the future.

This expansion of our Network, our people and our resources allowed us to add value to our stakeholders and benefit small and medium businesses.

Much of the year was spent focusing on the Albanese Government's industry priorities, including bolstering Australia's sovereign capabilities, particularly with Defence. Our efforts culminated in a very successful Defence Day event.

The security of our data and information is, and always will be, our highest priority. We hold details of more than 80,000 Australian and New Zealand business and they trust us to ensure those details are secure. While budget constraints meant we were not able to fund the full IT Security Maintenance Project until next financial year, our focus on security has not wavered.

Under the stewardship of Russel Kenery, the IT Advisory Committee has effectively monitored the large and complex array of IT activities as we strengthen our databases and IT infrastructure against cyber security breaches.

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.

Meanwhile, the ICN brand, and the brand of our Network, is gaining momentum thanks to the efforts of our marketing and communications team, and our new national marketing working group, in developing and implementing our Marketing Amplification Strategy.

This report outlines more information on our strategic outcomes, national projects and highlights of the 2022-23 financial year.

I would like to thank Chris Bridges-Taylor for her stewardship of our member's Advisory Committee. This year I met one on one with Chris and each Member to learn directly those issues that were affecting them, how the ICN National Office 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 essential when undertaking the strategic workshop in May. 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'm grateful for the support of my fellow Directors. Their input and guidance on governance matters has been invaluable. This year, we bid farewell to long-time Board member Stuart Kenny who has been a staunch supporter of ICN for 7 years. We wish him well in his future endeavours. In his place, we welcomed Chris Bridges-Taylor, who brings a wealth of experience to our Board, including time as Chair of our Member's Advisory Committee as well as running a very successful manufacturing business.

With the March 2022 election bringing a new Government, this was the first full year in which we worked with our new Ministers, the Hon. Madeleine King MP, Minister for Resources, and the Hon. Ed Husic MP, Minister for Science and Technology. We thank them both for the continued support and the trust they place in our Network.

I would also like to thank Donna Looney and her team from the Department of Industry, Science and Resources. The Department's advice, guidance and support of ICNL is always appreciated.

To Warren Jansen and his entire team at the ICN National Office, your commitment to, and passion for, Australian industry is unparalleled. Once more, I stand in awe at how much you can achieve in the face of ongoing challenges. It's only with your grit and determination that ICN continues to thrive for the benefit of small and medium enterprises. I thank you all.

I look forward to working with the Board, the Ministers, the Department, the ICN Offices and the ICNL team as we strive to boost economic activity and employment opportunities for local industry.

Derek Lark
Chair ICNL

2022-23
HIGHLIGHTS.

$2.8B+
CONTRACTS AWARDED TO AUSTRALIAN COMPANIES

173
NEW PROJECTS LISTED

6,884
CONTRACTS WON

$220B+
VALUE OF NEW PROJECTS

4,168
NEW COMPANIES
REGISTERED ON ICN GATEWAY

3,913
WORK PACKAGES **LISTED ONLINE**

CHIEF EXECUTIVE OFFICER'S REPORT.

2022-23 was an opportunity for the ICN National Office to cement ICN's end-to-end product offering in the market. The investments made in previous years to develop, test and implement a wholistic national offering started to bear fruit during the year. These were costly but strategically important investments that speak to ICN's reason for being: to facilitate opportunities for local businesses.

It was a challenging year. But this was a common theme for most businesses grappling with the aftermath of the pandemic, inflationary pressures, geo-political tensions and the impact of supply chain disruptions. As with previous years however, it was yet another opportunity for us to identify how our services could not just help local businesses, but most importantly, create value for them.

The range of key priorities announced by the incoming Labor Government helped shape the strategic goals for the year, with our focus fixed on ensuring the full, fair and reasonable participation of Australian industry. This was the very reason why the ICN National Office was set up in 1995 and has continued to thrive.

Armed with a robust product portfolio comprising of our flagship Gateway platform, complemented by Procure, Insight and Perspective, we worked tirelessly to collaborate and improve our strategic alliances with our colleagues across the nation, who work at the coalface to identify local capability, essential for economic growth.

Our key driver was leadership. Despite funding uncertainties and challenges and risks commonly experienced within a federated structure, the ICN National Office prioritised leadership over uncertainty, to fulfill ICN's responsibility to foster an environment where Australian and New Zealand suppliers get a look-in, rather than work being offshored in favour of their international counterparts.

A big win during the year was re-establishing our original footprint across the country with the re-introduction of the ICN ACT office. This marked a significant milestone for ICN, as it reinforced our commitment to respond to the different needs of each jurisdiction, whilst maintaining a strong national presence.

We worked hard to demonstrate to our key stakeholders, including the government and the private sector, that each ICN touchpoint contributed to nearly $3B worth of wins for local businesses, facilitated through projects listed on Gateway. But it wasn't just wins. Our first national event; Defence Day by ICN, attracted over 300 small businesses, who had an opportunity to speak firsthand to government representatives and major primes. The feedback received from event participants highlighted the need for us to keep providing businesses with suitable platforms for their voice to be heard.

Defence Day by ICN, attracted over 300 small businesses, who had an opportunity to speak firsthand to government representatives and major primes.

We also focused on strategic partnerships, which helped create value for businesses. Our Carbon Neutral Strategy became a reality through our alliance with ClimateClever, an entity that assists businesses map their carbon footprint and implement an action plan to achieve a greener economy. Our focus on strengthening ties with Indigenous businesses also increased, with several new Aboriginal owned companies registering on Gateway, thanks to the leadership shown by the ICNs across the country.

The biggest investment made during the year was in people. Our culturally diverse team understand our mission and responsibility, as evidenced by the success of Perspective; a digital sector mapping tool powered by machine learning, built by skilled IT professionals. Their knowledge and commitment helped the ICN National Office implement a future-focused IT Platform Strategy, which will power the next generation of ICN's IT systems.

Our people also helped implement the IT Security Maintenance Project, designed to elevate ICN's national IT security posture, enabling a safe environment for end-user interaction. We also coordinated the implementation of a national data verification strategy, focused on verifying supplier information, essential to ICN's core identity of being a single source of truth for local capability. The national marketing team amplified the brand by repositioning ICN's visual identity, making it easily identifiable to those eager to find out how ICN's products and services can help them win work.

These efforts helped us achieve another goal during the year, prioritising strong ties with government. Our relationship with the Department of Industry, Science and Resources (DISR) and Department of Defence is stronger than ever, as evidenced by ICN's contribution to the conversation on robotics, supply chain resilience, modern manufacturing and the national agenda on renewable energy.

The leadership required for our achievements during year, came from the top. The ICN National Office Board of directors led by Chair Derek Lark, encouraged a culture of innovation, trust and courage to be bold. Our primary funder, DISR, continued to be a source of strength, funding and supporting initiatives that help local industry thrive. DISR representatives Donna Looney, John Krbaleski and Craig Daly played a key role in our achievements, and for that, I am grateful.

My ICN colleagues across the country are critical partners in our success. Their efforts to facilitate opportunities and highlight local capability, silently powers the economy; a responsibility they take seriously and execute passionately. Without the network of ICNs, our collective efforts will be futile.

My team has been my inspiration throughout the year. Their dedication and commitment to ensure the ICN National Office is a leader in a competitive market, helped us get to where we are.

In 2024, ICN turns 40. That's a milestone worth celebrating as we pay tribute to those who laid ICN's strong foundation and those who continue to build on it. The ICN National Office is steadily progressing its goals for 2023-24, so that our work for local businesses can continue for another 40 years.

