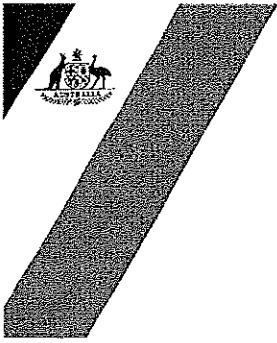


**Australian Institute of Police Management**

**Financial Statements  
for the Year Ended 30 June 2009**



## INDEPENDENT AUDITOR'S REPORT

To the Board of Control of the Australian Institute of Police Management

### Scope

I have audited the accompanying financial statements of the Australian Institute of Police Management (the Institute) for the year ended 30 June 2009, 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 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 Australian Accounting Standards, which include 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 my audit. I have conducted my audit in accordance with Australian National Audit Office Auditing Standards, which incorporate Australian Auditing Standards. These auditing standards require that I 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 these risk assessments, the auditor considers internal controls 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 controls. 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 I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

*Independence*

In conducting the audit, I 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 Australian Accounting Standards, which include Australian Accounting Interpretations; and
- (b) give a true and fair view of the Australian Institute of Police Management's financial position as at 30 June 2009 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

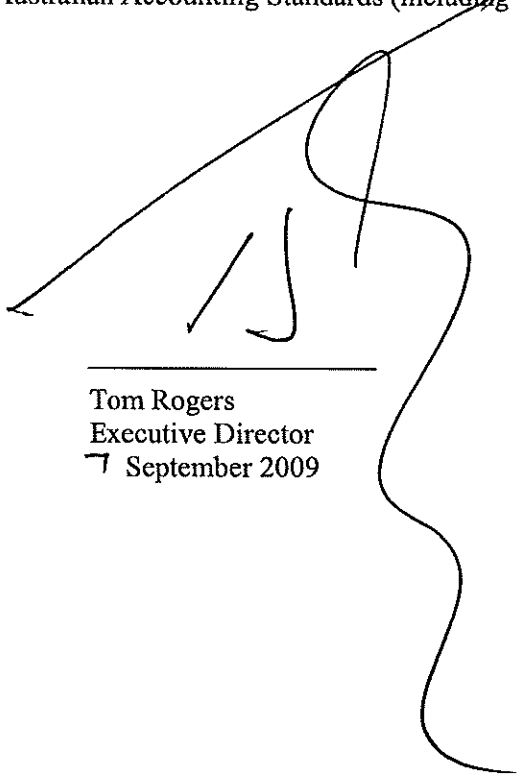
Sydney  
7 September 2009

**AUSTRALIAN INSTITUTE OF POLICE MANAGEMENT  
STATEMENT BY THE EXECUTIVE DIRECTOR AND CHIEF FINANCIAL  
OFFICER**

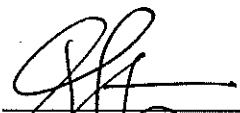
*For the year ended 30 June 2009*

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In our opinion, the attached financial statements for the year ended 30 June 2009 are based on properly maintained financial records and give a true and fair view of the matters required by Australian Accounting Standards (including the Australian Accounting Interpretations).



\_\_\_\_\_  
Tom Rogers  
Executive Director  
7 September 2009



\_\_\_\_\_  
David Martyn  
Chief Financial Officer  
7 September 2009

**AUSTRALIAN INSTITUTE OF POLICE MANAGEMENT  
INCOME STATEMENT**

*for the year ended 30 June 2009*

	Notes	2009 \$	2008 \$
<b>INCOME</b>			
<b>Revenue</b>			
Revenue from Government	3A	1,519,023	1,521,000
Sale of goods and rendering of services	3B	6,193,000	5,178,966
Other revenue	3C	265,514	-
<b>Total revenue</b>		<u>7,977,537</u>	<u>6,699,966</u>
<b>Gains</b>			
Sale of assets	3D	815	-
Other gains	3E	-	35,000
<b>Total gains</b>		<u>815</u>	<u>35,000</u>
<b>Total Income</b>		<u>7,978,352</u>	<u>6,734,966</u>
<b>EXPENSES</b>			
Employee benefits	4A	2,847,909	2,264,180
Suppliers	4B	4,315,015	3,831,057
Depreciation and amortisation	4C	92,265	64,578
<b>Total Expenses</b>		<u>7,255,189</u>	<u>6,159,815</u>
<b>Surplus</b>		<u>723,163</u>	<u>575,151</u>

