



# Australian Institute of Police Management

Financial Statements  
For the Year Ended  
30 June 2008



## INDEPENDENT AUDITOR'S REPORT

To the Minister for Home Affairs

### Scope

We have audited the accompanying financial statements of the Australian Institute of Police Management (the Institute) for the year ended 30 June 2008, which comprise: a Statement by the Executive Director and Chief Financial Officer; Income Statement; Balance Sheet; Cash Flow Statement; Statement of Changes in Equity; Schedule of Commitments and Schedule of Contingencies, and Notes to and forming part of the Financial Statements.

### *The Responsibility of the Board of Control for the Financial Statements*

The Institute's Board of Control is responsible for the preparation and fair presentation of the financial statements in accordance with Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, and Australian Accounting Standards including Australian Accounting Interpretations. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### *Auditor's Responsibility*

My responsibility is to express an opinion on the financial statements based on our audit. Our audit has been conducted in accordance with Australian National Audit Office Auditing Standards, which incorporate Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Institute's preparation and fair presentation of the financial statements 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 Institute's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Institute's Board of Control, as well as evaluating the overall presentation of the financial statements.

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

***Independence***

In conducting the audit, we have followed the independence requirements of the Australian National Audit Office, which incorporate the requirements of the Australian accounting profession.

**Auditor's Opinion**

In my opinion, the financial statements of the Australian Institute of Police Management;

- (a) have been prepared in accordance with Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, including Australian Accounting Standards; and
- (b) give a true and fair view of the matters required by the Finance Minister's Orders including the Australian Institute of Police Management's financial position as at 30 June 2008 and of its financial performance and cash flows for the year then ended.

Australian National Audit Office



P Hinchey  
Senior Director  
Delegate of the Auditor-General

Sydney  
9 September 2008

## Financial Statements for the Year Ended 30 June 2008

### **Contents**

Statement by the Executive Director and Chief Financial Officer

Income Statement

Balance Sheet

Cash Flow Statement

Statement of Changes in Equity

Schedule of Commitments

Schedule of Contingencies

Notes to and forming part of the Financial Statements

Australian Institute of Police Management

# Statement by the Executive Director and Chief Financial Officer

For the Year Ended 30 June 2008

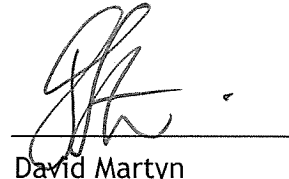
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In our opinion, the attached financial statements for the year ended 30 June 2008 are based on properly maintained financial records and give a true and fair view of the matters required by the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, as amended.



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Dr Jim Hann  
Executive Director  
9 September 2008



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David Martyn  
Chief Financial Officer  
9 September 2008

## Income Statement

for the period ended 30 June 2008

INCOME	Notes	2007/08	2006/07
Revenue		\$	\$
Revenue from Government	4A	1,521,000	1,516,000
Sale of goods and rendering of services	4B	5,178,966	4,515,929
Other revenue	4C	-	18,115
<b>Total revenue</b>		<u>6,699,966</u>	<u>6,050,044</u>
<b>Gains</b>			
Other gains	4D	35,000	112,356
<b>Total gains</b>		<u>35,000</u>	<u>112,356</u>
<b>TOTAL INCOME</b>		<u>6,734,966</u>	<u>6,162,400</u>
EXPENSES			
Employee benefits	5A	2,427,844	2,050,904
Suppliers	5B	3,667,393	2,609,143
Depreciation and amortisation	5C	64,578	59,801
<b>TOTAL EXPENSES</b>		<u>6,159,815</u>	<u>4,719,848</u>
<b>SURPLUS</b>		<u>575,151</u>	<u>1,442,552</u>

The above statement should be read in conjunction with the accompanying notes.

