Australian Institute of International Affairs Ltd

ABN 34 000 045 170

Financial Statements

For the Year Ended 30 June 2014

Australian Institute of International Affairs Ltd

ABN 34 000 045 170

Contents

For the Year Ended 30 June 2014

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Directors' Report

30 June 2014

The directors present their report on Australian Institute of International Affairs Ltd for the financial year ended 30 June 2014.

1. General information

Information on directors

The names of each person who has been a director during the year and to the date of this report are:

Mr John McCarthy AO FAIIA	National President
Experience	18/10/2010 - present
Ms Zara Kimpton OAM	National Vice President
Experience	09/12/2010 - present
Ms Melissa Conley Tyler	National Executive Director
Experience	16/01/2006 - present
Mr Dayle Redden	National Treasurer
Experience	07/06/2007 - present
Mr Cameron Hawker	ACT Branch President
Experience	30/11/2012 - present
Mr Colin Chapman	AIIA NSW President
Experience	16/09/2010 - present
Mr Geoffrey Ewing	QLD Branch President
Experience	07/10/2008 - present
Assoc Prof Felix Patrikeeff	SA Branch President
Experience	22/10/1999 - present
Prof Peter John Boyce AO	TAS Branch President
Experience	22/05/2013 - present
Mr John Goodlad	WA Branch President
Experience	28/08/2012 - present
Mr Leslie Rowe	AIIA VIC President
Experience	20/02/2012 - 20/11/2013
Mr Laurence Peter Wade	AIIA VIC President
Experience	20/11/2013 - present
Prof Nick Bisley	AJIA Editor
Experience	01/07/2013 - present
Assoc Prof Shirley Scott	Research Chair
Experience	17/12/2009 - present

Directors' Report
30 June 2014

Information on directors continued

Mr Paul Grigson	DFAT Representative
Experience	16/09/2010 - present

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal activities

The principal activity of Australian Institute of International Affairs Ltd during the financial year was the promotion of public understanding of issues in Australia's international relations.

No significant changes in the nature of the Company's activity occurred during the financial year.

Long term objectives

The Company was established in 1933 with the long term objective to promote public understanding and interest in international affairs.

Strategy for achieving the objectives

To achieve these objectives, the Company has adopted the following strategies:

- Forum for Debate - The AIIA hosts meetings, lectures and discussions important to issues in world affairs. The AIIA has organised a number of events, making important contributions to public debate.
- Disseminating Ideas - The AIIA publishes the scholarly journal *Australian Journal of International Affairs* as well as the *Australia in World Affairs* series, the definitive record of Australian foreign policy. Both now span more than 60 years. The AIIA also publishes occational papers and conference proceedings.
- Educating - The AIIA works to interest young people in world issues through career fairs, school seminars and young members' programs in various states.
- Collaborating - The AIIA partners with other institutes in Australia and worldwide. It had co-operative relationships with similar institutes of international affairs, including the Royal Institute of International Affairs (Chatham House), and maintains contact with more than 110 other institutes worldwide.

Directors' Report
30 June 2014

Meetings of directors

During the financial year, 6 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Mr John McCarthy AO FAIIA	6	5
Ms Zara Kimpton OAM	6	6
Ms Melissa Conley Tyler	6	6
Mr Dayle Redden	6	4
Mr Cameron Hawker	6	4
Mr Colin Chapman	6	6
Mr Geoffrey Ewing	6	6
Assoc Prof Felix Patrikeeff	6	2
Prof Peter John Boyce AO	6	4
Mr John Goodlad	6	5
Mr Leslie Rowe	2	2
Mr Laurence Peter Wade	4	4
Prof Nick Bisley	6	5
Assoc Prof Shirley Scott	6	2
Mr Paul Grigson	6	-

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2014 has been received and can be found on page 4 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

