

**Australian Institute of Police Management**

**Special Purpose Financial Statements  
for the year ended 30 June 2021**

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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 2021 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.



Stuart Bartels  
Executive Director

10 September 2021

## Statement of comprehensive income

For the year ended 30 June 2021

	Notes	2021 \$	2020 \$
<b>Revenue</b>			
Revenue from government		5,281,880	3,738,148
Course and events revenue		3,821,353	3,958,158
Other revenue		27,236	33,746
<b>Total revenue</b>		<b>9,130,469</b>	<b>7,730,052</b>
<b>Expenses</b>			
Employee benefits	1.1	3,745,780	3,698,266
Suppliers	1.2	2,538,586	3,553,300
Grants paid		-	2,273
Depreciation and amortisation		158,881	156,939
Write-down and impairment of assets		752	-
<b>Total expenses</b>		<b>6,443,999</b>	<b>7,410,778</b>
<b>Surplus attributable to AIPM</b>		<b>2,686,470</b>	<b>319,274</b>
<b>Other comprehensive income</b>			
Revaluation of property, plant and equipment		-	67,411
<b>Total comprehensive income attributable to AIPM</b>		<b>2,686,470</b>	<b>386,685</b>

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

## Statement of financial position

As at 30 June 2021

	Notes	2021 \$	2020 \$
<b>Financial assets</b>			
Cash and cash equivalents	2.1	11,449,882	8,040,914
Trade and other receivables	2.2	156,747	153,350
<b>Total financial assets</b>		<b>11,606,629</b>	<b>8,194,264</b>
<b>Non-financial assets</b>			
Land and buildings	3	236,720	248,600
Property, plant and equipment	3	283,497	376,975
Intangibles	3	9,162	29,869
Inventories		19,978	17,962
Prepayments		4,081	13,991
<b>Total non-financial assets</b>		<b>553,438</b>	<b>687,397</b>
<b>Total assets</b>		<b>12,160,067</b>	<b>8,881,661</b>
<b>Liabilities</b>			
Supplier payables		211,597	150,350
Unearned income		859,314	551,049
Salaries and wages		59,432	43,421
FBT payable		7,607	23,267
Superannuation payable		9,296	6,893
Other payables		21,743	58,110
<b>Total payables</b>		<b>1,168,989</b>	<b>833,090</b>
<b>Provisions</b>			
Employee provisions - leave		1,169,314	913,277
<b>Total provisions</b>		<b>1,169,314</b>	<b>913,277</b>
<b>Total liabilities</b>		<b>2,338,303</b>	<b>1,746,367</b>
<b>Net assets</b>		<b>9,821,764</b>	<b>7,135,294</b>
<b>Equity</b>			
Contributed equity		128,040	128,040
Revaluation reserves		155,583	155,583
Retained surplus		9,538,141	6,851,671
<b>Total equity</b>		<b>9,821,764</b>	<b>7,135,294</b>

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

## Statement of changes in equity

As at 30 June 2021	Accumulated surplus	Revaluation reserves	Contributed equity	Total equity
	\$	\$	\$	\$
<b>Opening balance 30 June 2020</b>	<b>6,851,671</b>	<b>155,583</b>	<b>128,040</b>	<b>7,135,294</b>
<b>Comprehensive income</b>				
Surplus for the period	2,686,470	-	-	2,686,470
Total comprehensive income	2,686,470	-	-	2,686,470
<b>Closing balance attributable to the Australian Government, 30 June 2021</b>	<b>9,538,141</b>	<b>155,583</b>	<b>128,040</b>	<b>9,821,764</b>
As at 30 June 2020	Accumulated surplus	Revaluation reserves	Contributed equity	Total equity
	\$	\$	\$	\$
<b>Opening balance 30 June 2019</b>	<b>6,532,397</b>	<b>88,172</b>	<b>128,040</b>	<b>6,748,609</b>
<b>Comprehensive income</b>				
Revaluation of property, plant and equipment	-	67,411	-	67,411
Surplus for the period	319,274	-	-	319,274
Total comprehensive income	319,274	67,411	-	386,685
<b>Closing balance attributable to the Australian Government, 30 June 2020</b>	<b>6,851,671</b>	<b>155,583</b>	<b>128,040</b>	<b>7,135,294</b>

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

## Cash flow statement

For the year ended 30 June 2021	2021 \$	2020 \$
<b>Operating activities</b>		
Cash received		
Goods and services	4,177,305	5,624,187
Revenue from Government	5,281,880	3,738,148
Net GST received	254,959	113,131
<b>Total cash received</b>	<b>9,714,144</b>	<b>9,475,466</b>
Cash used		
Employees	3,486,989	3,864,419
Suppliers	2,784,620	4,243,913
Grant payments	-	2,273
<b>Total cash used</b>	<b>6,271,609</b>	<b>8,110,605</b>
<b>Net cash from operating activities</b>	<b>3,442,535</b>	<b>1,364,861</b>
<b>Investing activities</b>		
Cash used		
Purchase of property, plant and equipment	33,567	129,433
Purchase of buildings	-	189,543
<b>Total cash used</b>	<b>33,567</b>	<b>318,976</b>
<b>Net cash (used by) investing activities</b>	<b>(33,567)</b>	<b>(318,976)</b>
Net increase in cash held	3,408,968	1,045,885
Cash and cash equivalents at the beginning of the reporting period	8,040,914	6,995,029
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>11,449,882</b>	<b>8,040,914</b>

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

## Overview

### Objectives of Australian Institute of Police Management

The purpose of the Australian Institute of Police Management (AIPM) is to provide quality executive leadership development which supports police, emergency services and public safety organisations to build safer communities. AIPM's vision is to be a global leader in the development of agile and adaptable police, emergency services and public safety leaders.