**Balance Sheet**

as at 30 June 2008

	Notes	2007/08 \$	2006/07 \$
<b>ASSETS</b>			
<b>Financial Assets</b>			
Cash and cash equivalents		3,594,157	3,664,692
Trade and other receivables	6	1,947,539	1,540,407
<b>Total Financial Assets</b>		<b>5,541,696</b>	<b>5,205,099</b>
<b>Non-Financial Assets</b>			
Land and buildings	7B	17,084	44,000
Infrastructure, plant and equipment	7A	183,183	74,081
Intangibles	7F	4,008	5,531
Inventories	7E	53,946	42,399
Other non-financial assets	7D	19,884	36,409
<b>Total Non-Financial Assets</b>		<b>278,105</b>	<b>202,420</b>
<b>Total Assets</b>		<b>5,819,801</b>	<b>5,407,519</b>
<b>LIABILITIES</b>			
<b>Provisions</b>			
Employee provisions	8A	466,526	350,372
<b>Total Provisions</b>		<b>466,526</b>	<b>350,372</b>
<b>Payables</b>			
Suppliers	9A	231,613	371,620
Other Payables	9B	907,634	1,046,650
<b>Total Payables</b>		<b>1,139,247</b>	<b>1,418,270</b>
<b>Total Liabilities</b>		<b>1,605,773</b>	<b>1,768,642</b>
<b>NET ASSETS</b>		<b>4,214,028</b>	<b>3,638,877</b>
<b>EQUITY</b>			
Contributed equity		128,040	128,040
Retained surplus		4,085,988	3,510,837
<b>Total Equity</b>		<b>4,214,028</b>	<b>3,638,877</b>
Current Assets		5,615,526	5,283,907
Non-Current Assets		204,275	123,612
Current Liabilities		1,506,971	1,737,654
Non-Current Liabilities		98,802	30,988

The above statement should be read in conjunction with the accompanying notes.

## Cash Flow Statement

for the period ended 30 June 2008

	Note	2007/08 \$	2006/07 \$
<b>OPERATING ACTIVITIES</b>			
<b>Cash Received</b>			
Revenue from Government		1,521,000	1,516,000
Goods and services		4,595,529	4,442,271
Other cash received		583,437	91,773
<b>Total Cash Received</b>		<u>6,699,966</u>	<u>6,050,044</u>
<b>Cash Used</b>			
Employees		(2,432,404)	(2,055,744)
Suppliers		(4,192,855)	(2,974,039)
<b>Total Cash Used</b>		<u>(6,625,259)</u>	<u>(5,029,783)</u>
<b>Net cash flows from operating activities</b>	10	<u>74,707</u>	<u>1,020,261</u>
<b>INVESTING ACTIVITIES</b>			
<b>Cash Used</b>			
Purchase of property, plant & equipment		(145,242)	(59,052)
<b>Total cash used</b>		<u>(145,242)</u>	<u>(59,052)</u>
<b>Net cash flows used by investing activities</b>		<u>(145,242)</u>	<u>(59,052)</u>
<b>Net increase (decrease) in cash held</b>			
Cash and cash equivalents at the beginning of the reporting period		3,664,692	2,703,483
Cash and cash equivalents at the end of the reporting period		<u>3,594,157</u>	<u>3,664,692</u>

The above statement should be read in conjunction with the accompanying notes.

Australian Institute of Police Management

## Statement of Changes in Equity

for the period ended 30 June 2008

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	Retained Surplus		Contributed Equity		Total Equity	
	2007/08	2006/07	2007/08	2006/07	2007/08	2006/07
	\$	\$	\$	\$	\$	\$
Opening Balance	3,510,837	2,068,285	128,040	128,040	3,638,877	2,196,325
Surplus for the period	575,151	1,442,552	-	-	575,151	1,442,552
Closing balance at 30 June	4,085,988	3,510,837	128,040	128,040	4,214,028	3,638,877

The above statement should be read in conjunction with the accompanying notes.

## Schedule of Commitments

as at 30 June 2008

	2007/08 \$	2006/07 \$
<b>BY TYPE</b>		
<b>Commitments payable</b>		
Operating leases *	1,056,585	842,686
<b>Total operating lease commitments</b>	<u>1,056,585</u>	<u>842,686</u>
<b>Commitments receivable</b>		
GST recoverable on commitments	(96,053)	(76,608)
<b>Net commitments by type</b>	<u>960,532</u>	<u>766,078</u>
<b>BY MATURITY</b>		
<b>Operating Lease Commitments</b>		
One year or less	914,740	767,354
From one to five years	141,845	75,332
	<u>1,056,585</u>	<u>842,686</u>
GST recoverable on commitments	(96,053)	(76,608)
<b>Net Commitments by Maturity</b>	<u>960,532</u>	<u>766,078</u>

NB: Commitments are GST inclusive where relevant.