Director: ....
Mr Dayle Redden

Director: ....
Ms Melissa Conley Tyler

Dated 26 October 2014

Hardwickes
more than accounting

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Hardwickes Partners Pty Ltd
ABN 21 008 401 536

Liability limited by a scheme
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Standards Legislation

Auditors Independence Declaration under Section 307C of the Corporations Act 2001 To the Directors of Australian Institute of International Affairs Ltd

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2014, there have been:

(i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Hardwickes
Chartered Accountants

Amanda O'Reilly CA
Partner

26 October 2014

Deakin, ACT

Chartered Accountants

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2014

	2014	2013
	$	$
Other income	**633,306**	516,088
Occupancy costs	**(166,997)**	(180,675)
Administrative expenses	**(213,638)**	(185,445)
National President's Forum	**(23,400)**	(25,466)
Nygh scholarships	**(11,000)**	(11,000)
Young Initiative Program	**(7,430)**	(6,188)
Production & editorial costs	**(41,587)**	(38,586)
Euan Crone scholarships	**(18,100)**	-
Other expenses	**(169,937)**	(152,195)
Finance costs	**(9,842)**	(12,469)
Profit before income tax	**(28,625)**	(95,936)
Income tax expense	**-**	-
Profit for the year	**(28,625)**	(95,936)

The accompanying notes form part of these financial statements.

Australian Institute of International Affairs Ltd

ABN 34 000 045 170

Statement of Financial Position

30 June 2014

	Note	2014 $	2013 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	**238,117**	246,221
Trade and other receivables	4	**42,417**	6,998
Other assets	6	**10,150**	-
TOTAL CURRENT ASSETS		**290,684**	253,219
NON-CURRENT ASSETS			
Property, plant and equipment	5	**2,661,536**	2,766,471
TOTAL NON-CURRENT ASSETS		**2,661,536**	2,766,471
TOTAL ASSETS		**2,952,220**	3,019,690
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	**49,110**	58,197
TOTAL CURRENT LIABILITIES		**49,110**	58,197
NON-CURRENT LIABILITIES			
Borrowings	8	**221,002**	250,760
TOTAL NON-CURRENT LIABILITIES		**221,002**	250,760
TOTAL LIABILITIES		**270,112**	308,957
NET ASSETS		**2,682,108**	2,710,733
EQUITY			
Reserves		**2,106,148**	2,106,148
Retained earnings		**575,960**	604,585
		2,682,108	2,710,733
TOTAL EQUITY		**2,682,108**	2,710,733

The accompanying notes form part of these financial statements.

Statement of Changes in Equity
For the Year Ended 30 June 2014

2014

	Retained Earnings	Asset Revaluation Reserve	Total
	$	$	$
Balance at 1 July 2013	**604,585**	**2,106,148**	**2,710,733**
Loss attributable to members of the entity	**(28,625)**	**-**	**(28,625)**
Balance at 30 June 2014	**575,960**	**2,106,148**	**2,682,108**

2013

	Retained Earnings	Asset Revaluation Reserve	Total
	$	$	$
Balance at 1 July 2012	700,521	2,106,148	2,806,669
Loss attributable to members of the entity	(95,936)	-	(95,936)
Balance at 30 June 2013	604,585	2,106,148	2,710,733

The accompanying notes form part of these financial statements.

Australian Institute of International Affairs Ltd
ABN 34 000 045 170

Statement of Cash Flows
For the Year Ended 30 June 2014

	Note	2014 $	2013 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		**281,916**	228,621
Payments to suppliers and employees		**(583,652)**	(513,450)
Interest received		**10,625**	9,970
Interest paid		**(9,960)**	(12,469)
Receipt from grants		**85,800**	116,694
Rent receipts		**236,925**	238,758
Net cash provided by (used in) operating activities	12	**21,654**	68,124
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment		**-**	(32,010)
Net cash used by investing activities		**-**	(32,010)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Repayment of borrowings		**(29,758)**	(27,131)
Net cash used by financing activities		**(29,758)**	(27,131)
Net increase (decrease) in cash and cash equivalents held		**(8,104)**	8,983
Cash and cash equivalents at beginning of year		**246,221**	237,238
Cash and cash equivalents at end of financial year	3	**238,117**	246,221

The accompanying notes form part of these financial statements.