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

**AUSTRALIAN INSTITUTE OF POLICE MANAGEMENT  
BALANCE SHEET**

*as at 30 June 2009*

	Notes	2009 \$	2008 \$
<b>ASSETS</b>			
<b>Financial Assets</b>			
Cash and cash equivalents	5A	5,108,009	3,594,157
Trade and other receivables	5B	945,281	1,806,411
Other financial assets	5C	198,725	141,128
<b>Total financial assets</b>		<u>6,252,015</u>	<u>5,541,696</u>
<b>Non-Financial Assets</b>			
Land and buildings	6A	24,400	17,084
Infrastructure, plant and equipment	6B	138,799	183,184
Intangibles	6D	66,754	4,008
Inventories	6F	31,113	53,945
Other non-financial assets	6G	30,263	19,884
<b>Total non-financial assets</b>		<u>291,329</u>	<u>278,105</u>
<b>Total Assets</b>		<u>6,543,344</u>	<u>5,819,801</u>
<b>LIABILITIES</b>			
<b>Payables</b>			
Suppliers	7A	504,754	173,128
Other payables	7B	530,200	1,020,628
<b>Total payables</b>		<u>1,034,954</u>	<u>1,193,756</u>
<b>Provisions</b>			
Employee provisions	8A	548,927	412,016
<b>Total provisions</b>		<u>548,927</u>	<u>412,016</u>
<b>Total Liabilities</b>		<u>1,583,881</u>	<u>1,605,772</u>
<b>Net Assets</b>		<u>4,959,463</u>	<u>4,214,029</u>
<b>EQUITY</b>			
Contributed equity		128,040	128,040
Reserves		22,270	-
Retained surpluses		4,809,153	4,085,989
<b>Total Equity</b>		<u>4,959,463</u>	<u>4,214,029</u>
<b>Current Assets</b>		6,313,391	5,615,526
<b>Non-Current Assets</b>		229,953	204,275
<b>Current Liabilities</b>		1,467,243	1,506,970
<b>Non-Current Liabilities</b>		116,638	98,802

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

**AUSTRALIAN INSTITUTE OF POLICE MANAGEMENT  
STATEMENT OF CHANGES IN EQUITY**

*for the year ended 30 June 2009*

Item	Retained Earnings		Asset Revaluation Reserves		Contributed Equity/Capital		Total Equity	
	2009	2008	2009	2008	2009	2008	2009	2008
<b>Opening balance</b>								
Balance carried forward from previous period	\$	\$	\$	\$	\$	\$	\$	\$
Adjustment for errors	4,085,989	3,510,838	-	-	128,040	128,040	4,214,029	3,638,878
Adjusted opening balance	1	-	-	-	-	-	1	-
Revaluation adjustment	4,085,990	3,510,838	-	-	128,040	128,040	4,214,030	3,638,878
Sub-total income and expenses recognised directly in equity	-	-	22,270	-	-	-	22,270	-
Surplus (Deficit) for the period	-	-	22,270	-	-	-	22,270	-
Sub-total Income and Expenses	723,163	575,151	-	-	-	-	723,163	575,151
Closing balance as at 30 June	723,163	575,151	22,270	-	-	-	745,433	575,151
	4,809,153	4,085,989	22,270	-	128,040	128,040	4,959,463	4,214,029

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

**AUSTRALIAN INSTITUTE OF POLICE MANAGEMENT**  
**CASH FLOW STATEMENT**  
*for the year ended 30 June 2009*

	Notes	2009 \$	2008 \$
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Goods and services		6,650,680	4,595,529
Revenue from Government		1,519,023	1,521,000
Net GST received		166,006	-
Other cash received		-	583,437
<b>Total cash received</b>		<u>8,335,709</u>	<u>6,699,966</u>
<b>Cash used</b>			
Employees		2,711,222	2,432,404
Suppliers		4,015,779	4,192,855
<b>Total cash used</b>		<u>6,727,001</u>	<u>6,625,259</u>
<b>Net cash from operating activities</b>	9	<u>1,608,708</u>	<u>74,707</u>
<b>INVESTING ACTIVITIES</b>			
Proceeds from sales of property, plant and equipment		<u>7,295</u>	-
<b>Cash used</b>			
Purchase of property, plant and equipment		20,597	145,242
Purchase of intangibles		81,554	-
<b>Total cash used</b>		<u>102,151</u>	<u>145,242</u>
<b>Net cash (used by) investing activities</b>		<u>(94,856)</u>	<u>(145,242)</u>
<b>Net increase/(decrease) in cash held</b>		<u>1,513,852</u>	<u>(70,535)</u>
Cash and cash equivalents at the beginning of the reporting period		<u>3,594,157</u>	3,664,692
Cash and cash equivalents at the end of the reporting period	5A	<u>5,108,009</u>	<u>3,594,157</u>