\* Operating leases included are effectively non-cancellable and comprise:

<i>Nature of lease</i>	<i>General description of leasing arrangement</i>
Lease of property	Lease payments are subject to annual increase in accordance with upwards movements in the Consumer Price Index. Facility licence; 1 year with four 3-month extension options.
Lease of motor vehicle	Renewal options are available on vehicles and may be taken up.
Lease of computer equipment	The lessor provides all equipment and software designated as necessary in the supply contract for 2/3 years.
Lease of photocopier equipment	The lessor provides all equipment and software designated as necessary in the supply contract for 4 years.

The above schedule should be read in conjunction with the accompanying notes.

## Schedule of Contingencies

as at 30 June 2008

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	2007/08 \$	2006/07 \$
Contingent assets	<u>-</u>	<u>-</u>
Contingent liabilities	<u>-</u>	<u>-</u>
<b>NET CONTINGENCIES</b>	<u><u>-</u></u>	<u><u>-</u></u>

The above schedule should be read in conjunction with the accompanying notes.

## Notes to and forming part of the Financial Statements

For the Year Ended 30 June 2008

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<b>Note</b>	<b>Description</b>
1	Objectives of the AIPM
2	Summary of Significant Accounting Policies
3	Events after the Balance Sheet Date
4	Income
5	Operating Expenses
6	Receivables
7	Non-Financial Assets
8	Provisions
9	Payables
10	Cash Flow Reconciliation
11	Executive Remuneration
12	Remuneration of Auditors
13	Average Staffing Levels
14	Financial Instruments

## Notes to and forming part of the Financial Statements

For the Year Ended 30 June 2008

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### Note 1 Objectives of the AIPM

The mission of the Australian Institute of Police Management ("AIPM") is: Developing and uniting police leaders. Its vision is: To be the centre of excellence for police executive and leadership development in Australasia. The AIPM Strategic Plan has one outcome: Improved police and emergency services leadership in Australasia. The key objectives the AIPM will focus on towards achieving this outcome are:

- Objective 1. Our program participants grow as leaders
- Objective 2. Our staff are encouraged, challenged and rewarded
- Objective 3. Our partners' and stakeholders' interests are supported
- Objective 4. Our business systems are effective and continually improve
- Objective 5. Our infrastructure can meet current and future business needs

### Note 2 Summary of Significant Accounting Policies

#### 2.1 Basis of Accounting

The financial statements are a general purpose financial report.

The Financial Statements and Notes have been prepared in accordance with:

- Finance Minister's Orders (FMOs) under the *Financial Management and Accountability Act 1997* for reporting periods ending on or after 1 July 2007; and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The Financial Report has been prepared on an accrual basis and is in accordance with historical cost convention, except for certain assets which, as noted, are at valuation. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

The continued existence of the AIPM in its present form, and with its present programs, is dependent on Government policy and on continuing support by the Australian Federal Police for the Institute's administration and programs.

#### 2.2 Statement of Compliance

##### Adoption of new Australian Accounting Standard requirements

No accounting standard has been adopted earlier than the application date as stated in the standard. The following new standards are applicable to the current reporting period:

##### Financial instrument disclosure

AASB 7 *Financial Instruments: Disclosures* is effective for reporting periods beginning on or after 1 January 2007 (the 2007-08 financial year) and amends the disclosure requirements for financial instruments. In general, AASB 7 requires greater disclosure than that previously required. Associated with the introduction of AASB 7 a number of accounting standards were amended to reference the new standard or remove the present disclosure requirements through 2005-10 Amendments to Australian Accounting Standards [AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 & AASB 1038]. These changes have no financial impact but will affect the disclosure presented in future financial reports.

The following new accounting standards (including reissued standards) / erratum / interpretations are applicable to the 2007/08 financial year and have no material impact on the AIPM:

AASB 7 Financial Instruments Disclosures

AASB 101 Presentation of Financial Statements (issued October 2006)

AASB 1048 Interpretation and Application of Standards (reissued September 2007)

AASB 2005-10 Amendments to Australian Accounting Standards AASB 1, 4, 101 114, 117, 132, 133, 139, 1023, 1038)

AASB 2007-1 Amendments to Australian Accounting Standards arising from AASB interpretation 11 [AASB2]

AASB 2007 4 Amendments to Australian Accounting Standards arising from ED 151 and other amendments

AASB 2007-5 Amendments to Australian Accounting Standard AASB 102 - Inventories Held for Distribution by Not-for-Profit Entities

AASB 2007-7 Amendments to Australian Accounting Standards AASB 1, 2, 4, 5, 107, 128.