Notes to the Financial Statements
For the Year Ended 30 June 2014

The financial statements are for Australian Institute of International Affairs Ltd as a not-for-profit individual entity.

The functional and presentation currency of Australian Institute of International Affairs Ltd is Australian dollars.

1 Summary of Significant Accounting Policies

(a) Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001*.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(b) Comparative Amounts

Comparatives are consistent with prior years, unless otherwise stated.

(c) Income Tax

No provision for income tax has been raised as the Company is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

(d) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to the Company are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for that period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the Company will obtain ownership of the asset or over the term of the lease.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(e) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the entity and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of

1 Summary of Significant Accounting Policies continued

returns, discounts and rebates.

All revenue is stated net of the amount of goods and services tax (GST).

Interest revenue

Interest is recognised using the effective interest method.

(f) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

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

(g) Property, Plant and Equipment

Classes of property, plant and equipment are measured using the cost or revaluation model as specified below.

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Assets measured using the revaluation model are carried at fair value at the revaluation date less any subsequent accumulated depreciation and impairment losses. Revaluations are performed whenever there is a material movement in the value of an asset under the revaluation model.

Land and buildings

Land and buildings are measured using the revaluation model.

Freehold land and buildings that have been contributed at no cost, or for nominal cost are valued and recognised at the fair value of the asset at the date it is acquired.

Plant and equipment

Plant and equipment are measured using the revaluation model.

Plant and equipment that have been contributed at no cost, or for nominal cost are valued and recognised at the fair value of the asset at the date it is acquired.

1 Summary of Significant Accounting Policies continued

(g) Property, Plant and Equipment continued

Depreciation

The depreciable amount of all property, plant and equipment, except for freehold land is depreciated on a straight-line method from the date that management determine that the asset is available for use.

Assets held under a finance lease and leasehold improvements are depreciated over the shorter of the term of the lease and the assets useful life.

The depreciation rates used for each class of depreciable asset are shown below:

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(h) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is the equivalent to the date that the Company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method, or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

(a) the amount at which the financial asset or financial liability is measured at initial recognition;

(b) less principal repayments;

(c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and

(d) less any reduction for impairment.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

1 Summary of Significant Accounting Policies continued

The classification of financial instruments depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and at the end of each reporting period for held-to-maturity assets.

The Company does not designate any interest as being subject to the requirements of accounting standards specifically applicable to financial instruments.

(i) *Financial assets at fair value through profit or loss*

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting year.

(iii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to be realised within 12 months after the end of the reporting period, which will be classified as current assets.

If during the period the Company sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investments category would be tainted and reclassified as available-for-sale.

(iv) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to be sold within 12 months after the end of the reporting period.

(v) *Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Fees payable on the establishment of loan facilities are recognised as transaction costs of the loan.

1 Summary of Significant Accounting Policies continued

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Impairment of financial assets

At the end of the reporting period the Company assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Available-for-sale financial assets

A significant or prolonged decline in value of an available-for-sale asset below its cost is objective evidence of impairment, in this case, the cumulative loss that has been recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Any subsequent increase in the value of the asset is taken directly to other comprehensive income.