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

**AUSTRALIAN INSTITUTE OF POLICE MANAGEMENT  
SCHEDULE OF COMMITMENTS**

as at 30 June 2009

	2009	2008
	\$	\$
<b>BY TYPE</b>		
<b>Commitments receivable</b>		
GST recoverable on commitments	<u>(19,076)</u>	<u>(96,053)</u>
<i>Total commitments receivable</i>	<u>(19,076)</u>	<u>(96,053)</u>
<b>Other commitments</b>		
Operating leases <sup>1</sup>	<u>209,838</u>	<u>1,056,585</u>
<i>Total other commitments</i>	<u>209,838</u>	<u>1,056,585</u>
<b>Net commitments by type</b>	<u><u>190,762</u></u>	<u><u>960,532</u></u>
<b>BY MATURITY</b>		
<b>Commitments receivable</b>		
<b>Other commitments receivable</b>		
One year or less	(11,327)	(83,158)
From one to five years	(7,749)	(12,895)
Over five years	-	-
<i>Total other commitments receivable</i>	<u>(19,076)</u>	<u>(96,053)</u>
<b>Commitments payable</b>		
<b>Operating lease commitments</b>		
One year or less	124,601	914,740
From one to five years	85,237	141,845
Over five years	-	-
<i>Total operating lease commitments</i>	<u>209,838</u>	<u>1,056,585</u>
<b>Net commitments by maturity</b>	<u><u>190,762</u></u>	<u><u>960,532</u></u>

NB: Commitments are GST inclusive where relevant.

<sup>1</sup> Operating leases included are effectively non-cancellable and comprise:

Nature of lease	General description of leasing arrangement
Lease of motor vehicles	Renewal options are available on vehicles and may be taken up.
Leases in relation to photocopier equipment	The lessee provides all equipment and software designated as necessary in the supply contract for four years.
Leases in relation to computer and other equipment	The lessor provides computer and other equipment and software designated as necessary in the supply contract for two to three years.

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

## **Index to the Notes of the Financial Statements**

Note 1:	Summary of Significant Accounting Policies
Note 2:	Events after the Balance Sheet Date
Note 3:	Income
Note 4:	Expenses
Note 5:	Financial Assets
Note 6:	Non-Financial Assets
Note 7:	Payables
Note 8:	Provisions
Note 9:	Cash Flow Reconciliation
Note 10:	Executive Remuneration
Note 11:	Remuneration of Auditors
Note 12:	Financial Instruments

## **Notes to and forming part of the Financial Statements**

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### **Note 1: Summary of Significant Accounting Policies**

#### **1.1 Objectives of Australian Institute of Police Management**

The mission of the Australian Institute of Police Management ("AIPM") is: Developing and uniting policing 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 improved.
- Objective 5: Our infrastructure can meet current and future business needs.

The continued existence of AIPM in its present form, and with its present programs, is dependent on Government policy and on continuing support from the Australian Federal Police ("AFP") for the Institute's administration and programs. AIPM staff are employed under the AFP Collective Agreement.

#### **1.2 Basis of Preparation of the Financial Report**

The Financial Statements are a general purpose financial report.

The financial statements and notes have been prepared in accordance with 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 the historical cost convention, except for certain assets at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

The financial report is presented in Australian dollars and values are rounded to the nearest dollar unless otherwise specified.

Unless an alternative treatment is specifically required by an accounting standard, assets and liabilities are recognised in the balance sheet when and only when it is probable that future economic benefits will flow to the entity or a future sacrifice of economic benefits will be required and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under Agreements Equally Proportionately Unperformed are not recognised unless required by an accounting standard. Liabilities and assets that are unrecognised are reported in the Schedule of Commitments and the Schedule of Contingencies.

Unless alternative treatment is specifically required by an accounting standard, income and expenses are recognised in the income statement when and only when the flow, consumption or loss of economic benefits has occurred and can be reliably measured.

#### **1.3 Significant Accounting Judgement and Estimates**

In the process of applying the accounting policies listed in this note, AIPM has made the following judgements that have the most significant impact on the amounts recorded in the financial statements:

## **Notes to and forming part of the Financial Statements**

---

- The fair value of land and buildings has been taken to be the market value of similar properties as determined by an independent valuer. In some instances, AIPM buildings are purpose built and may in fact realise more or less in the market.

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

### **1.4 Changes in Australian Accounting Standards**

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

No accounting standard has been adopted earlier than the application date as stated in the standard.

No new accounting standards issued prior to the signing of the statement by the Executive Director and Chief Financial Officer applicable to the current reporting period had a significant financial impact on AIPM.

#### **Future Australian Accounting Standard requirements**

No accounting standards issued prior to the signing of the statement by the Executive Director and the Chief Financial Officer that are applicable to future reporting periods have a significant financial impact on AIPM.