AASB 2008-4 Amendments to Australian Accounting Standard AASB 124 - Key Management Personnel Disclosures by Disclosing Entities.

ERR Erratum Proportionate Consolidation AASB 101, AASB 107, AASB 121, AASB 127, Interpretation 113

Interpretation 10 Interim Financial Reporting and Impairment

Interpretation 11 AASB 2 Group and Treasury Share Transactions

Interpretation 1003 Australian Petroleum Resource Rent Tax

The following new standards, amendments to standards or interpretations have been issued by the Australian Accounting Standards Board but are effective for future periods. It is estimated that the impact of adopting these pronouncements when effective will have no material financial impact on future reporting periods:

AASB 3 Business Combinations

AASB 8 Operating Segments

AASB 101 Presentation of Financial Statements (issued September 2007)

AASB 123 Borrowing Costs

AASB 127 Consolidated and Separate Financial Statements

AASB 1004 Contributions

AASB 1049 Whole of Government and General Government Sector Financial Reporting

AASB 1050 Administered Items

AASB 1051 Land Under Roads

AASB 1052 Disaggregated Disclosures

AASB 2007-2 Amendments to Australian Accounting Standards arising from AASB Interpretation 12 [AASB 1, AASB 117, AASB 118, AASB 120, AASB 121, AASB 127 AASB 131 & AASB 139]

AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8

AASB 2007-6 Amendments to Australian Accounting Standards arising from AASB 123

AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101

AASB 2007-9 Amendments to Australian Accounting Standards arising from the Review of AASs 27, 29 and 31 [AASB 3, AASB 5, AASB 8, AASB 101, AASB 114, AASB 116, AASB 127 & AASB 137]

AASB 2008-1 Amendments to Australian Accounting Standard - Share-based Payments: Vesting Conditions and Cancellations [AASB 2]

AASB 2008-2 Amendments to Australian Accounting Standards - Puttable Financial Instruments and Obligations arising on Liquidation [AASB 7, AASB 101, AASB 132, AASB 139 & Interpretation 2]

AASB 2008-3 Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127 [AASBs 1, 2, 4, 5, 7, 101, 107, 112, 114, 116, 121, 128, 131, 132, 133, 134, 136, 137, 138 139 and Interpretations 9 & 107]

Interpretation 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities

Interpretation 4 Determining Whether an Arrangement Contains a Lease

Interpretation 12 Service Concession Arrangements

Interpretation 13 Customer Loyalty Programmes

Interpretation 14 AASB 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

Interpretation 129 Service Concession Arrangements Disclosures

Interpretation 1038 Contributions by Owners Made to Wholly-Owned Public Section Entities

## 2.3

### **Income**

#### **Revenue**

##### **Revenues from Government**

Revenues from the Government via the Australian Federal Police are revenues relating to the core operating activities of the AIPM and are recognised as revenue to the extent they have been received into the Institute's Bank account or are entitled to be received by the Institute at year end.

##### **Goods and Services**

Revenue from the sale of goods and services is recognised upon the delivery of goods or services to customers.

##### **Other revenues**

Other revenue is an amortised contribution received toward the construction of a leasehold improvement, recognised on a proportional basis taking into account the prevailing rental lease term at that time.

#### **Gains**

##### **Sale of Assets**

Gains from the disposal of property, plant and equipment is recognised when control of the asset has passed to the buyer.

##### **Other Gains**

Services received free of charge are recognised in the Income Statement as revenue when and only when a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense.

## 2.4 Employee Benefits

Nominal amounts are calculated with regard to the rates expected to be paid on settlement of the liability.

### Leave

The liability for employee benefits includes provision for annual leave and long service leave. No provision has been made for personal leave as all personal leave is non-vesting and the average personal leave taken in future years by employees is estimated to be less than the annual entitlement for personal leave.

The liability for annual leave reflects the value of total annual leave entitlements of all employees at 30 June 2008 and is recognised at the nominal amount.