Warren Jansen
CEO ICNL

FUNCTION AND **FOCUS.**

The primary functions of the ICN National Office are to:

- Provide a coordination role for ICN 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 IT, data and communications systems used by the ICN Offices, including Toolbox by ICN and Gateway by ICN.
- Assist the ICN Offices to establish links with global supply chain managers to help Australian and New Zealand SMEs gain access to major projects.
- Coordinate the delivery of national strategic milestones, derived from a process where ICN Offices contribute towards setting goals, including identifying overseers and contributors of these goals, and coordinating ongoing monthly sprints to successfully achieve outcomes.
- Develop and manage strategic partnerships that add value to ICN offerings.
- Develop nationally focused marketing strategies 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 Government Departments, and coordinate the management of these stakeholders.
- Undertake market research on behalf of the ICN Offices and the Australian Government.
- Coordinate activities of the ICN Offices to help companies identify Australian suppliers when applying for Tariff Concessions.
- Manage national projects where a prime is wanting to engage with the ICN National Office as the centralised entity that coordinates activities with the ICN Offices supporting their projects.
- Review, develop and manage the national roadmap of value-added products and services led by the ICN National Office for all stakeholders.

VALUE
DELIVERY.

CUSTOMER

- Quarterly newsletters.
- National presence at industry events.
- Industry briefings and roadshows.
- Strong social media presence.
- Enhanced service offerings.
- New visual identity.

TECHNOLOGY

- Enhancements to core systems including Gateway, Insight and Perspective.
- Quad Chart offering in partnership with reKnow.
- Focus on IT security, system stability and reliability.
- Developed and implemented National Data Verification strategy.
- Introduced multi-factor authentication.
- Strengthened IT team.

ICN GATEWAY

- 173 new projects listed.
- 52,990 registrations of interest from local businesses.
- Over $220B+ new projects on offer.
- 2.8B+ contracts won.

FINANCIAL

- Re-invest commercial income.

STRATEGIC DIRECTION

- Leading the ICN Offices in monitoring the environment and setting a clear strategic direction and value proposition.
- Ensuring ICN products and services are aligned to market needs and best practice.
- Identifying and creating strategic partnerships to enhance service offerings.
- Creating a cohesive approach to achieving strategic goals and objectives.
- Ensuring ICN remains agile and responsive to market changes.

> “In 2022-23 there were 52,990 registrations of interest from local businesses on ICN Gateway.

> **ICN's Executive Directors met on 23 March 2023 to review the accomplishments of the previous strategic plan and develop strategic goals for 2023-24.**

NATIONAL SUPPORT.

The ICN National Office coordinates eight ICN Offices across Australia by:

- Promoting local businesses through a trusted network.
- Facilitating the collection and publication of relevant statistics, trends and data analytics based on ICN insights.
- Undertaking promotional work on behalf of participating ICN Offices on Australian industry and related opportunities.
- Fostering an open and collaborative exchange of information between ICN Offices.
- Enhancing the ICN database on industry capability, by leveraging external data sources.
- Encouraging best practice operations across ICN Offices.
- Encouraging the adoption of a unified approach to products and service delivery, to ensure national consistency.
- Coordinating and acting as secretariat for meetings of national significance.
- Making submissions on matters of national interest as agreed by the ICN Offices.
- Representing the collective interests of ICN Offices at national forums.

ICN's Executive Directors met on four occasions during 2022–23; in Canberra, Adelaide, Sydney and Perth respectively.

The ICN National Office represented the ICN Offices when dealing with:

- Department of Defence
- Department of Industry, Science and Resources
- Department of Finance.

ICN STRATEGIC PLAN

ICN's Executive Directors met on 23 March 2023 in Sydney to review the accomplishments of the previous strategic plan and develop strategic goals for 2023-24.

To ensure the successful implementation of current strategic goals, ICN representatives meet every 30 days to measure progress and outcomes.

MARKETING AND
COMMUNICATIONS.

The ICN National Office marketing and communications team worked closely with the ICN Offices to promote the value the organisation delivers for Australian and New Zealand SMEs.

While our campaigns, events and social media presence has once again played a key part in promoting ICN, during the year we focused on initiatives that ensured the strategy behind our marketing efforts was sound.

MARKETING AMPLIFICATION STRATEGY

A 2022 review of our marketing and communications tools, processes and outcomes revealed a gap in our brand promise - we were assuming that our users saw and experienced the same value we promised them. This is compounded by the fact that we were measuring and reporting primarily on activity and vanity metrics such as open rates, click-through rates, likes and shares.

With that in mind, we developed the national Marketing Amplification Strategy, which aligns what we say and do, with what our customers, markets and other stakeholders experience.

The strategy ensures that every marketing communication activity will make it easier for potential and existing users, to experience the value we promise them at each stage of their journey with us.

This means we will move on from telling our audience about our products and services to showing them how ICN creates value.

NATIONAL MARKETING WORKING GROUP

In 2022-23, the National Marketing Working Group was created to:

- Identify opportunities for collaboration between ICN Offices to support the development of national and state based marketing activities.
- Share progress on marketing activities.
- Identify opportunities for collaboration on social media.

Members of the working group meet monthly to discuss the marketing and communications activities across all ICN Offices. They also work together to ensure consistent communications to the national supplier and stakeholder database.

VISUAL IDENTITY

One of the first roles on the new National Marketing and Communication Working Group was introducing a phased rollout of a new visual identity, including a new corporate website, launched in March 2023. The refreshed website not only incorporates a new visual identity, but is also focused on security through multi-factor authentication for ICN website administrators and contributors.

A major project in the 2023-24 financial year, will be the development of the new Gateway by ICN website.

DEFENCE DAY BY ICN

The ICN National Office facilitated its first ever national virtual event, Defence Day by ICN in June 2023, attracting an impressive attendance of over 350 people who participated in briefings from major players in the Defence Industry, tender writing experts BidWrite, the Department of Defence and representatives from ICN.

The event provided valuable insights into current and future opportunities in the Defence sector and facilitated direct engagement with industry experts during interactive Q&A sessions.

CAMPAIGNS

Quad Charts

A key initiative in 2022-23 was the introduction of automated Quad Charts for our Premium and Be Compelling subscribers. Quad Charts are used heavily throughout the Defence Industry and are an important marketing tool for suppliers looking to win contracts in the sector. The ICN National Office partnered with reKnow, an Artificial Intelligence (AI) company, that helped develop an application for ICN subscribers to use information from their Gateway profiles to populate a Quad Chart.

The new feature was rolled out in September 2022 with around 200 companies having taken advantage of the new feature, populating multiple Quad Charts for their businesses.

NAIDOC Week

The NAIDOC Week campaign ran from 3 to 10, July 2022, showcasing Aboriginal and Torres Strait Islander companies via our social media channels to demonstrate ICN's support for Indigenous businesses.

> We will move on from telling our audience about our products and services to showing them how ICN provides value.

EVENTS

The marketing and communications team worked closely with the ICN Offices to ensure a national presence at major events.

Our stand at the LandForces 2022 event, held in Brisbane from 4 to 7, October 2022, gave ICN representatives the opportunity to interact with a significant number of buyers and suppliers in the Defence sector. To capture key moments from the event we obtained a testimonial from Robert Inches from PFG, a Tasmanian company who joined ICN Gateway as a supplier, and now uses Gateway for their project promotion.

ICN also attended a number of other conferences and events during the reporting year, including:

- The Avalon Air Show, our first opportunity to present ICN's new visual identify at a national event.
- Australian Oil, Gas & Energy event.
- Australian Manufacturing Week.

SOCIAL MEDIA STRATEGY

The ICN National Office led the way to actively boost ICN's profile on social media. We hired a professional digital agency to:

- Increase brand awareness, with a focus on promoting ICN's value
- Engage stakeholders in new ways, and grow and strengthen ICN's social community
- Increase followers and grow engagement rates
- Drive traffic to ICN Gateway.