### **1.5 Revenue**

#### **Revenues from Government**

Revenues from the Government via the AFP 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 AIPM's bank account or are entitled to be received by the AIPM at year end.

#### **Other Types of Revenue**

Revenue from rendering of services is recognised by reference to the stage of completion of contracts at the reporting date. The revenue is recognised when:

- the amount of revenue, stage of completion and transaction costs incurred can be reliably measured; and
- the probable economic benefits associated with the transaction will flow to the entity.

The stage of completion of contracts at the reporting date is determined by reference to the proportion that costs incurred to date bear to the estimated total costs of the transaction.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance. Collectability of debts is reviewed at balance date. Allowances are made when collectability of the debt is no longer probable.

### **1.6 Gains**

#### **Other Resources Received Free of Charge**

Resources received free of charge are recognised as gains 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.

Resources received free of charge are recorded as either revenue or gains depending on their nature.

#### **Sale of Assets**

Gains from disposal of non-current assets are recognised when control of the asset has passed to the buyer.

## **Notes to and forming part of the Financial Statements**

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### **1.7 Employee Benefits**

Liabilities for services rendered by employees are recognised at the reporting date to the extent that they have not been settled.

Liabilities for 'short-term employee benefits' (as defined in AASB 119 *Employee Benefits*) and termination benefits due within twelve months of balance date are measured at their nominal amounts.

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

All other employee benefit liabilities are measured as the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date.

#### **Leave**

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

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that applied at the time the leave is taken including AIPM's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

#### **Superannuation**

Staff of AIPM are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS) or the PSS accumulated plan (PSSap).

The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap is a defined contribution scheme.

AIPM makes employer contributions to the employee superannuation schemes at rates determined by an actuary to be sufficient to meet the current cost to the Government of the superannuation entitlements of the AIPM's employees. AIPM accounts for the contributions as if they were contributions to defined contribution plans.

The liability for superannuation recognised as at 30 June represents outstanding contributions for the final fortnight of the year.

### **1.8 Leases**

A distinction is made between finance leases and operating leases. Finance leases effectively transfer from the lessor to the lessee substantially all the risks and rewards incidental to ownership of leased non-current assets. An operating lease is a lease that is not a finance lease. In operating leases, the lessor effectively retains substantially all such risks and benefits.

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

### **1.9 Cash**

Cash and cash equivalents includes notes and coins held and any deposits in bank accounts with an original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value. Cash is recognised at its nominal amount.

### **1.10 Financial Assets**

The AIPM classifies its financial assets as 'loans and receivables'.

## **Notes to and forming part of the Financial Statements**

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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. 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.

## **1.11 Financial Liabilities**

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or 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 loan from 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).

## **1.12 Contingent Liabilities and Contingent Assets**

Contingent Liabilities and Contingent Assets are not recognised in the Balance Sheet but are reported in the relevant schedules and notes. They may arise from uncertainty as to the existence of a liability or asset or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

As at 30 June 2009 the AIPM did not have any contingent assets or liabilities.

## **1.13 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. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

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

## **1.14 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).

## Notes to and forming part of the Financial Statements

### Revaluations

Fair values for each class of asset are determined as shown below:

<i>Asset Class</i>	<i>Fair value measured at</i>
Leasehold improvements	Depreciated replacement cost
Infrastructure, plant and equipment	Market appraisal and depreciated replacement cost

Following initial recognition at cost, property plant and equipment are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reverses a previous revaluation decrement of the same asset class that was previously recognised through operating result. Revaluation decrements for a class of assets are recognised directly through operating result except to the extent that they reverse a previous revaluation increment for that class.

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

### Depreciation

Depreciable property plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to AIPM using, in all cases, the straight-line method of depreciation.

Leasehold improvements are depreciated on a straight-line basis over the lesser of the estimated useful life of the improvements or the unexpired period of the lease.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	<u>2009</u>	<u>2008</u>
Leasehold improvements	1 to 10 years	1 to 10 years
Plant and Equipment	3 to 10 years	3 to 10 years

### Impairment

All assets were assessed for impairment at 30 June 2009. No indicators of impairment were found.

#### **1.15 Intangibles**

AIPM's intangibles comprise internally developed and externally acquired software for internal use. These assets are carried at cost less accumulated amortisation and accumulated impairment losses. No indicators of impairment existed at 30 June 2009.

Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of AIPM's software is 3 to 5 years (2007-08 ~ 3 to 5 years)

#### **1.16 Inventories**

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

## **Notes to and forming part of the Financial Statements**

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### **1.17 Taxation**

AIPM is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST:

- except where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- except for receivables and payables.

### **Note 2: Events after the Balance Sheet Date**

No significant events have occurred since the reporting date requiring disclosure in the financial statements.