The non-current portion of the liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at 30 June 2008. The present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

### Superannuation

Staff of the AIPM contribute to the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS) or the PSS accumulation plan (PSSap). Employer contributions amounting to \$225,443 (2006/07: \$187,985) in relation to these schemes have been expensed in these financial statements.

No liability is shown for superannuation in the Balance Sheet as the employer contributions fully extinguish the accruing liability which is assumed by the Commonwealth.

Employer Superannuation Productivity Benefit contributions totalled \$30,142 (2006/07: \$26,104).

## 2.5 Leases

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased non-current assets, and operating leases under which the lessor effectively retains substantially all such risks and benefits. The Institute does not have any finance leases.

Operating lease payments are expensed on a basis which is representative of the pattern of benefits derived from the leased assets.

## 2.6 Cash

Cash includes notes and coins held and any deposits held at call with a bank or financial institution. Cash is recognised at its nominal amount.

## 2.7 Financial instruments

### Financial assets

The AIPM classifies its financial assets in the following category:

- 'loans and receivables'.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets are recognised and derecognised upon 'trade date'.

#### Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non current assets. The AIPM does not accrue interest on bank deposits and does not charge interest to trade debtors.

#### Impairment of financial assets

Financial assets are assessed for impairment at each balance date.

### Financial Liabilities

Financial liabilities are classified as 'other financial liabilities'.

Financial liabilities are recognised and derecognised upon 'trade date'.

#### Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

The borrowing from the AFP is interest free.

#### Supplier and other payables

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

## 2.8 Acquisition of Assets

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and revenues at their fair value at the date of acquisition.

## 2.9 Property, plant and equipment

### Asset recognition threshold

Purchases of property, plant and equipment are recognised initially at cost in the Balance Sheet, except for purchases costing less than \$2,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

### Revaluations

Leasehold improvements and plant and equipment have been revalued in 2007/08 to be at fair value. Fair value has been determined to be market selling price for plant and equipment and depreciated replacement cost for leasehold improvements.

### Impairment

All assets were assessed for impairment at 30 June 2008. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if AIPM was deprived of the asset, its value in use is taken to be its depreciated replacement cost.

No indicators of impairment were found.

### Depreciation and Amortisation

Depreciable property plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the Institute using, in all cases, the straight line method of depreciation. Leasehold improvements are amortised on a straight-line basis over the lesser of the estimated useful life of the improvements or the unexpired period of the lease.

Depreciation/amortisation rates (useful lives) and methods are reviewed at each balance date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate. Residual values are re-estimated for a change in prices only when assets are revalued.

Depreciation and amortisation rates applying to each class of depreciable asset are based on the following:

	2007/08	2006-07
Leasehold Improvements	10%	10%
Plant and equipment	10 - 33%	10 - 33%
Furniture and fittings	10%	10%

**2.10 Inventories**

Inventories consist of catering stock to be utilised in the provision of hospitality; valued at lower of cost or net realisable value.

**2.11 Taxation**

The Institute is exempt from all forms of taxation except fringe benefits tax and the goods and services tax.

**2.12 Insurance**

The Institute has insured for risks through the Government's insurable risk managed fund 'Comcover'. Workers compensation is insured through Comcare Australia.

**2.13 Comparative Figures**

Comparative figures have been adjusted to conform to changes in presentation in these financial statements where required.

**2.14 Rounding**

Amounts have been rounded to the nearest \$1.

**2.15 Statement of Accounting Judgements and Estimates**

No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next accounting period.

**Note 3 Events after the Balance Sheet Date**

There has not been any event after balance date that has not been brought to account in the 2008 Financial Report.

**Note 4 Income****Revenue****Note 4A - Revenue from Government**

	2007/08	2006/07
	\$	\$
Commonwealth funding	<u>1,521,000</u>	<u>1,516,000</u>
<i>Total revenue from Government</i>	<u><u>1,521,000</u></u>	<u><u>1,516,000</u></u>

**Note 4B - Sale of goods and rendering of services**

	2007/08	2006/07
	\$	\$
Rendering of Services to:		
Related entities	4,653,148	3,622,773
External entities	<u>525,818</u>	<u>893,156</u>
<i>Total rendering of services</i>	<u><u>5,178,966</u></u>	<u><u>4,515,929</u></u>