Strategies included:

- Posts in a variety of formats
- Personable content to deliver a human touch
- Increasing the frequency of video posts.

During the reporting year, this effort saw our audience size across LinkedIn increase by 29.75% across our ICN National Office and ICN office pages.

Our social media strategy, particularly LinkedIn, was responsible for a marked increase in website traffic, with people staying on the site to learn more about ICN.

CASE
STUDY.

LOCAL STEEL BUSINESS SHAPING MELBOURNE'S TRANSPORT FUTURE

For over more than 30 years, the Stilcon Group has played a leading role in shaping Melbourne's built environment – from the Westgate Bridge to Deakin University, Chadstone Shopping Centre, multiple level crossing removal projects and so much more.

And now the family-owned business is playing a pivotal role in the $11 billion Metro Tunnel project, supplying and installing more than 500,000 steel components, which required an extensive and complex logistics solution to ensure the job is done effectively and efficiently.

Founder Nick Babic created Stilcon Steel in 1987 as a newly arrived immigrant from Croatia and brought with him a vision to create something special.

Since then under the Stilcon Group umbrella, the company has expanded into scaffolding and plant hire, and built a strong local labour workforce of more than 300 people.

Nick's daughter, and Stilcon Steel Business Services Director, Simone Babic said the business grew off the back of her father's reputation of hard work and honesty to get things done.

"He developed great relationships across the industry, and to this day, he still has those relationships," she said.

"Stilcon started out in a small factory in Preston. And now we are on a 52,000 sqm site including a 17,500 sqm production facility, state of the art paint facility and impressive external gantry."

Stilcon's more recent expansion and wider capability means it can provide an end-to-end service. The formation of Stilcon Solutions manages integrated works packages involving multiple contractors from design through to final installation and handover resulting in real value add to our clients.

> **According to Tony, this is one of the many advantages of being a premium subscriber, as the hard work at the front end is already done for you.**

"One of our key strengths is that we have full control of project delivery as we have all aspects in-house including scaffolding, equipment and crane hire, a loyal labour force, production and specialist coating facilities. We also have a solid supply chain which we work closely with to deliver to our clients." Simone said.

"During the tendering process for the tunnel project we identified the opportunity to manage multiple other works packages as the installation was so intrinsic to the steel being installed in a co-ordinated manner. Anzac station iconic steel canopy was also well placed to take on the installation of highly complex cross laminated timber and handrails packages resulting in reduced time on site and less co-ordination issues. At Traralgon station we delivered the structural steel, scaffolding, cladding, roofing, glazing and handrail packages and installed a 45m long 100T steel overpass bridge that was fully pre-assembled and clad offsite. We take on integrated works packages that are intrinsic to the steel to make life easier for the builder".

The Metro Tunnel Project is the biggest public transport project in Victoria's history. It will create a new end-to-end rail line from Sunbury in the west to Cranbourne/Pakenham in the south-east with twin nine-kilometre rail tunnels travelling underneath Swanston Street in the CBD, as well as five new underground stations and tunnel entrances at Kensington and South Yarra.

For Stilcon, involvement in the project began when ICN Victoria Consultant, Noel Morton, approached Group Director Tony Ballantyne with the outline proposal to consider the work package.

"We take on packages we know we can deliver and deliver well, so we carefully select the packages we tender for based on several criteria. Through a series of conversations about the Metro Tunnel, we decided to tender for it," Simone said.

As Stilcon is a premium Gateway supplier, Noel was able to research its capabilities and marry them up to the project, with Stilcon preparing – and winning – the tender.

According to Tony, this is one of the many advantages of being a premium subscriber, as the hard work at the front end is already done for you.

“Premium allows us to filter the projects and seek relevant opportunities ahead of time,” he said.

“It also shows us what the market is doing due to the projects listed such as Defence, infrastructure, etc – this allows us as a business to adjust to the upcoming market and sector activity.

“We base our 3-year strategic planning on such information so that Stilcon continues to grow, contributes to more job creation and keeps our local manufacturing busy.”

During the worst of the COVID-19 pandemic, Stilcon took advantage of the construction opportunities of Victoria’s Big Build, such as the Chisholm Prison, to keep people in jobs and grow the business. This project, as well as many others, were listed on ICN Gateway.

“The infrastructure work in Victoria is pushing out into every direction, everywhere. It’s actually mind blowing when you start really delving down into projects and how Melbourne is taking shape as a city is truly incredible.”

“We’re really privileged to be part of that.”

The tunnel project allowed Stilcon to diversify into light, high volume steel work across the major transport project and Simone says that without ICN, Stilcon may not have tendered for the package.

“Those conversations of exploration we had with ICN and their expertise in matching our capabilities to the project, is what was the true success story as far as ICN goes. That’s what the network is there for. And it just works perfectly,” she said.

“Keeping people employed is a key focus of ours. And we’re in a situation now where we need more people as we continue on our growth trajectory.”

TECHNOLOGY

SYSTEMS.

In 2022-23, the ICN National Office continued to improve and upgrade its extensive and integrated IT systems to support all ICN Offices and Australian and New Zealand SMEs.

It was the first full year that suppliers and major project owners could take advantage of the enhanced Gateway platform, launched in 2021.

This made it easier for project owners to promote their projects and suppliers to find work and promote their capabilities.

The introduction of AI software that produces Quad charts from Gateway company profiles, gave suppliers a better chance to access opportunities in the Defence sector.

We further supported Australian and New Zealand industry through our full suite of products:

- Procure by ICN: A single end-to-end procurement sourcing solution.
- Perspective by ICN: A market intelligence tool that helps with contracting and procurement plans.
- Insight by ICN: Real-time data visualisations allowing businesses to make efficient, informed and strategic decisions.

Behind the scenes, our Industry Specialists relied heavily on our secure and intuitive data administration tool, Toolbox by ICN. Toolbox allows them 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 IT team was also bolstered with a new generation of IT developers helping to create more value for local businesses.

During the year, the IT team concentrated on several strategic initiatives to ensure ICN IT systems were robust, secure and provided a single source of truth both internally across all ICN Offices and externally.

DATABASE MAINTENANCE AND VERIFICATION

The ICN database holds the information on more than 80,000 suppliers. This means there is an ongoing requirement to ensure consistent maintenance to meet industry best practice standards and overall database reliability.

The database, housed in Amazon Web Services, went through significant expansion due to the importation of publicly available data from the Australian Business Registry. This expansion will increase ICN's access to creating opportunities for new suppliers on Gateway by ICN.

The National Data Verification strategy was also established, to ensure a long-term ICN-wide solution for consistent and continual data verification.

SYSTEM SECURITY

The IT team's first priority will always be the security of ICN IT systems.

During the year, we introduced multi-factor authentication to prevent site breaches due to poor user security.

Benchmark scores of five different AWS-linked assessments place ICN's IT Application Security in a healthy position.

DISR has confirmed that it will fund the IT Security Maintenance Project in the 2023-24 financial year.

STRATEGIC PLAN UPDATE

Significant achievements were made delivering IT-related strategic milestones during the year. This included:

- A new IT Platform Strategy based on research of industry best practice and emerging trends.
- Implemented and aligned a data work plan to increase the depth and value of ICN data.

FUTURE GOALS

In 2023-24 the major focus for the ICN National Office IT team is:

- The complete re-development of ICN Gateway
- This includes:
  - Leveraging a new system, Laravel, which is a backend framework that provides all of the features you need to build modern web applications.
  - A new design incorporating our new visual identity and built utilising industry research and best practices.
- Insight by ICN integration into other core ICN products such as Toolbox, Perspective and Gateway.

> "The IT team concentrated on several strategic initiatives to ensure ICN IT systems were robust, secure and provided a single source of truth both internally across all ICN Offices and externally.