**Notes to and forming part of the Financial Statements**

	2009	2008
	\$	\$
<b>Note 3: Income</b>		
<i>Revenue</i>		
<b>Note 3A: Revenue from Government</b>		
Commonwealth Funding	<u>1,519,023</u>	<u>1,521,000</u>
<b>Total revenue from Government</b>	<u><u>1,519,023</u></u>	<u><u>1,521,000</u></u>
<b>Note 3B: Sale of Goods and Rendering of Services</b>		
Rendering of services - related entities	3,335,705	4,653,148
Rendering of services - external parties	<u>2,857,295</u>	<u>525,818</u>
<b>Total sale of goods and rendering of services</b>	<u><u>6,193,000</u></u>	<u><u>5,178,966</u></u>
<b>Note 3C: Other revenue</b>		
Other	<u>265,514</u>	-
<b>Total other revenue</b>	<u><u>265,514</u></u>	<u><u>-</u></u>
<i>Gains</i>		
<b>Note 3D: Sale of Assets</b>		
Infrastructure, plant and equipment:		
Proceeds from sale	7,295	-
Carrying value of assets sold	<u>(6,480)</u>	-
<b>Total net gain from sale of assets</b>	<u><u>815</u></u>	<u><u>-</u></u>
<b>Note 3E: Other Gains</b>		
Resources received free of charge	-	35,000
<b>Total other gains</b>	<u><u>-</u></u>	<u><u>35,000</u></u>

Resources received free of charge relates to audit services provided by the ANAO. From 1 July 2008, ANAO services are provided on a fee for service basis.

## Notes to and forming part of the Financial Statements

	2009	2008
	\$	\$
<b>Note 4: Expenses</b>		
<b>Note 4A: Employee benefits</b>		
Wages and salaries	2,017,054	1,668,126
Superannuation		
Defined contribution plans	128,785	60,715
Defined benefit plans	160,709	198,408
Leave and other entitlements	384,566	265,795
Other employee expenses	156,795	71,136
<b>Total employee benefits</b>	<b>2,847,909</b>	<b>2,264,180</b>
<b>Note 4B: Suppliers</b>		
Provision of goods - external entities	120,718	259,870
Rendering of services - related entities	23,066	-
Rendering of services - external entities	3,354,953	2,854,003
Operating lease rentals - external entities:		
Minimum lease payments	810,278	712,624
Workers compensation premiums	6,000	4,560
<b>Total supplier expenses</b>	<b>4,315,015</b>	<b>3,831,057</b>
<b>Note 4C: Depreciation and amortisation</b>		
Depreciation:		
Infrastructure, plant and equipment	58,503	50,294
<b>Total depreciation</b>	<b>58,503</b>	<b>50,294</b>
Amortisation:		
Leasehold improvements	14,954	12,762
Intangibles:		
Computer software	18,808	1,522
<b>Total amortisation</b>	<b>33,762</b>	<b>14,284</b>
<b>Total depreciation and amortisation</b>	<b>92,265</b>	<b>64,578</b>

## Notes to and forming part of the Financial Statements

	2009	2008
	\$	\$
<b>Note 5: Financial Assets</b>		
<b><u>Note 5A: Cash and Cash Equivalents</u></b>		
Cash at bank	1,108,009	3,594,157
Other	<u>4,000,000</u>	<u>-</u>
<b><i>Total cash and cash equivalents</i></b>	<b><u>5,108,009</u></b>	<b><u>3,594,157</u></b>
<b><u>Note 5B: Trade and Other Receivables</u></b>		
Goods and services - related entities	57,736	1,785,489
Goods and services - external parties	<u>872,875</u>	<u>-</u>
<b><i>Total receivables for goods and services</i></b>	<b><u>930,611</u></b>	<b><u>1,785,489</u></b>
GST receivable from the Australian Taxation Office	14,670	12,671
Other:		
Other receivables	<u>-</u>	<u>8,251</u>
<b><i>Total other receivables</i></b>	<b><u>14,670</u></b>	<b><u>20,922</u></b>
<b><i>Total trade and other receivables (gross)</i></b>	<b><u>945,281</u></b>	<b><u>1,806,411</u></b>
Less impairment allowance account	<u>-</u>	<u>-</u>
<b><i>Total trade and other receivables (net)</i></b>	<b><u>945,281</u></b>	<b><u>1,806,411</u></b>
All receivables are current assets.		
Credit terms are net 30 days (2008: 30 days).		
Receivables are aged as follows:		
Not overdue	376,213	1,512,368
Overdue by:		
Less than 30 days	453,154	20,607
30 to 60 days	32,887	201,495
61 to 90 days	64,330	71,941
More than 90 days	<u>18,697</u>	<u>-</u>
<b><i>Total receivables (gross)</i></b>	<b><u>945,281</u></b>	<b><u>1,806,411</u></b>
<b><u>Note 5C: Other Financial Assets</u></b>		
Accrued revenue	<u>198,725</u>	<u>141,128</u>
<b><i>Total other financial assets</i></b>	<b><u>198,725</u></b>	<b><u>141,128</u></b>
All accrued revenue recognised is a current asset.		