(i) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(j) Adoption of new and revised accounting standards

During the current year, the following standards became mandatory and have been adopted retrospectively by the Company:

- AASB 13 *Fair Value Measurement*
- AASB 119 *Employee Benefits*
- AASB 127 *Separate Financial Statements*
- AASB 128 *Investment in Associates and Joint Ventures*
- AASB 2011-7 *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17]*
- AASB 2012-9 *Amendments to AASB 1048 arising from the Withdrawal of Australian Interpretation 1039*

Notes to the Financial Statements
For the Year Ended 30 June 2014

1 Summary of Significant Accounting Policies continued

(j) Adoption of new and revised accounting standards continued

- AASB 2012-2 *Amendments to Australian Accounting Standards - Disclosures - Offsetting Financial Assets and Financial Liabilities*

The accounting policies have been updated to reflect changes in the recognition and measurement of assets, liabilities, income and expenses and the impact of adoption of these standards is discussed below.

AASB 13 *Fair Value Measurement* does not change what and when assets or liabilities are recorded at fair value. It provides guidance on how to measure assets and liabilities at fair value, including the concept of highest and best use for non-financial assets. AASB 13 has not changed the fair value measurement basis for any assets or liabilities held at fair value, however additional disclosures on the methodology and fair value hierarchy have been included in the financial statements.

AASB 119 *Employee benefits* changes the basis for determining the income or expense relating to defined benefit plans and introduces revised definitions for short-term employee benefits and termination benefits.

The Company reviewed the annual leave liability to determine the level of annual leave which is expected to be paid more than 12 months after the end of the reporting period. Whilst this has been considered to be a long-term employee benefits for the purpose of measuring the leave under AASB 119, the effect of discounting was not considered to be material and therefore has not been performed.

In accordance with the transition provisions in the standard, the comparative figures have been restated.

2 Revenue and Other Income

Revenue from continuing operations

Finance income includes all interest-related income, other than those arising from financial assets at fair value through profit or loss. The following amounts have been included in the finance income line in the statement of profit or loss and other comprehensive income for the reporting periods presented:

	2014	2013
	$	$
Finance income		
- other interest received	**770**	623
Finance income	**770**	623
Other revenue		
- other income	**632,536**	515,465
Total Revenue	**633,306**	516,088

	2014	2013
	$	$
Other Income		
Royalties	**98,218**	54,086
Donations	**32,650**	54,790
Nygh Fund	**9,856**	9,596
Other income	**59,919**	16,816
Editorial fees & publications	**100,418**	54,334
Capitation	**2,974**	2,704
Rent & room hire	**215,387**	217,053
Sponsorship	**35,114**	-
Grants	**78,000**	106,086
	632,536	515,465

3 Cash and cash equivalents

	2014	2013
	$	$
Cash at bank and in hand	**34,617**	42,721
Short-term bank deposits	**203,500**	203,500
	238,117	246,221

4 Trade and other receivables

	2014	2013
	$	$
CURRENT		
Trade receivables	**42,417**	6,998
Total current trade and other receivables	**42,417**	6,998

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

5 Property, plant and equipment

Buildings		
At fair value	**3,000,000**	3,000,000
Accumulated depreciation	**(495,200)**	(420,200)
Total buildings	**2,504,800**	2,579,800
Total land and buildings	**2,504,800**	2,579,800
PLANT AND EQUIPMENT		
Furniture, fixtures and fittings		
At cost	**179,769**	179,769
Accumulated depreciation	**(163,244)**	(161,959)
Total furniture, fixtures and fittings	**16,525**	17,810
Improvements		
At cost	**292,751**	292,751
Accumulated depreciation	**(152,540)**	(123,890)
Total improvements	**140,211**	168,861
Total plant and equipment	**156,736**	186,671
Total property, plant and equipment	**2,661,536**	2,766,471

The Company's land and buildings were revalued at 30 June 2010 by independent valuers. The 2014 valuation was performed by the Directors. Valuations were made on the basis of open market value in an arms length transaction based on similar properties. The revaluation surplus net of applicable deferred income taxes was credited to an asset revaluation reserve in shareholders' equity. The revaluations at 30 June 2014 was a directors valuation.