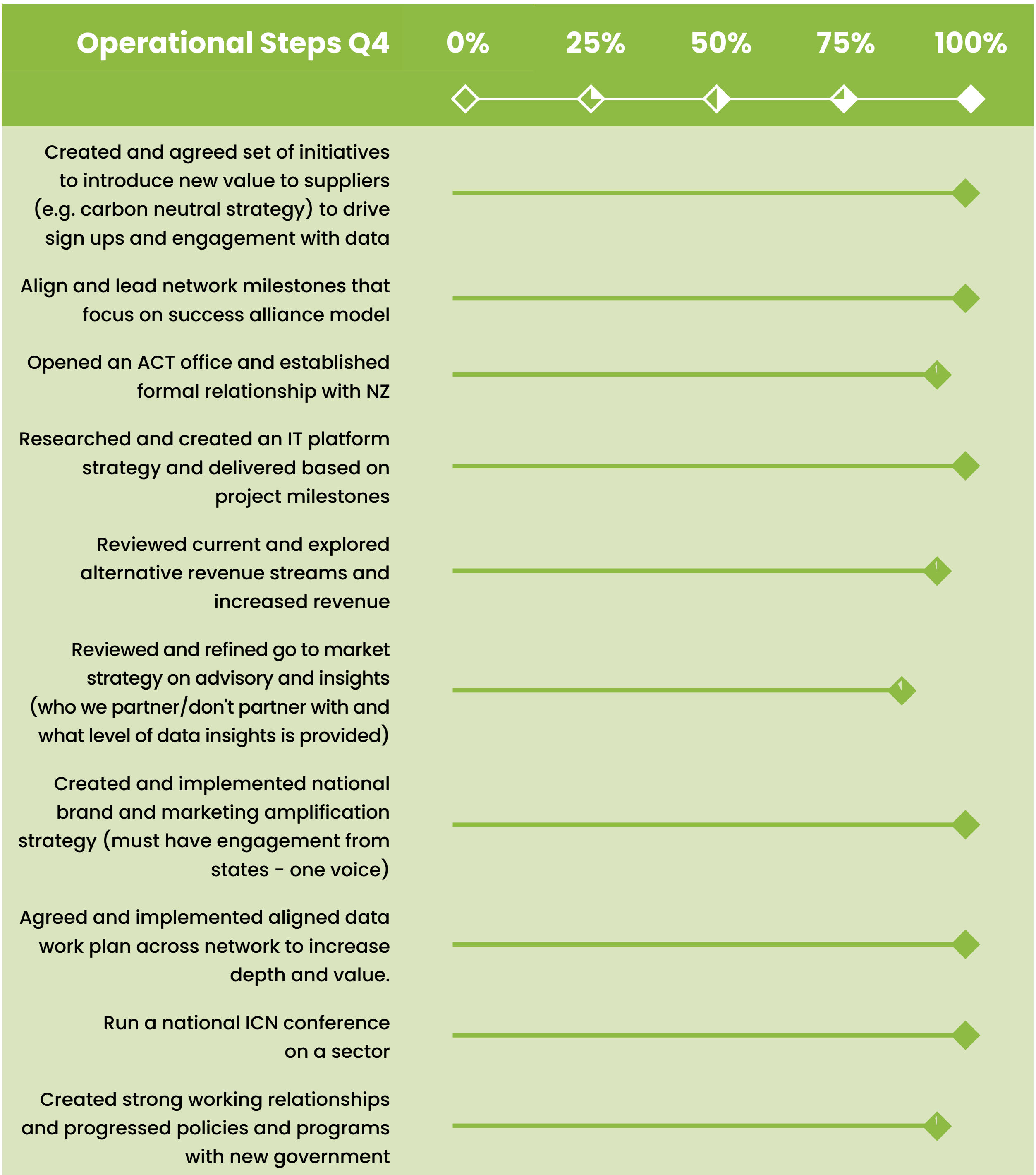
STRATEGIC DIRECTION.

The ICN National Office is committed to working on the delivery of effective programs, focused on maximising opportunities for Australian and New Zealand companies, and creating economic benefit.

Representatives of the ICN National Office, ICN Offices across the country, key strategic partners and stakeholders met in May 2022 to review the year's achievements and develop new strategic goals for the year ahead.

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

Milestones 2023	Strategic investments	Outcomes 2025
Created and agreed set of initiatives to introduce new value to suppliers (e.g. carbon neutral strategy) to drive sign ups and engagement with data	Trusted knowledge provider	Seen as the trusted source of sovereign business insights
Align and lead network milestones that focus on success alliance model	Data	Providers of E2E solutions and enablers of capability and commercial relationships
Opened an ACT office and established formal relationship with NZ	Co-ordinated marketing & brand approach	High performing team
Researched and created an IT platform strategy and delivered based on project milestones	IT	Enabler for partners and positive reciprocal relationships
Reviewed current and explored alternative revenue streams and increased revenue	Increase ICN footprint	Partners in a collaborative and symbiotic federated network (ICN and ICNL)
Reviewed and refined go to market strategy on advisory and insights (who we partner/don't partner with and what level of data insights is provided)	Network alignment	Pre-emptive, well-coordinated and consistent operations
Created and implemented national brand and marketing amplification strategy (must have engagement from states - one voice)	Product development	Financially viable business model to sustain growth
Agreed and implemented aligned data work plan across network to increase depth and value	Partner/stakeholder relationships	
Run a national ICN conference on a sector		
Created strong working relationships and progressed policies and programs with new government		



The ICN National Office continues to focus on making strategic investments to enable growth, focused on being at the forefront of delivering what the market and our stakeholders need. The continued agility displayed over the year in creating new products, including Perspective by ICN, is testament to our commitment to increase value for customers.

The goals achieved during the year, was the result of a significant team effort displayed by all ICN National Office personnel. The ICNL B oard is committed to ensuring that the strategic plan aligns with current market trends, so that ICN can remain relevant and ensure stakeholder needs are met.

The 2022–23 strategic plan reflects the continuation and extension of the significant work carried out in 2021–22.

STRATEGIC
PARTNERS.

- 4th Harmonic
- 12th Level
- 25eight
- Austmine
- Australian Bureau of Statistics
- Australian Defence Exports Office
- Bidwrite
- ClimateClever
- CreditSource
- IONYX
- Melbourne University Faculty of Business
- Office of Defence Industry Support
- ReKnow
- Waterfield Consulting