**Notes to and forming part of the Financial Statements**

	2009	2008
	\$	\$
<b>Note 6: Non-Financial Assets</b>		
<b><u>Note 6A: Land and Buildings</u></b>		
Leasehold improvements:		
- at fair value	24,400	573,288
accumulated depreciation	-	(556,204)
<b><i>Total leasehold improvements</i></b>	<u>24,400</u>	<u>17,084</u>
<b><i>Total land and buildings (non-current)</i></b>	<u>24,400</u>	<u>17,084</u>

All revaluations are conducted in accordance with the revaluation policy stated at Note 1. In June 2009 an independent valuer, CB Richard Ellis, conducted the revaluations. Revaluation increments of \$22,270 was credited to the Asset Revaluation Reserve and included in the equity section of the balance sheet.

No indicators of impairment were found for land and buildings.

**Note 6B: Infrastructure, Plant and Equipment**

Infrastructure, plant and equipment:		
Gross carrying value (at fair value)	386,132	395,545
Accumulated depreciation	(247,333)	(212,361)
<b><i>Total infrastructure, plant and equipment</i></b>	<u>138,799</u>	<u>183,184</u>
<b><i>Total infrastructure, plant and equipment (non-current)</i></b>	<u>138,799</u>	<u>183,184</u>

All revaluations were conducted in accordance with the revaluation policy stated at Note 1.

No indicators of impairment were found for infrastructure, plant and equipment.

Notes to and forming part of the Financial Statements

Note 6C: Analysis of Property, Plant and Equipment

TABLE A - Reconciliation of the opening and closing balances of property, plant and equipment (2008 - 2009)

Item	Buildings - Leasehold Improvements	Other IP&E	Total
	\$	\$	\$
<b>As at 1 July 2008</b>			
Gross book value	573,288	395,545	968,833
Accumulated depreciation/amortisation and impairment	(556,204)	(212,361)	(768,565)
<b>Net book value 1 July 2008</b>	<b>17,084</b>	<b>183,184</b>	<b>200,268</b>
Additions:			
by purchase	-	20,598	20,598
Revaluations and impairments through equity	22,270	-	22,270
Depreciation/amortisation expense	(14,954)	(58,503)	(73,457)
Disposals:			
Disposals - gross book value	-	(30,011)	(30,011)
Disposals - accumulated depreciation	-	23,531	23,531
<b>Net book value 30 June 2009</b>	<b>24,400</b>	<b>138,799</b>	<b>163,199</b>
<b>Net book value as of 30 June 2009 represented by:</b>			
Gross book value	24,400	386,132	410,532
Accumulated depreciation/amortisation and impairment	-	(247,333)	(247,333)
	<b>24,400</b>	<b>138,799</b>	<b>163,199</b>

**Notes to and forming part of the Financial Statements**

**TABLE A - Reconciliation of the opening and closing balances of property, plant and equipment (2007 - 2008)**

Item	Buildings - Leasehold Improvements	Other IP&E	Total
	\$	\$	\$
<b>As at 1 July 2007</b>			
Gross book value	587,442	236,148	823,590
Accumulated depreciation/amortisation and impairment	(543,442)	(162,067)	(705,509)
<b>Net book value 1 July 2007</b>	<b>44,000</b>	<b>74,081</b>	<b>118,081</b>
<b>Additions:</b>			
by purchase	-	159,397	159,397
Depreciation/amortisation expense	(12,762)	(50,294)	(63,056)
<b>Disposals:</b>			
Other disposals	(14,154)	-	(14,154)
<b>Net book value 30 June 2008</b>	<b>17,084</b>	<b>183,184</b>	<b>200,268</b>
<b>Net book value as of 30 June 2008 represented by:</b>			
Gross book value	573,288	395,545	968,833
Accumulated depreciation/amortisation and impairment	(556,204)	(212,361)	(768,565)
	<u>17,084</u>	<u>183,184</u>	<u>200,268</u>

**Notes to and forming part of the Financial Statements**

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2009                      2008  
\$                              \$

**Note 6D: Intangibles**

Computer software at cost:

Externally acquired

89,166                      7,612

Accumulated amortisation

(22,412)                      (3,604)

*Total internally developed computer software*

66,754                      4,008

*Total intangibles (non-current)*

66,754                      4,008

No indicators of impairment were found for intangible assets.