**Note 4C - Other revenue**

	2007/08	2006/07
	\$	\$
Other revenue	<u>-</u>	<u>18,115</u>
<i>Total other revenue</i>	<u><u>-</u></u>	<u><u>18,115</u></u>

**Gains****Note 4D - Other Gains**

	2007/08	2006/07
	\$	\$
Resources received free of charge	<u>35,000</u>	<u>112,356</u>
<i>Total other gains</i>	<u><u>35,000</u></u>	<u><u>112,356</u></u>

## Note 5 Operating Expenses

### Note 5A - Employee benefits

	2007/08	2006/07
	\$	\$
Wages and salaries	1,669,835	1,423,480
Superannuation		
Defined contribution plans	60,179	32,579
Defined benefit plans	198,944	181,510
Leave and other entitlements	265,794	182,811
Other employee expenses	233,092	230,524
<b><i>Total employee benefits</i></b>	<b><u>2,427,844</u></b>	<b><u>2,050,904</u></b>

### Note 5B - Suppliers

	2007/08	2006/07
	\$	\$
Rendering of services - external entities	2,831,110	2,376,733
Lease rentals *	831,723	227,570
Workers' compensation premiums	4,560	4,840
<b><i>Total supplier expenses</i></b>	<b><u>3,667,393</u></b>	<b><u>2,609,143</u></b>

\* These comprise minimum lease payments.

### Note 5C - Depreciation & Amortisation

	2007/08	2006/07
	\$	\$
Depreciation of Plant & Equipment	50,294	26,492
Amortisation of leasehold improvements	12,762	32,011
Amortisation of software	1,522	1,298
<b><i>Total depreciation and amortisation</i></b>	<b><u>64,578</u></b>	<b><u>59,801</u></b>

## Note 6 Trade and other receivables

	2007/08	2006/07
	\$	\$
Goods and Services	1,785,489	1,502,802
Other debtors	8,251	5,856
GST receivable from the Australian Taxation Office	12,671	31,749
Accrued revenue	141,128	-
<b>Total receivables (gross)</b>	<b>1,947,539</b>	<b>1,540,407</b>
Less: Allowance for doubtful debts	-	-
<b>Total receivables (net)</b>	<b>1,947,539</b>	<b>1,540,407</b>

All receivables are current assets.

All receivables are with entities external to the AIPM.

Credit terms are net 30 days (2006/07: 30 days).

Receivables (gross) are aged as follows:

Current	1,449,855	990,952
Overdue by less than 30 days	285,534	494,825
30 to 60 days	-	46,574
61 to 90 days	-	7,741
more than 90 days	212,150	315
	497,684	549,455
<b>Total receivables (gross)</b>	<b>1,947,539</b>	<b>1,540,407</b>

## Note 7 Non-Financial Assets

### Note 7A - Infrastructure, plant & equipment

	2007/08	2006/07
	\$	\$
Infrastructure, plant and equipment - at fair value	395,544	236,148
Accumulated depreciation	(212,361)	(162,067)
<b>Total plant and equipment (non-current)</b>	<b>183,183</b>	<b>74,081</b>

### Note 7B - Land and buildings

	2007/08	2006/07
	\$	\$
Leasehold improvements - at fair value	573,288	587,442
Accumulated amortisation	(556,204)	(543,442)
<b>Total leasehold improvements (non-current)</b>	<b>17,084</b>	<b>44,000</b>

## Note 7C - Analysis of Property, Plant and Equipment

TABLE A - Movement summary 2007-08 for all assets irrespective of valuation basis. Valuations for all assets at 30 June 2008 represent fair value.

Item	Leasehold Improvements \$	Plant & Equipment \$	TOTAL \$
Gross Value as at 1 July 2007	587,442	236,148	823,590
Acquisition / (disposal) of assets	(14,154)	159,396	145,242
Gross Value as at 30 June 2008	573,288	395,544	968,832
Accumulated Depreciation/ amortisation as at 1 July 2007	543,442	162,067	705,509
Depreciation/amortisation charge for the year	12,762	50,294	63,056
Accumulated Depreciation/ amortisation as at 30 June 2008	556,204	212,361	768,565
Net book value at 30 June 2008	17,084	183,183	200,267
Net book value as at 1 July 2007	44,000	74,081	118,081

TABLE A - Movement summary 2006-07 for all assets irrespective of valuation basis. Valuations for all assets at 30 June 2007 represent fair value.