APPENDIX 1

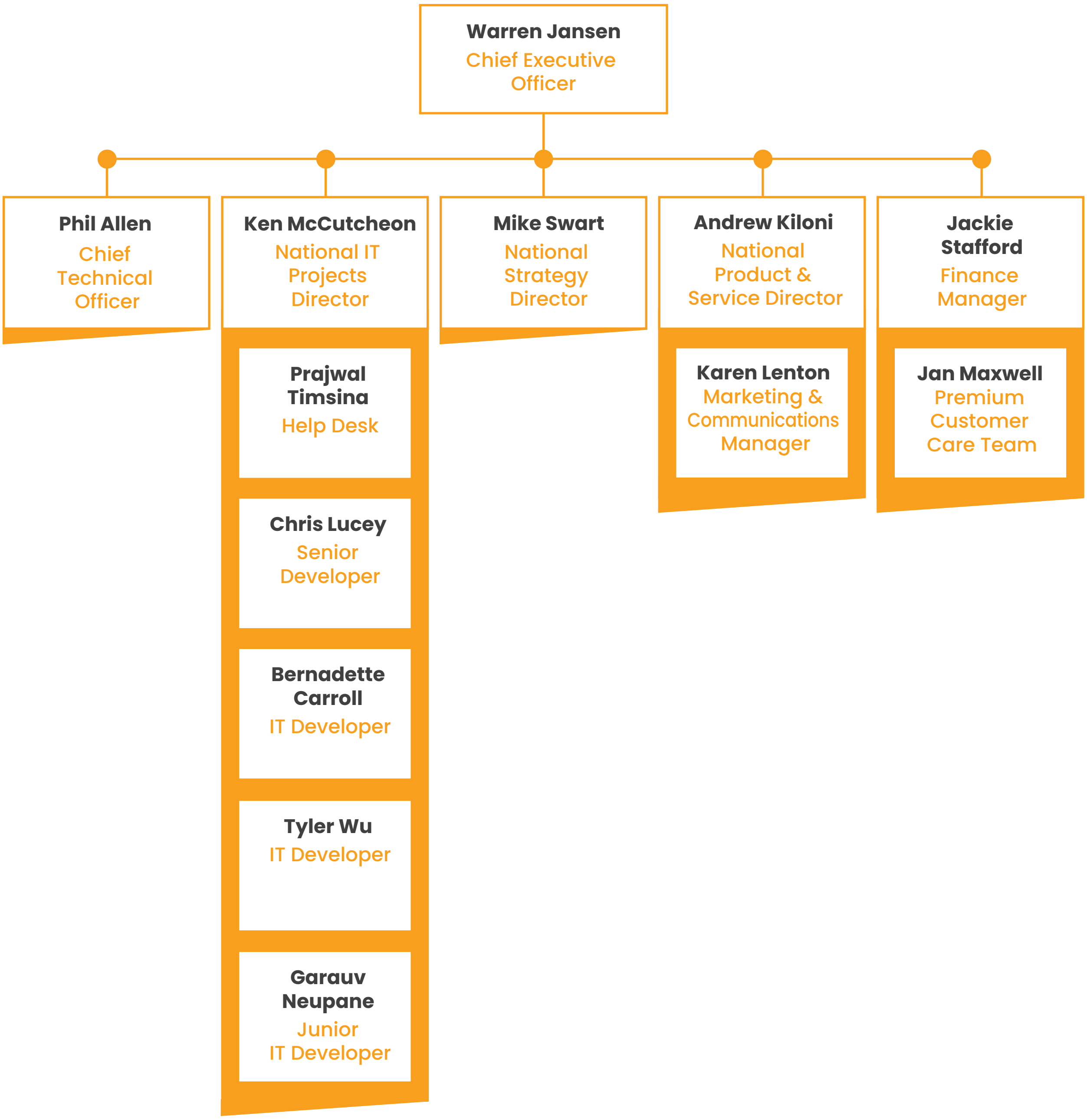
COMPANY MEMBERSHIP.

The Members of ICNL (2022–23) are:

- Department of Industry, Science 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 Industry, Innovation and Science (SA)
- Industry Capability Network (ACT)

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 on 30 June 2023 was:

Chair
Mr. Derek Lark

Industry Capability
Network Limited

Secretary
Mr. Warren Jansen

Chief Executive Officer
Industry Capability Network Limited

Director
Mrs. Chris Bridges-Taylor

Director
B&R Enclosures Pty Ltd

Term commenced 1 January 2023

Director
Mr. Andrew Cleary

Director
12th Level Pty Ltd

Term commenced 1 April 2023

Director
Ms. Elizabeth Edwards

Principal
Williams Winter Solicitors

Director
Mr. Stuart Kenny

Managing Director
Utopia NT Pty Ltd

Term ended 31 December 2022

Director
Mr. Warren Tegg

National Director of Policy Australian
Manufacturing Workers' Union

Term ended 6 July 2022

Director
Dr. Tim Turner, FACS

Owner, Electric Spells Pty Ltd

Director
Ms. Rebecca Woods

Executive Director
Aged Care Access

Access Care Network Australia

APPENDIX 4

BOARD COMMITTEES.

IT GOVERNANCE COMMITTEE

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

The full composition of the IT Governance Committee on 30 June 2023 was:

Chair

Mr. Russel Kenery
Principal, Kenery & Associates

Members

- Dr. Tim Turner, FACS
  Non Executive Director
- Mr. Warren Jansen
  Chief Executive Officer, ICNL
- Mr. Michael Swart
  National Strategy Director, ICNL
- Mr. Ken McCutcheon
  National IT Projects Director, ICNL
- Mr. Kevin Peters
  Chair, ICN Executive Directors
- Representatives of Department of Industry, Science 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 the ICN National Office.

The full composition of the Advisory Committee at 30 June 2023 was:

Chair

Mrs. 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 AM, ICN Vic

APPENDIX 5

ICN CONTACT DETAILS.

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

ICN National Office

123/24 Lonsdale Street, Braddon ACT 2612
PO Box 5185, Braddon ACT 2612
P 02 6285 2033
E info@icn.org.au

ACT

123/24 Lonsdale Street, Braddon ACT 2612
PO Box 5185, Braddon ACT 2612
P 02 6103 0738
E info@icnact.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@icnnsw.org.au

NORTHERN TERRITORY

101/12 Salonika Street, Parap NT 0820
P 08 8922 9422
E 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

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

TASMANIA

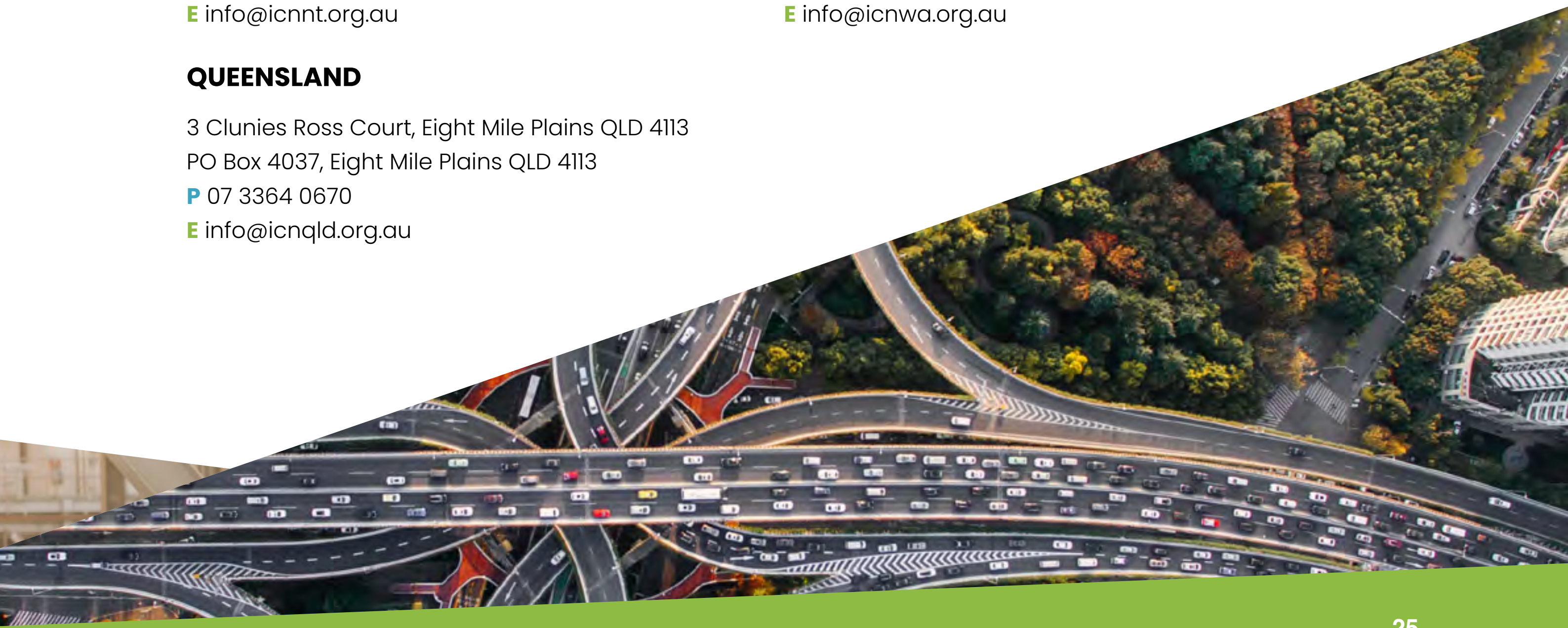
4 Salamanca Place, Hobart TAS 7000
GPO Box 536, Hobart TAS 7001
P 1800 440 026
E info@icntas.org.au

VICTORIA

Level 23, 370 Little Lonsdale Street, Melbourne VIC 3004
PO Box 13327, Law Courts VIC 3004
P 03 9864 6700
E 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



APPENDIX 6

AUDIT REPORT.

