

Australian Institute of Police Management

**Special Purpose Financial Statements
for the year ended 30 June 2025**

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Statement by the Executive Director

In my opinion:

1. The Australian Institute of Police Management (AIPM) is not a reporting entity and these special purpose financial statements and notes:

- are based on properly maintained financial records and prepared in accordance with the accounting policies outlined in the overview to the financial statements which are appropriate to meet the needs of users;
- present fairly the AIPM's financial position as at 30 June 2025 and its performance for the year ended on that date; and

2. At the date of this statement, there are reasonable grounds to believe that AIPM will be able to pay its debts as and when they become due and payable.



Assistant Commissioner Grant Nicholls
AIPM Executive Director

11 September 2025

Statement of comprehensive income

For the year ended 30 June 2025

| | | 2025 | 2024 |
|---|-------|-------------------|-------------------|
| | Notes | \$ | \$ |
| Revenue | | | |
| Revenue from government | | 4,825,702 | 5,002,799 |
| Course and events revenue | | 5,464,095 | 5,005,886 |
| AP4 Scholarship Funding | | 993,317 | - |
| Total revenue | | 11,283,114 | 10,008,685 |
| Expenses | | | |
| Employee benefits | 1.1 | 4,176,892 | 4,558,488 |
| Suppliers | 1.2 | 4,623,384 | 3,519,471 |
| Grants paid | | 100,000 | 350,000 |
| Depreciation and amortisation | | 98,821 | 147,929 |
| Total expenses | | 8,999,097 | 8,575,888 |
| Surplus / (Deficit) attributable to AIPM | | 2,284,017 | 1,432,797 |
| Other comprehensive income | | | |
| Revaluation of property, plant and equipment | | - | - |
| Total accumulated surplus / (deficit) attributable to AIPM | | 2,284,017 | 1,432,797 |

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

Statement of financial position

As at 30 June 2025

| | Notes | 2025 \$ | 2024 \$ |
|-----------------------------------|-------|-------------------|-------------------|
| Financial assets | | | |
| Cash and cash equivalents | 2.1 | 13,012,068 | 13,262,589 |
| Trade and other receivables | 2.2 | 889,435 | 715,546 |
| Total financial assets | | 13,901,503 | 13,978,135 |
| Non-financial assets | | | |
| Land and buildings | 3 | 2,470,407 | 427,601 |
| Property, plant and equipment | 3 | 201,755 | 254,170 |
| Inventories | | 24,149 | 25,040 |
| Total non-financial assets | | 2,696,311 | 706,811 |
| Total assets | | 16,597,814 | 14,684,946 |
| Liabilities | | | |
| Supplier payables | | 431,693 | 405,942 |
| Unearned income | | 607,447 | 862,333 |
| Salaries and wages | | 115,068 | 90,697 |
| FBT payable | | 11,680 | 18,769 |
| Superannuation payable | | 17,011 | 13,990 |
| Other payables | | 50,338 | 167,983 |
| Total payables | | 1,233,237 | 1,559,714 |
| Provisions | | | |
| Employee provisions - leave | | 1,023,192 | 1,067,864 |
| Total provisions | | 1,023,192 | 1,067,864 |
| Total liabilities | | 2,256,429 | 2,627,578 |
| Net assets | | 14,341,385 | 12,057,368 |
| Equity | | | |
| Contributed equity | | 128,040 | 128,040 |
| Revaluation reserves | | 142,084 | 142,084 |
| Retained surplus | | 14,071,261 | 11,787,244 |
| Total equity | | 14,341,385 | 12,057,368 |

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

Statement of changes in equity

| As at 30 June 2025 | Accumulated surplus | Revaluation reserves | Contributed equity | Total equity |
|--|---------------------|----------------------|--------------------|-------------------|
| | \$ | \$ | \$ | \$ |
| Opening balance 1 July 2024 | 11,787,244 | 142,084 | 128,040 | 12,057,368 |
| Comprehensive income | | | | |
| Revaluation of Property, plant and equipment | - | - | - | - |
| Surplus for the period | 2,284,017 | - | - | 2,284,017 |
| Total comprehensive income | 2,284,017 | - | - | 2,284,017 |
| Closing balance attributable to the Australian Government, 30 June 2025 | 14,071,261 | 142,084 | 128,040 | 14,341,385 |

| As at 30 June 2024 | Accumulated surplus | Revaluation reserves | Contributed equity | Total equity |
|--|---------------------|----------------------|--------------------|-------------------|
| | \$ | \$ | \$ | \$ |
| Opening balance 1 July 2023 | 10,354,447 | 142,084 | 128,040 | 10,624,571 |
| Comprehensive income | | | | |
| Surplus for the Period | 1,432,797 | - | - | 1,432,797 |
| Total comprehensive income | 1,432,797 | - | - | 1,432,797 |
| Closing balance attributable to the Australian Government, 30 June 2024 | 11,787,244 | 142,084 | 128,040 | 12,057,368 |