## Notes to and forming part of the Financial Statements

### Note 6E: Analysis of Intangibles

TABLE B - Reconciliation of the opening and closing balances of intangibles (2008 - 2009)

Item	Computer software purchased \$	Total \$
<b>As at 1 July 2008</b>		
Gross book value	7,612	7,612
Accumulated depreciation/amortisation and impairment	(3,604)	(3,604)
<b>Net book value 1 July 2008</b>	<b>4,008</b>	<b>4,008</b>
Additions		
by purchase or internally developed	81,554	81,554
Amortisation	(18,808)	(18,808)
<b>Net book value 30 June 2009</b>	<b>66,754</b>	<b>66,754</b>
<b>Net book value as at 30 June 2009 represented by:</b>		
Gross book value	89,166	89,166
Accumulated depreciation and amortisation	(22,412)	(22,412)
	<u>66,754</u>	<u>66,754</u>

TABLE B - Reconciliation of the opening and closing balances of intangibles (2007 - 2008)

Item	Computer software purchased \$	Total \$
<b>As at 1 July 2007</b>		
Gross book value	7,612	7,612
Accumulated depreciation/amortisation and impairment	(2,081)	(2,081)
<b>Net book value 1 July 2007</b>	<b>5,531</b>	<b>5,531</b>
Additions		
by purchase or internally developed	-	-
Amortisation	(1,523)	(1,523)
<b>Net book value 30 June 2008</b>	<b>4,008</b>	<b>4,008</b>
<b>Net book value as of 30 June 2008 represented by:</b>		
Gross book value	7,612	7,612
Accumulated amortisation and impairment	(3,604)	(3,604)
	<u>4,008</u>	<u>4,008</u>

**Notes to and forming part of the Financial Statements**

---

2009                      2008  
\$                              \$

**Note 6F: Inventories**

Inventories held for sale		
Other inventories	<u>31,113</u>	<u>53,945</u>
<b><i>Total inventories</i></b>	<b><u>31,113</u></b>	<b><u>53,945</u></b>

All inventories are current assets.

**Note 6G: Other Non-Financial Assets**

Prepayments	<u>30,263</u>	<u>19,884</u>
<b><i>Total other non-financial assets</i></b>	<b><u>30,263</u></b>	<b><u>19,884</u></b>

All other non-financial assets are current assets.

No indicators of impairment were found for other non-financial assets.

**Notes to and forming part of the Financial Statements**

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2009                      2008  
\$                              \$

**Note 7: Payables**

**Note 7A: Suppliers**

Trade creditors	<u>504,754</u>	<u>173,128</u>
<b><i>Total supplier payables</i></b>	<b><u>504,754</u></b>	<b><u>173,128</u></b>

All supplier payables are current liabilities.

**Note 7B: Other Payables**

Prepayments received/unearned income	144,268	757,634
Salaries and wages	108,409	104,457
Other payables	122,162	5,000
Superannuation	5,361	3,537
Loan from Government	<u>150,000</u>	<u>150,000</u>
<b><i>Total other payables</i></b>	<b><u>530,200</u></b>	<b><u>1,020,628</u></b>

All other payables are current liabilities.

## Notes to and forming part of the Financial Statements

2009                      2008  
\$                                      \$

### Note 8: Provisions

#### Note 8A: Employee Provisions

Leave	548,927	412,016
<b>Total employee provisions</b>	<b>548,927</b>	<b>412,016</b>

Employee provisions are represented by:

Current	432,289	313,213
Non-current	116,638	98,803
<b>Total employee provisions</b>	<b>548,927</b>	<b>412,016</b>

The classification of current employee provisions includes amounts for which there is not an unconditional right to defer settlement by one year, hence in the case of employee provisions the above classification does not represent the amount expected to be settled within one year of reporting date. Employee provisions expected to be settled in twelve months from the reporting date are \$329,948 (2008: \$247,654), and in excess of one year \$218,979 (2008: \$164,362).

### Note 9: Cash Flow Reconciliation

#### Reconciliation of cash and cash equivalents as per Balance Sheet to Statement of Cash Flows Statement

##### Report cash and cash equivalent as per:

Cash flow statement	5,108,009	3,594,157
Balance sheet	5,108,009	3,594,157
<b>Difference</b>	<b>-</b>	<b>-</b>

##### Reconciliation of operating result to net cash from operating activities:

Operating result	723,163	575,151
Depreciation / amortisation	92,265	64,578
(Gain)/Loss on disposal of assets	(815)	-
(Increase) / decrease in net receivables	803,533	(407,132)
(Increase) / decrease in inventories	22,832	(11,546)
(Increase) / decrease in prepayments	(10,379)	16,525
Increase / (decrease) in employee provisions	136,911	116,154
Increase / (decrease) in supplier payables	331,626	(140,007)
Increase / (decrease) in other payables	122,938	-
Increase / (decrease) in unearned income	(613,366)	(139,016)
<b>Net cash from operating activities</b>	<b>1,608,708</b>	<b>74,707</b>