Independent Audit Report to the members of
Industry Capability Network Limited
Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Industry Capability Network Limited (the Company), which comprises the consolidated statement of financial position as at 30 June 2023, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Company's financial position as at 30 June 2023 and of its financial performance for the year ended; and
(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001.*

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Responsibilities of Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

Vincents Assurance and Risk Advisory

Phillip Miller
Director
Canberra, dated: 10th October 2023

APPENDIX 7

FINANCIAL STATEMENT.

For the year ended 30 June 2023
Industry Capability Network Limited
ABN 85 068 571 513

Industry Capability Network Limited
Directors' Report
30 June 2023

Your Directors submit their report for the year ended 30 June 2023.

Directors

The names and details of the Group'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.

Derek Lark	
Elizabeth Edwards	
Rebecca Woods	
Stuart Kenny	Term ended 31 December 2022
Timothy Turner	
Warren Tegg	Term ended 6 July 2022
Christine Bridges-Taylor	Term commenced 1 January 2023
Andrew Cleary	Term commenced 1 April 2023

Review of operations

The net result after tax of the Group for year ended 30 June 2023 was ($248,310) (2022: $122,881).

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

Strategic Objectives

The Group's short-term objectives are to:

- Create and agree a set of initiatives to introduce new value to suppliers (e.g. carbon neutral) to drive sign ups and engagement with data.
- Align and lead the ICN Network milestones that focus on a success alliance model.
- Open an ACT office and to have established a formal relationship with NZ.
- Research and create an IT platform strategy and deliver recommendations to the Board via the IT Committee.
- Review current revenue streams and explore alternative streams to increase revenue.
- Review and refine go to market strategy on advisory and insights
- Create and implement a national brand and marketing amplification strategy that has engagement from States - One Voice.
- Agree and implement aligned data work plan across the ICN Network to increase depth and value.
- Run a national ICN conference on a sector.
- Create strong working relationships and progress policies and programs with new government

The Group's long-term objectives are to:

- Be seen as the Trusted Source of Sovereign Business Insight

Industry Capability Network Limited
Directors' Report
30 June 2023

Review of operations (continued)

- Be seen as providers of E2E solutions and enablers of capability and commercial relationships.
- To be a high performing team.
- Be an enabler for partners and positive reciprocal relationships.
- Be seen as partners in a collaborative and symbiotic Federated Network (ICN and ICNL).
- Provide pre-emptive, well co-ordinated and Consistent Operations
- Have a financially viable business model to sustain growth

Strategy for achieving the objectives

ICNL continues to provide coordination of the network of eight 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.

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 2023.

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 Group under ASIC Corporations (Rounding in Financial/Directors’ Reports) Instrument 2016/191. The Group is an entity to which this legislative instrument applies.

Events subsequent to the end of the reporting period

It is planned for ICNL's wholly-owned subsidiary, ICNLT, to exit out of it's equity investment in OPS by September 2023. As part of the exit, ICNLT will be provided a copy of an intellectual property which is an end to end procurement platform.

Except for the above, 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.

Industry Capability Network Limited
Directors' Report
30 June 2023

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 2023

Information on Directors

Mr Derek Lark **Qualifications & Experience**	- Chair - Master of Business Administration - Bachelor of Engineering (Elec) - Fellow Australian Institute of Company Directors (Order of Merit) - Director, CEO, Company Secretary and senior executive - Past Strategy consultant, Board Member and Finance Committee Member, Cerebral Palsy Education Centre, Melbourne - Chairman, Kinloch Court Owners Corporation - Director, Alembec Pty Ltd - Non-Executive Director, Give Industries Ltd - Past Director, Progressing Business Institute Ltd
Ms Elizabeth Edwards **Qualifications & Experience**	- Director - Bachelor of Arts (Psychology) and Bachelor of Law Degree from UTAS - Adv. Dip in International Humanitarian Law from Transatlantic College London - Board Member, ICNL Technologies - Principal / Director of Williams Winter Solicitors since 2010
Ms Rebecca Woods **Qualifications & Experience**	- Director - Fellow, Australian HR Institute - Member, UNSW Canberra School of Business Advisory Board - Member, Australian Institute of Company Directors - Former State Council member: Australian HR Institute - Master of Management - Master of Philosophy (in progress) - 25 years in workforce and organisational development, communications and culture
Mr Stuart Kenny **Qualifications & Experience**	- Director - Member, Australian Institute of Company Directors - Agriculture, Defence, Manufacturing and Government Relations - Director, Chamber of Commerce NT - Board Member, Manufacturers Council NT - Board Member, ICNL Technologies
Dr Timothy Turner **Qualifications & Experience**	- Director - GAICD - Fellow, Australian Computer Society, Past Branch Chair - Chair, ACT Chapter, Pearcey Foundation - Sole Director, Electric Spells Pty Ltd - Board Member, ICNL Technologies - Company Secretary, Indigenous Reading Project
Mr Warren Tegg **Qualifications & Experience**	- Director (Term ended 6 July 2022) - Bachelor of Science, Bachelor of Arts (Hons) - Masters of Public Policy - Councillor, Georges River Council

Industry Capability Network Limited
Directors' Report
30 June 2023

Mrs Christine Bridges-Taylor **Qualifications & Experience**	- Director (Term commenced 1 January 2023) - Executive Chairman – Bridges Capital Ventures Pty Ltd, and Director in various subsidiary and investment Companies - Deputy Chairman – Lixia Pty Ltd - Bachelor of Engineering (Hons) and Master of Business Administration from University of Adelaide - Executive Education – Harvard Business School Owners and Presidents Management Program - Fellow – Australian Institute of Company Directors - Fellow – Institute of Engineers Australia - Adjunct Professor – University of Queensland School of Mechanical and Mining Engineering - 40+ years experience in Manufacturing, Business Management and Governance
Mr Andrew Cleary **Qualifications & Experience**	- Director (Term commenced 1 April 2023) - Defence SME Consultant with 25 years industry experience - Innovation Specialist - Conservationist - BSc Agr Sydney - Gip Management UC

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
Derek Lark	4	4
Elizabeth Edwards	4	4
Rebecca Woods	4	4
Timothy Turner	4	4
Christine Bridges-Taylor	2	2
Andrew Cleary	1	1

Indemnification and insurance of Directors and officers

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

Industry Capability Network Limited
Directors' Report
30 June 2023

Proceedings on behalf of group

No person has applied for leave of court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or part of those proceedings. The Group was not a party to any such proceedings during the year.

The parent entity is incorporated under Corporations Act and is a company limited by guarantee. If the parent entity is wound up, the constitution states that each member is required to contribute a maximum of $50 towards any outstanding liabilities. At 30 June 2023, the total amount that members of the parent entity are liable to contribute if the entity is wound up is $500 (2022: $500).