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

Cash flow statement

For the year ended 30 June 2025

| | 2025 \$ | 2024 \$ |
|---|--------------------|-------------------|
| Operating activities | | |
| Cash received | | |
| Goods and services | 5,035,320 | 6,056,277 |
| Revenue from Government | 4,825,702 | 5,002,799 |
| Net GST received | 398,515 | 119,148 |
| Total cash received | 10,259,537 | 11,178,224 |
| Cash used | | |
| Employees | 4,201,261 | 4,699,696 |
| Suppliers | 4,119,586 | 3,634,718 |
| Grant payments | 100,000 | 350,000 |
| Total cash used | 8,420,847 | 8,684,414 |
| Net cash from operating activities | 1,838,690 | 2,493,810 |
| Investing activities | | |
| Cash used | | |
| Purchase of property, plant and equipment | - | 1,668 |
| Fit out of buildings | 2,089,211 | 55,118 |
| Total cash used | 2,089,211 | 56,786 |
| Net cash (used by) investing activities | (2,089,211) | (56,786) |
| Net (decrease) / increase in cash held | (250,521) | 2,437,024 |
| Cash and cash equivalents at the beginning of the reporting period | 13,262,589 | 10,825,565 |
| Cash and cash equivalents at the end of the reporting period | 13,012,068 | 13,262,589 |

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

Overview

Objectives of Australian Institute of Police Management

First established as a commonwealth Police College in 1960, the AIPM is a national common police service resource providing leadership development to executive and senior managers in policing and public safety. The AIPM is administered by the Australian Federal Police and reports to a Board comprised of all the Police Commissioners of Australia and New Zealand. AIPM staff are employed under the AFP Enterprise Agreement or individual agreement where applicable. Its ethos is guided by a not for profit approach, applying a commercial mindset to assure its financial viability and longer-term sustainability.

The purpose of the AIPM is to develop tomorrow's leaders today. Its vision is to be a world leader in police and public safety leadership development and management development. Its mission is to develop and deliver evidence based, contemporaneous and future focussed police and public safety leadership education. The AIPM partners with Australia and New Zealand police jurisdictions and other agencies to develop and deliver exceptional leadership programs and activities both domestically and internationally. This includes the 22 Pacific Islands Chiefs of Police participating nations, to develop and support their senior and emerging Pacific Police leaders.

The continued existence of AIPM in its present form is dependent on Government policy and the AIPM Board of Commissioners.

Basis of preparation of the financial statements

The AIPM's accounts form part of the Australian Federal Police (AFP) special account, Services and Other Entities Trust Moneys Account. These financial statements have been prepared as a special purpose financial report.

The financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations, and the disclosure requirements of AASB 101 *Presentation of Financial Statements*, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* and AASB 1054 *Australian Additional Disclosures*.

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

These financial statements are presented in Australian dollars and values are rounded to the nearest dollar.

Unless alternative treatment is specifically required by an accounting standard, assets and liabilities are recognised in the statement of financial position when it is probable that future economic benefits will flow to the entity or future sacrifice of economic benefits will be required and the amounts of the assets or liabilities can be reliably measured.

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

Significant accounting judgements and estimates

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

- The liability for long service leave has been estimated using present value techniques. This takes into account expected salary growth through promotion, inflation, attrition and future discount rates.

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.

New and Revised Accounting Standards

Adoption of new Australian Accounting Standards requirements

No new or revised standards and interpretations that were issued prior to the sign-off date and are applicable to the current reporting period have a material effect on AIPM's financial statements.

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

Overview (cont.)

Revenue

Revenue from courses and events is the AIPM's main income source. Income is recognised as revenue by the AIPM at the time the course or event has been provided by the AIPM.