**Notes to and forming part of the Financial Statements**

**Note 10: Executive Remuneration**

	2009	2008
The number of senior executives who received or were due to receive total remuneration of \$130,000 or more:		
\$130,000 to \$144,999	-	1
\$145 000 to \$159 999	-	1
\$160 000 to \$174 999	-	1
\$205 000 to \$219 999	1	-
\$250 000 to \$264 999	-	1
<b>Total</b>	<u>1</u>	<u>4</u>

The aggregate amount of total remuneration of senior executives shown above. **\$206,285**      \$723,800

The aggregate amount of separation and redundancy/termination benefit payments during the year to executives shown above. -      -

**Note 11: Remuneration of Auditors**

	2009	2008
	\$'000	\$'000
Financial statement audit services were provided free of charge to the AIPM until 30 June 2008.		
Audit fees	<u>37,500</u>	<u>35,000</u>
	<u>37,500</u>	<u>35,000</u>

No other services were provided by the Auditor-General.

## Notes to and forming part of the Financial Statements

### **Note 12: Financial Instruments**

#### **Note 12A: Categories of financial instruments**

	<b>2009</b>	2008
	<b>\$'000</b>	\$'000
<b>Financial Assets</b>		
Loans and receivables:		
Cash & cash equivalents	5,108,009	3,594,157
Trade receivables	<u>930,611</u>	<u>1,785,489</u>
<i>Carrying amount of financial assets</i>	<u><u>6,038,620</u></u>	<u><u>5,379,646</u></u>
<b>Financial Liabilities</b>		
Supplier and Other Payables:		
Trade creditors	504,754	173,128
Other payables	<u>122,162</u>	<u>5,000</u>
	<u><u>626,916</u></u>	<u><u>178,128</u></u>
Other Financial Liabilities		
Loan from government	<u>150,000</u>	<u>150,000</u>
<i>Carrying amount of financial liabilities</i>	<u><u>776,916</u></u>	<u><u>328,128</u></u>

#### **Note 12B: Net income and expense from financial assets**

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

#### **Note 12C: Net income and expense from financial liabilities**

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

#### **Note 12D: Fair Value of Financial Instruments**

The carrying value of all financial instruments in the balance sheet approximates fair value.

## Notes to and forming part of the Financial Statements

### Note 12E: Credit Risk

AIPM's 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 (2009: \$930,611 and 2008: \$1,785,489). The AIPM has assessed the risk of default on payment and has allocated nil to the impairment allowance account (2008: Nil). The AIPM manages its credit risk by primarily dealing with Government clients. In addition, AIPM has policies and procedures in place 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 2009 \$'000	Not Past Due Nor Impaired 2008 \$'000	Past due or impaired 2009 \$'000	Past due or impaired 2008 \$'000
Trade receivables	361,543	1,491,446	569,068	294,043
<b>Total</b>	<b>361,543</b>	<b>1,491,446</b>	<b>569,068</b>	<b>294,043</b>

#### Ageing of financial assets that are past due but not impaired for 2009

	0 to 30 days \$'000	31 to 60 days \$'000	61 to 90 days \$'000	90+ days \$'000	Total \$'000
Trade receivables	453,154	32,887	64,330	18,697	569,068
<b>Total</b>	<b>453,154</b>	<b>32,887</b>	<b>64,330</b>	<b>18,697</b>	<b>569,068</b>

The credit risk on AIPM's trade receivables is considered minimal. At 30 June 2009, AIPM assessed no trade receivables to be impaired and therefore in doubt of recovery.

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

	0 to 30 days \$'000	31 to 60 days \$'000	61 to 90 days \$'000	90+ days \$'000	Total \$'000
Trade receivables	20,607	201,495	71,941	-	294,043
<b>Total</b>	<b>20,607</b>	<b>201,495</b>	<b>71,941</b>	<b>-</b>	<b>294,043</b>

## **Notes to and forming part of the Financial Statements**

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### **Note 12F: Liquidity Risk**

The exposure to liquidity risk is based on the notion that AIPM will encounter difficulty in meeting its obligations associated with financial liabilities. This is highly unlikely due to its healthy net equity position, government funding and internal policies and procedures already in place to ensure that there are appropriate resources to meet its financial obligations.

### **Note 12G: Market Risk**

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

#### **Interest rate risk**

There are no interest-bearing items on the balance sheet. The 'Loan from Government' is interest free from the AFP.