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

6|10|2023

Industry Capability Network Limited
Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2023

	Notes	2023 $	2022 $
Revenue	3	3,668,954	3,646,065
Expenses			
Administrative expenses		(443,855)	(346,057)
Auditor expense	4	(15,502)	(16,643)
Depreciation expense	4	(85,659)	(84,152)
IT and network costs		(177,517)	(386,147)
Marketing and promotion		(303,199)	(206,604)
Net loss on disposal of assets		-	(962)
Interest expenses		(9,076)	-
Other expenses		(488,712)	(628,969)
Rent and utilities	4	(25,747)	(31,198)
Salaries and employee benefits		(2,303,211)	(1,963,173)
Travel costs		(92,642)	(69,743)
(Deficit) before income tax expense		(276,166)	(87,583)
Share of profit/(loss) of an associate and a joint venture	11	27,856	(35,298)
Income tax expense		-	-
(Deficit) after income tax expense for the year attributable to the members of Industry Capability Network Limited		**(248,310)**	**(122,881)**
Other comprehensive income for the year, net of tax		**-**	**-**
Total comprehensive (loss) for the year attributable to the members of Industry Capability Network Limited		**(248,310)**	**(122,881)**

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Industry Capability Network Limited
Consolidated statement of financial position
As at 30 June 2023

	Notes	2023 $	2022 $
Assets			
Current assets			
Cash and short-term deposits	5	847,697	821,221
Trade receivables	6	475,409	167,587
Financial assets	7	3,001,625	3,501,279
Other current assets	8	12,558	13,165
Total current assets		4,337,289	4,503,252
Non-current assets			
Property, plant and equipment	9	1,730,860	190,591
Intangible assets	10	3,276	3,276
Investment in associates	11	92,558	64,702
Loan to associates	13	28,476	28,476
Total non-current assets		1,855,170	287,045
Total assets		6,192,459	4,790,297
Liabilities			
Current liabilities			
Trade and other payables	14	794,701	834,469
Contract liabilities	15	1,852,213	1,138,928
Employee benefits	16	211,348	139,680
Lease liabilities	19	-	79,313
Total current liabilities		2,858,262	2,192,390
Non-current Liabilities			
Employee benefits	17	-	15,400
Interest-bearing loans and borrowings	18	1,000,000	-
Total non-current liabilities		1,000,000	15,400
Total liabilities		3,858,262	2,207,790
Net assets		2,334,197	2,582,507
Equity			
Retained earnings	20	2,334,197	2,582,507
Total equity		2,334,197	2,582,507

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 2023

	Retained earnings	Total
	$	**$**
Balance at 1 July 2021	**2,705,388**	**2,705,388**
Deficit after income tax expense for the year	(122,881)	(122,881)
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	(122,881)	(122,881)
Balance at 30 June 2022	**2,582,507**	**2,582,507**

	Retained earnings	Total
	$	**$**
Balance at 1 July 2022	**2,582,507**	**2,582,507**
Deficit after income tax expense for the year	(248,310)	(248,310)
Other comprehensive income for the year, net of tax	-	-
Total comprehensive loss for the year	(248,310)	(248,310)
Balance at 30 June 2023	**2,334,197**	**2,334,197**

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 2023

	Notes	2023 $	2022 $
Cash flows from operating activities			
Receipts from customers		3,303,647	2,467,019
Payments to suppliers		(3,842,354)	(3,418,100)
Interest received		19,315	20,631
Grant received		700,000	896,000
Net cash from/(used in) operating activities	22	180,608	(34,450)
Investing activities			
Purchase of property, plant and equipment		(1,625,927)	(21,496)
Changes in investment		499,651	(81,514)
Investment in associates and joint venture		(27,856)	(64,702)
Loan to an associate		-	(28,476)
Net cash used in investing activities		(1,154,132)	(196,188)
Financing activities			
Proceeds from loans		1,000,000	-
Net cash flows from financing activities		1,000,000	-
Net increase/(decrease) in cash and cash equivalents		26,476	(230,638)
Cash and cash equivalents at 1 July		821,221	1,051,859
Cash and cash equivalents at 30 June	5	847,697	821,221

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 2023

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 - Simplified Disclosures 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 Group under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. The Group 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.

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 Group and its subsidiaries as at 30 June 2023. 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 2023

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 Group recognises revenue as follows:

Revenue from contracts with customers
Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: 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.

Donations
Donations are recognised at the time the pledge is made.

Industry Capability Network Limited
Notes to the consolidated financial statements
30 June 2023

Note 1.Significant accounting policies (continued)

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

If conditions are attached to the grant which must be satisfied before the Group 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 Group 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

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

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

Deferred tax
As it is not probable that taxable profit will be available against to utilise unused tax losses, the Group has not recognised a deferred tax asset.

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.
- 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.

Industry Capability Network Limited
Notes to the consolidated financial statements
30 June 2023

Note 1.Significant accounting policies (continued)

- 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 Group has transferred goods or services to the customer but where the Group 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

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.

Industry Capability Network Limited
Notes to the consolidated financial statements
30 June 2023

Note 1.Significant accounting policies (continued)

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.

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.
- 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.

Industry Capability Network Limited
Notes to the consolidated financial statements
30 June 2023

Note 1.Significant accounting policies (continued)

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.

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.

Industry Capability Network Limited
Notes to the consolidated financial statements
30 June 2023

Note 1.Significant accounting policies (continued)

(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 (see Note 18).

(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.

Industry Capability Network Limited
Notes to the consolidated financial statements
30 June 2023

Note 1.Significant accounting policies (continued)

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 and other comprehensive income 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.

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.

Industry Capability Network Limited
Notes to the consolidated financial statements
30 June 2023

Note 1.Significant accounting policies (continued)

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.

Note 2.Significant accounting judgements, estimates and assumptions

Estimation of useful lives of assets
The Group 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 Group 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 Group 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 2023

	2023 $	2022 $
Note 3.Revenue		
Revenue from contracts with customers		
Grant income	700,000	896,000
	700,000	896,000
Other revenue		
Cost recoveries	12,362	51,500
Interest received	82,429	14,980
Jurisdictional payments	189,191	179,721
Other revenue	2,334,699	2,041,057
Project revenue	350,273	462,807
Revenue	3,668,954	3,646,065

Disaggregation of revenue
The disaggregation of revenue from contracts with customers is as follows:

	2023 $	2022 $
Geographical regions		
Australia	700,000	896,000

Note 4.Expenses

Deficit before income tax includes the following specific expenses:

	2023 $	2022 $
Auditor remuneration	15,502	16,643
Depreciation and amortisation	85,659	84,152
Lease interest expense		
Lease interest expense	2,164	5,957
Other expense	23,583	25,241
Total rent and utilities	25,747	31,198

Industry Capability Network Limited
Notes to the consolidated financial statements
30 June 2023

	2023 $	2022 $
Note 5.Current assets - cash and cash equivalents		
Combined cheque account	75,748	608,892
Combined online account	775,057	212,684
Consolidated credit card	(3,108)	(355)
	847,697	821,221

Note 6.Current assets - trade and other receivables

	2023 $	2022 $
Accrued interest	65,712	2,598
Accrued income	-	330
Trade receivables	409,697	164,659
	475,409	167,587

Note 7.Current assets - contract assets

	2023 $	2022 $
Held-to-maturity investments	3,001,625	3,501,279

Note 8.Current assets - other

	2023 $	2022 $
Prepayments	12,558	13,165

Industry Capability Network Limited
Notes to the consolidated financial statements
30 June 2023

	2023 $	2022 $
Note 9.Non-current assets - Property, plant and equipment		
Leasehold improvements	172,462	96,534
Less: Accumulated depreciation	(11,169)	(8,755)
	161,293	87,779
Office equipment	58,177	58,177
Less: Accumulated depreciation	(53,733)	(52,971)
	4,444	5,206
Plant and equipment	85,792	104,787
Less: Accumulated depreciation	(70,669)	(80,264)
	15,123	24,523
Right of use asset	219,251	219,251
Less: Accumulated depreciation	(219,251)	(146,168)
	-	73,083
Software	-	11,007
Less: Accumulated depreciation	-	(11,007)
	-	-
Buildings	1,550,000	-
	1,730,860	**190,591**

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

	Buildings $	Leasehold Improvements $	Office equipment $	Plant and equipment $	Right of use asset $	Total $
Balance at 1 July 2021	-	87,779	5,206	24,523	73,083	190,591
Additions	1,550,000	75,927	-	-	-	1,625,927
Depreciation expense	-	(2,413)	(762)	(9,400)	(73,083)	(85,658)
Balance at 30 June 2023	**1,550,000**	**161,293**	**4,444**	**15,123**	**-**	**1,730,860**

Assets pledged as security
Buildings with a carrying amount of $1,550,000 have been pledged to secure borrowings of the Group. Under the terms of the financing facilities, the Group is not allowed to pledge these assets as security for other borrowings or to sell them to another entity.