(a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Buildings	**Furniture, Fixtures and Fittings**	**Improvement s**	**Total**
Parent	**$**	**$**	**$**	**$**
Year ended 30 June 2014				
Balance at the beginning of year	**2,579,800**	**17,810**	**168,861**	**2,766,471**
Depreciation expense	**(75,000)**	**(1,285)**	**(28,650)**	**(104,935)**
Balance at the end of the year	**2,504,800**	**16,525**	**140,211**	**2,661,536**

Notes to the Financial Statements
For the Year Ended 30 June 2014

6 Other non-financial assets

	2014	2013
	$	$
CURRENT		
Prepayments	**10,150**	-

7 Trade and other payables

	2014	2013
	$	$
CURRENT		
Trade payables	**4,614**	18,889
Employee benefits	**19,620**	18,720
Sundry payables and accrued expenses	**24,877**	20,590
	49,111	58,199

8 Borrowings

	2014	2013
	$	$
NON-CURRENT		
Secured liabilities:		
Bank loans	**221,002**	250,760
Total non-current borrowings	**221,002**	250,760

(a) Defaults and breaches

During the current and prior year, there were no defaults or breaches on any of the loans.

9 Reserves and retained surplus

(a) Asset revaluation reserve

The asset revaluation reserve records realised gains on revaluation of property, plant and equipment recorded at fair value.

Notes to the Financial Statements
For the Year Ended 30 June 2014

10 Financial Risk Management

The main risks Australian Institute of International Affairs Ltd is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk, foreign currency risk and equity price risk.

The Company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, bank loans and overdrafts, loans to and from subsidiaries, bills, leases, preference shares, and derivatives.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	2014	2013
	$	$
Financial Assets		
Cash and cash equivalents	**238,117**	246,221
Loans and receivables	**238,117**	246,221
Total financial assets	**476,234**	492,442
Financial Liabilities		
Financial liabilities at amortised cost		
- Trade and other payables	**29,851**	39,479
- Borrowings	**221,002**	250,760
Total financial liabilities	**250,853**	290,239

11 Key Management Personnel Disclosures

The total remuneration paid to key management personnel of the Company is $ 102,234 (2013: $ 101,032).

12 Cash Flow Information

Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2014	2013
	$	$
Profit for the year	**(28,625)**	(95,936)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	**104,935**	103,138
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
- (increase)/decrease in trade and other receivables	**(35,419)**	37,791
- (increase)/decrease in prepayments	**(10,150)**	10,673
- increase/(decrease) in income in advance	**6,896**	(2,058)
- increase/(decrease) in trade and other payables	**(16,883)**	10,467
- increase/(decrease) in employee benefits	**900**	4,049
Cashflow from operations	**21,654**	68,124

Australian Institute of International Affairs Ltd
ABN 34 000 045 170

Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 6 to 18, are in accordance with the *Corporations Act 2001* and:

    a. comply with Accounting Standards - Reduced Disclosure Requirements; and

    b. give a true and fair view of the financial position as at 30 June 2014 and of the performance for the year ended on that date of the Company.

2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director ....
Mr Dayle Redden

Director ....
Ms Melissa Conley Tyler

Dated 26 October 2014

Hardwickes
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ABN 35 973 938 183

Hardwickes Partners Pty Ltd
ABN 21 008 401 536

Liability limited by a scheme
approved under Professional
Standards Legislation

Independent Audit Report to the members of Australian Institute of International Affairs Ltd

Report on the Financial Report

We have audited the accompanying financial report of Australian Institute of International Affairs Ltd, which comprises the statement of financial position as at 30 June 2014, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

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

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Australian Institute of International Affairs Ltd, would be in the same terms if given to the directors as at the time of this auditor's report.

Chartered Accountants

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Opinion

In our opinion the financial report of Australian Institute of International Affairs Ltd is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Company's financial position as at 30 June 2014 and of its performance for the year ended on that date; and

(b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

Hardwickes
Chartered Accountants

Amanda O'Reilly CA
Partner

Deakin ACT

26 October 2014

Chartered Accountants