Receivables for courses, events or other services, which have 30 day terms, are recognised at the nominal amounts due, less any impairment allowance. Collectability of debts is reviewed at the end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

Revenues from Government

The AFP is appropriated revenue to fund the core operating activities of the AIPM. This is recognised as revenue by the AIPM to the extent appropriated revenue was received into the AIPM's bank account or entitled to be received by year end.

Grants

AIPM administered a grant scheme. Grant liabilities are recognised to the extent that (i) the services required to be performed by the grantee have been performed or (ii) the grant eligibility criteria have been satisfied, but payments due have not been made. When the Government enters into an agreement to make these grants and services but services have not been performed or criteria satisfied, this is considered a commitment.

Unearned income

Deposits and prepayments for courses yet to be delivered are recognised as a liability at the time of receipt. Revenues are recognised in relation to those items when the service is provided.

Financial instruments

The AIPM's financial instruments are measured on a cost basis. Interest-earning financial assets and liabilities are measured using the effective interest rate method. The carrying amount of all financial instruments in the Statement of financial position approximates fair value. Financial instruments held by the AIPM carry minimal credit, liquidity and market risk.

Contingent liabilities and contingent assets

Contingent liabilities and contingent assets are not recognised in the Statement of financial position but are reported in the relevant 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. The AIPM has no contingent liabilities or contingent assets at 30 June 2025 (2024: nil contingent liabilities or contingent assets).

Taxation

AIPM is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the 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
- for receivables and payables.

Commitments

Assets and liabilities arising under executor contracts are not recognised unless required by an accounting standard. Assets and liabilities that are unrecognised are reported as commitments. There are no material commitments payable at 30 June 2025 (2024: nil material commitments).

Events after the reporting period

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

Note 1: Expenses

Note 1.1: Employee benefits

| | 2025 | 2024 |
|--------------------------------|------------------|------------------|
| | \$ | \$ |
| Wages and salaries | 3,125,939 | 3,387,947 |
| Superannuation: | | |
| Defined contribution plans | 355,108 | 376,697 |
| Defined benefit plans | 153,237 | 146,791 |
| Leave and other entitlements | 502,976 | 305,578 |
| Separation and redundancies | - | 258,874 |
| Fringe benefit tax | 39,632 | 82,601 |
| Total employee benefits | 4,176,892 | 4,558,488 |

Employee benefits

Superannuation

Staff of AIPM are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), the Public Sector Superannuation accumulation plan (PSSap), or a nominated superannuation fund. The CSS and PSS are defined benefit schemes for the Australian Government. All other superannuation funds are accumulation funds.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported by the Department of Finance's schedules and notes.

AIPM makes employer contributions to the employee superannuation scheme at rates determined by an actuary to be sufficient to meet the 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 2025 represents outstanding contributions for the final fortnight of the year.

Liabilities for 'short-term employee benefits' (as defined in AASB 119 *Employee Benefits*) and termination benefits due within twelve months of the end of the reporting period 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.

Employee provisions which are expected to be settled beyond 12 months (commonly long service leave), are discounted to present value using market yields on the 10-year government bond rate.

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 as 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 will be 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.

The liability for long service leave has been determined by reference to the work of an actuary as at 30 June 2025. The estimate of the present liability takes into account expected salary growth through promotion, inflation and attrition. A full review by an actuary is conducted every 3 years.

Note 1.2: Suppliers

| | 2025 | 2024 |
|--------------------------------------|------------------|------------------|
| | \$ | \$ |
| <i>Goods and services</i> | | |
| Communication and IT | 326,344 | 235,815 |
| Consultants and contractors | 1,161,270 | 1,306,829 |
| General and office* | 464,139 | 360,872 |
| Course expenses* | 742,996 | 709,692 |
| Buildings and site maintenance | 571,100 | 322,490 |
| Travel* | 1,016,901 | 505,097 |
| Other expenses | 49,207 | 6,824 |
| Total goods and services | 4,331,957 | 3,447,619 |
| <i>Other supplier expenses</i> | | |
| Short term and low value leases | 3,145 | 2,400 |
| Workers compensation expenses | 288,282 | 69,452 |
| Total other supplier expenses | 291,427 | 71,852 |
| Total supplier expenses | 4,623,384 | 3,519,471 |

* Includes AP4 scholarship finding expenses (travel \$886,944, Course expenses \$105,586 and General and office \$787)

Note 2: Financial assets**Note 2.1: Cash and cash equivalents**

| | 2025 | 2024 |
|--|-------------------|-------------------|
| | \$ | \$ |
| Cash on hand | 2,000 | 2,000 |
| Cash at bank | 4,360,068 | 4,610,589 |
| Cash - held by the OPA ¹ | 8,650,000 | 8,650,000 |
| Total cash and cash equivalents | 13,012,068 | 13,262,589 |

¹ Special account funds held by the OPA are reported as cash.