Item	Leasehold Improvements \$	Plant & Equipment \$	TOTAL \$
Gross Value as at 1 July 2006	543,442	225,077	768,519
Acquisition of new assets	44,000	11,071	55,071
Gross Value as at 30 June 2007	587,442	236,148	823,590
Accumulated Depreciation/ amortisation as at 1 July 2006	511,431	135,575	647,006
Depreciation/amortisation charge for the year	32,011	26,492	58,503
Accumulated Depreciation/ amortisation as at 30 June 2007	543,442	162,067	705,509
Net book value at 30 June 2007	44,000	74,081	118,081
Net book value as at 1 July 2006	32,011	89,502	121,513

## Note 7D - Other Non-Financial Assets

	2007/08 \$	2006/07 \$
Prepayments	19,884	36,409
<b>Total</b>	<b>19,884</b>	<b>36,409</b>

All other non-financial assets are current assets.

## Note 7E - Inventories

	2007/08 \$	2006/07 \$
Alcohol - at cost	39,585	28,521
Food - at cost	14,361	13,878
<b>Total inventories held for sale</b>	<b>53,946</b>	<b>42,399</b>

All inventories are current assets.

## Note 7F - Intangible Assets

	2007/08	2006/07
	\$	\$
Computer software - externally developed - at cost	7,612	7,612
Accumulated amortisation	<u>(3,604)</u>	<u>(2,081)</u>
<b>Total intangibles (non-current)</b>	<b><u>4,008</u></b>	<b><u>5,531</u></b>

## Note 8 Provisions

### Note 8A - Employee Provisions

	2007/08	2006/07
	\$	\$
Salaries	54,508	11,960
Leave	<u>412,018</u>	<u>338,412</u>
Total employee provisions	<b><u>466,526</u></b>	<b><u>350,372</u></b>
Current:	367,723	319,384
Non-current:	<u>98,803</u>	<u>30,988</u>
Total employee provisions	<b><u>466,526</u></b>	<b><u>350,372</u></b>

## Note 9 Payables

### Note 9A - Suppliers

	2007/08	2006/07
	\$	\$
FBT instalment payable to the Australian Taxation Office	53,485	45,891
Trade creditors	27,570	53,168
Other creditors	<u>150,558</u>	<u>272,561</u>
<b>Total supplier payables</b>	<b><u>231,613</u></b>	<b><u>371,620</u></b>

All supplier payables are current liabilities.  
Settlement is usually made net 30 days.

### Note 9B - Other Payables

	2007/08	2006/07
	\$	\$
Unearned income	757,634	896,650
Loan from Australian Federal Police - interest free	<u>150,000</u>	<u>150,000</u>
<b>Total other payables</b>	<b><u>907,634</u></b>	<b><u>1,046,650</u></b>

Other payables are all current.

## Note 10 Cash Flow Reconciliation

Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement	2007/08 \$	2006/07 \$
Report cash and cash equivalents as per:		
Cash Flow Statement	3,594,157	3,664,692
Balance Sheet	3,594,157	3,664,692
Difference	<u>-</u>	<u>-</u>
Reconciliation of operating result to net cash from operating activities:		
Operating result	575,151	1,442,552
Depreciation / amortisation	64,578	59,801
Change in prepayments	16,525	(12,655)
Change in receivables	(407,132)	(578,700)
Change in inventories	(11,546)	(8,853)
Change in unearned income	(139,016)	90,138
Change in employee provisions	116,154	39,748
Change in supplier payables	(140,007)	(11,770)
<i>Net cash from operating activities</i>	<u>74,707</u>	<u>1,020,261</u>

## Note 11 Executive Remuneration

The number of executives who received or were due to receive total remuneration of \$130,000 or more:

	2007/08	2006/07
\$130,000 to \$144,999	1	1
\$145,000 to \$159,999	1	1
\$160,000 to \$174,999	1	1
\$250,000 to \$264,999	1	-
\$265,000 to \$279,999	-	1
The aggregate amount of total remuneration of executives shown above:	<u>\$723,800</u>	<u>\$728,018</u>

## Note 12 Remuneration of Auditors

Financial statement audit services are provided free of charge by the Auditor-General.