Commitments
The Group has the following contractual commitments for the acquisition of the building:
• Loan of $1,000,000 to the Commonwealth Bank of Australia.

Industry Capability Network Limited
Notes to the consolidated financial statements
30 June 2023

	2023 $	2022 $

Note 10.Non-current assets - intangibles

	2023 $	2022 $
Patents and trademarks - at cost	3,276	3,276
Less: Accumulated amortisation	-	-
	3,276	3,276

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 Servcies 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.

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 2023.

	2023 $	2022 $
Current assets	64,078	261,483
Non-current assets	384,188	350,401
Current liabilities	(39,038)	(295,511)
Equity	409,228	316,373
Group's share in equity - 30%	122,767	94,911
Goodwill/(Discount on acquisition)	(30,209)	(30,209)
Group's carrying amount of the investment	**92,558**	**64,702**
Revenue	274,800	503,250
Expenses	(181,945)	(620,910)
Profit before tax	92,855	(117,660)
Total comprehensive income/(loss) for the year (continuing operations)	92,855	(117,660)
Group's share of profit/(loss) for the year	**27,856**	**(35,298)**

Industry Capability Network Limited
Notes to the consolidated financial statements
30 June 2023

Note 12.Information relating to Industry Capability Network Limited (the Parent)

The following information has been extracted from the books and records of the parent, Industry Capability Network Limited and has been prepared in accordance with Accounting Standards.

The financial information for the parent entity, Industry Capability Network Limited has been prepared on the same basis as the consolidated financial statements except as disclosed below.

Investments in subsidiaries, associates and joint ventures
Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the financial statements of the parent entity.

	2023 $	2022 $
Statement of Financial Position		
Current assets	4,340,396	4,503,607
Total assets	6,347,202	4,835,350
Current liabilities	2,829,913	2,192,744
Total liabilities	3,829,913	2,208,144
Retained earnings	2,517,288	2,627,206
Statement of Profit or Loss and Other Comprehensive Income		
Profit or loss of the Parent entity	(109,917)	(82,580)
Total comprehensive income of the Parent entity	**(109,917)**	**(82,580)**

The parent entity has not entered into a Deed of Guarantee with its subsidiary companies.

The parent entity did not have any contingent liabilities as at 30 June 2023 or 30 June 2022.

The parent entity did not have any commitments as at 30 June 2023 or 30 June 2022.

Industry Capability Network Limited
Notes to the consolidated financial statements
30 June 2023

	2023 $	2022 $

Note 13.Non-current assets - loan to associates

	2023 $	2022 $
Loan to Optimise Procurement Services Pty Ltd	28,476	28,476

Note 14.Current liabilities - trade and other payables

	2023 $	2022 $
Accrued costs	425,068	553,705
Fringe benefit payable	4,714	1,969
Provision for GST	146,365	62,288
Trade payables	142,589	150,320
Withholding taxes payable	48,006	57,764
Payroll tax	27,959	8,423
	794,701	834,469

Note 15.Current liabilities - contract liabilities

	2023 $	2022 $
Advance subscription liability	1,183,233	1,138,928
Income in advance	668,980	-
	1,852,213	1,138,928

Note 16.Current liabilities - employee benefits

	2023 $	2022 $
Annual leave	189,761	137,931
Long service leave	21,587	1,749
	211,348	139,680

Note 17.Non-current liabilities - employee benefits

	2023 $	2022 $
Long service leave	-	15,400

Industry Capability Network Limited
Notes to the consolidated financial statements
30 June 2023

Note 18.Non-current liabilities - interest-bearing loans and borrowings

	Interest rate	Maturity	2023
	%		$
Current interest-bearing loans and borrowings			
Total current interest-bearing loans and borrowings			-
Non-current interest-bearing loans and borrowings			
Secured bank loan	6.49	5 years	1,000,000
Total non-current interest-bearing loans and borrowings			**1,000,000**
Total interest-bearing loans and borrowings			**1,000,000**

Secured bank loan

This loan has been drawn down under a five-year facility. The loan is repayable within 58 months after the reporting date. The total amount repayable on maturity is $1,000,000. The facility is secured by a first charge over the Group's buildings, with a carrying value of $1,550,000.

Note 19.Lease liabilities

Leases

The Group has held a lease for part of a building for the offices occupied by ICNL. Upon termination of the lease, the Group has now moved into a new commercial property with debt financing.

This lease is reflected on the balance sheet as a right-of-use asset and a lease liability. The Group classified its right-of-use asset in a consistent manner to its property, plant and equipment.

The following information describes the nature of the Group'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.

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 2023

Note 20.Equity - retained surplus

	2023 $	2022 $
Retained surpluses at the beginning of the financial year	2,582,507	2,705,388
Surplus/(Deficit) after income tax expense for the year	(248,310)	(122,881)
Retained surpluses at the end of the financial year	**2,334,197**	**2,582,507**

Note 21.Deferred tax

The following unused tax losses have not been recognised as deferred tax assets in the consolidated statement of financial position.

Unrecognised deferred tax assets

Tax losses - revenue	**171,249**	**5,000**

All of the above amounts can be carried forward indefinitely, subject to meeting certain criteria of the relevant taxation law.

Note 22.Reconciliation of profit after income tax to net cash from operating activities

Profit before tax from continuing operations	(248,310)	(122,881)
Adjustments for:		
Depreciation and amortisation	85,659	84,152
Loss / Gain on disposal of property, plant and equipment	-	962
Change in assets and liabilities		
Decrease/(increase) in trade and other receivables	(307,822)	(138,438)
Decrease/(increase) in prepayments	607	37,561
Increase/(decrease) in trade and other payables	(39,768)	171,908
Increase/(decrease) in contract liabilities	713,286	(130,479)
Increase/(decrease) in other provisions	56,269	56,594
Net cash from/(used in) operating activities	**259,921**	**(40,621)**

Note 23.Compensation of key management personnel of the Group

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

Aggregate compensation	492,296	452,046

Note 24.Contingent liabilities

The Group had no commitments for expenditure as at 30 June 2023 and 30 June 2022.

Note 25.Commitments and contingencies

The Group had no contingent liabilities as at 30 June 2023 and 30 June 2022.

Industry Capability Network Limited
Notes to the consolidated financial statements
30 June 2023

Note 26.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 23.

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 27.Events after the reporting period

It is planned for ICNL's wholly-owned subsidiary, ICNLT, to exit out of it's equity invesmtent in OPS by September 2023. As part of the exit, ICNLT will be provided intellectual property that is an end to end procurement platform.

No other matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group'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 2023 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 2023 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 - Simplified 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 Group 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 2023.

On behalf of the Board

Derek Lark 6/10/2023

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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