Note 2.2: Trade and other receivables

| | 2025 | 2024 |
|--|----------------|----------------|
| | \$ | \$ |
| Goods and services | 810,090 | 688,363 |
| Total goods and services receivable | 810,090 | 688,363 |
| For existing outputs | - | - |
| Total appropriations receivable | - | - |
| Other receivables: | | |
| GST receivable from the Australian Taxation Office | 79,345 | 27,183 |
| Total other receivables | 79,345 | 27,183 |
| Total receivables for goods and services | 889,435 | 715,546 |
| Total trade and other receivables | 889,435 | 715,546 |

AIPM assesses its receivables for impairment annually. At 30 June 2025 and 30 June 2024 no indications of impairment were found.

Credit terms are net 30 days (2024: 30 days).

Note 3: Property, Plant, Equipment and Intangibles**Property, plant, equipment and intangibles
reconciliation of opening and closing balance
30 June 2025**

| | Plant and equipment | Land and Buildings | Intangibles | Total |
|---|------------------------|--------------------|-------------|------------------|
| | \$ | \$ | \$ | \$ |
| As at 1 July 2024 | | | | |
| Gross book value | 406,202 | 475,530 | 19,800 | 901,532 |
| Accumulated depreciation/amortisation and impairment | (152,032) | (47,929) | (19,800) | (219,761) |
| Net book value 1 July 2024 | 254,170 | 427,601 | - | 681,771 |
| Additions: | | | | |
| By purchase* | - | 2,089,211 | - | 2,089,211 |
| Revaluations and impairments recognised in other comprehensive income | - | - | - | - |
| Depreciation/amortisation expense | (52,415) | (46,406) | - | (98,821) |
| Net book value 30 June 2025 | 201,755 | 2,470,407 | - | 2,672,162 |

Net book value as of 30 June 2025 represented by:

| | | | | |
|--|----------------|------------------|----------|------------------|
| Gross book value | 406,202 | 2,564,741 | 19,800 | 2,990,743 |
| Accumulated depreciation/amortisation and impairment | (204,447) | (94,334) | (19,800) | (318,581) |
| Net book value 30 June 2025 | 201,755 | 2,470,407 | - | 2,672,162 |

* Fitout of AIPM buildings

No indicators of impairment were found for intangibles.

AIPM's intangibles comprise of externally acquired software for internal use.

Asset recognition threshold

Purchases of property, plant, equipment and intangibles are recognised initially at cost in the Statement of financial position, except for purchases costing less than \$2,000, which are expensed in the year of acquisition. Where assets less than \$2,000 form part of a group of similar items which are significant in total, they are recognised as assets. Externally purchased software which is greater than \$10,000 is recognised as an asset.

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

Revaluations

Fair value for each class of assets are determined as shown below:

| Asset class | Valuation technique |
|-------------------------------|------------------------------|
| Property, plant and equipment | Depreciated Replacement Cost |
| Leasehold Improvements | Depreciated Replacement Cost |

Following initial recognition at cost, property plant and equipment are carried at market 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 with 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.

The AIPM has adopted a 3 year valuation cycle. The AIPM tests the valuation model as an internal management review at least every 12 months to ensure there are no material differences. The last formal valuation by JLL Public Sector Valuations occurred at 30 June 2023.

Property, plant, equipment and intangibles (cont.)

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 in the Statement of comprehensive income. Revaluation decrements for a class of assets are recognised directly in the surplus/deficit 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 and Amortisation

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

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

Asset class

| | |
|-------------------------------|------------------------|
| Property, plant and equipment | 3 to 13 years |
| Intangibles | 3 to 5 years |
| Leasehold improvements | 15 years or lease term |

Impairment

All assets are assessed for impairment at 30 June 2025. 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 were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

Derecognition

An item of property, plant and equipment is derecognised upon disposal, or when no future economic benefits are expected from its use or disposal.