	2007/08 \$	2006/07 \$
The fair value of the audit services provided was:	<u>35,000</u>	<u>32,000</u>

No other services were provided by the Auditor-General.

## Note 13 Average Staffing Levels

	2007/08	2006/07
The average staffing levels for the AIPM were:	<u>20</u>	<u>16</u>

## Note 14 Financial Instruments

### Note 14A - Categories of financial instruments

	2007/08	2006/07
<b>Loans and receivables</b>		
Cash and cash equivalents	3,594,157	3,664,692
Trade receivables	<u>1,947,539</u>	<u>1,540,407</u>
<b>Carrying amount of financial assets</b>	<u>5,541,696</u>	<u>5,205,099</u>
<b>Financial Liabilities</b>		
<b>Other Liabilities</b>		
Loans from Government	150,000	150,000
Payables - suppliers	231,613	371,620
Prepayments received/unearned income	<u>757,634</u>	<u>896,650</u>
<b>Carrying amount of financial liabilities</b>	<u>1,139,247</u>	<u>1,418,270</u>

### Note 14B - Net income and expense from financial assets

The AIPM does not accrue interest on bank deposits and does not charge interest to trade debtors.

### Note 14C - Net income and expense from financial liabilities

The AIPM is not charged interest by trade creditors. The AFP loan is interest free.

#### Note 14D - Fair value of financial instruments

	Carrying amount 2007/08 \$	Fair Value 2007/08 \$	Carrying amount 2006-07 \$	Fair Value 2006-07 \$
<b>Financial Liabilities</b>				
Other Liabilities				
Loans from Government	150,000	150,000	150,000	150,000
Payables - suppliers	231,613	231,613	371,620	371,620
Prepayments received/earned income	757,634	757,634	896,650	896,650
Total	1,139,247	1,139,247	1,418,270	1,418,270

#### Note 14E - Credit risk

The AIPM is exposed to minimal credit risk as loans and receivables are cash and trade receivables. The maximum exposure to credit risk is the risk that arises from potential default of a debtor. This amount is equal to the total amount of trade receivables (2008: \$1,947,539 and 2007: \$1,540,407). The AIPM has assessed the risk of the default on payment and has allocated \$Nil in 2008 (2007: \$Nil) to an allowance for doubtful debts account.

The AIPM manages its credit risk by primarily dealing with Government clients. In addition, the AIPM has policies and procedures that guide employees debt recovery techniques that are to be applied.

The AIPM holds no collateral to mitigate against credit risk.

#### Credit quality of financial instruments not past due or individually determined as impaired:

	Not Past Due Nor Impaired 2007/08 \$	Not Past Due Nor Impaired 2006-07 \$	Past due or impaired 2007/08 \$	Past due or impaired 2006-07 \$
<b>Financial Assets</b>				
Loans and receivables:				
Cash and cash equivalents	3,594,157	3,664,692	-	-
Trade receivables	1,449,855	990,952	497,684	549,455
Total	5,044,012	4,655,644	497,684	549,455

**Ageing of financial assets that are past due but not impaired for 2008:**

	0 to 30 days \$	31 to 60 days \$	61 to 90 days \$	90+ days \$	Total \$
<b>Loans and receivables:</b>					
Trade receivables	1,449,855	285,534	-	212,150	1,947,539

**Ageing of financial assets that are past due but not impaired for 2007:**

	0 to 30 days \$	31 to 60 days \$	61 to 90 days \$	90+ days \$	Total \$
<b>Loans and receivables:</b>					
Trade receivables	990,952	494,825	46,574	8,056	1,540,407

**Note 14F - Liquidity risk**

The exposure to liquidity risk is based on the notion that the AIPM will encounter difficulty in meeting its obligations associated with financial liabilities. This is highly unlikely due to the AIPM's healthy net equity position, government funding and mechanisms available to the AIPM (e.g. Advance to the Finance Minister) and internal policies and procedures put in place to ensure there are appropriate resources to meet its financial obligations.

**Note 14G - Market risk**

The AIPM holds basic financial instruments that do not expose the AIPM to certain market risks. The AIPM is not exposed 'Currency risk' or 'Other price risk'.

*Interest Rate Risk*

There are no interest-bearing items on the balance sheet. 'Loan from Government' is interest free from the Australian Federal Police.