The AIPM strategic plan has one outcome: to provide meaningful development experiences, opportunities, networks and partnerships for police and public safety leaders from around the world that significantly contribute to making our world safer. The key objectives the AIPM will focus on to achieve this outcome are:

Objective 1: Create value for jurisdictions, organisations and communities.

Objective 2: Influence the public safety leadership debate.

Objective 3: Foster collaborative and partnership networks.

Objective 4: Build financial sustainability.

The continued existence of AIPM in its present form is dependent on Government policy and on continuing support from the Australian Federal Police (AFP) for AIPM's administration and programs. AIPM staff are employed under the AFP Enterprise Agreement, AFP Executive Level Enterprise Agreement or individual agreement where applicable.

### 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.)

### Impact of COVID-19 pandemic on the financial statements

Since mid-February 2020, the COVID-19 pandemic has led to global financial uncertainty. The social distancing measures implemented in response to the pandemic have resulted in restrictions on training courses and events held by AIPM, resulting in a decline in training course and event revenue. Notwithstanding this impact, the AIPM are utilising the site in support of mission critical training for the public safety sector and where practicable transferred program delivery using online and virtual modalities.

Management has assessed the impact on the financial statements including the potential for movements in the fair value of non-current assets and the potential for impairment of other assets such as receivables. The impact is not expected to have a significant impact on transactions and balances in the financial statements.

### 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.

### *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 2021 (2020: 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 2021 (2020: 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

	2021	2020
	\$	\$
Wages and salaries	2,820,598	2,774,859
Superannuation:		
Defined contribution plans	299,201	274,341
Defined benefit plans	179,976	184,599
Leave and other entitlements	431,235	365,392
Separation and redundancies	-	434
Fringe benefit tax	14,770	98,651
<b>Total employee benefits</b>	<b>3,745,780</b>	<b>3,698,266</b>

### 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 2021 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 2019. 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

	2021	2020
	\$	\$
<i>Goods and services</i>		
Communication and IT	197,446	237,951
Consultants and contractors	654,848	922,500
General and office	339,526	418,339
Course expenses	1,044,842	931,095
Buildings and site maintenance	148,185	325,102
Travel	101,092	621,783
Other Expenses	3,643	33,034
<b>Total goods and services</b>	<b>2,489,582</b>	<b>3,489,804</b>
<i>Other supplier expenses</i>		
Workers compensation expenses	49,004	63,496
<b>Total other supplier expenses</b>	<b>49,004</b>	<b>63,496</b>
<b>Total supplier expenses</b>	<b>2,538,586</b>	<b>3,553,300</b>

## Note 2.1: Financial assets

### Note 2.1: Cash and cash equivalents

	2021	2020
	\$	\$
Cash on hand	2,000	2,000
Cash at bank	1,697,882	538,914
Cash - held by the OPA <sup>1</sup>	9,750,000	7,500,000
<b>Total cash and cash equivalents</b>	<b>11,449,882</b>	<b>8,040,914</b>

<sup>1</sup> Special account funds held by the OPA are reported as cash.

### Note 2.2: Trade and other receivables

	2021	2020
	\$	\$
Goods and services	156,747	153,350
<b>Total goods and services receivable</b>	<b>156,747</b>	<b>153,350</b>

AIPM assesses its receivables for impairment annually. At 30 June 2021 and 30 June 2020 no indications of impairment were found.

Credit terms are net 30 days (2020: 30 days).

## Note 3: Property, Plant, Equipment and Intangibles

Property, plant, equipment and intangibles reconciliation of opening and closing balance 30 June 2021	Plant and equipment	Land and Buildings	Intangibles	Total
	\$	\$	\$	\$
<b>As at 1 July 2020</b>				
Gross book value	379,742	178,455	113,652	671,849
Assets under construction	-	70,297	-	70,297
Accumulated depreciation/amortisation and impairment	(2,767)	(152)	(83,783)	(86,702)
<b>Net book value 1 July 2020</b>	<b>376,975</b>	<b>248,600</b>	<b>29,869</b>	<b>655,444</b>
<b>Additions:</b>				
By purchase	33,567	-	-	33,567
Depreciation/amortisation expense	(126,294)	(11,880)	(20,707)	(158,881)
<b>Disposals</b>				
Other	(752)	-	-	(752)
<b>Net book value 30 June 2021</b>	<b>283,497</b>	<b>236,720</b>	<b>9,162</b>	<b>529,379</b>

Net book value as of 30 June 2021 represented by:

Gross book value	412,510	248,752	113,652	774,913
Accumulated depreciation/amortisation and impairment	(129,013)	(12,032)	(104,490)	(245,535)
<b>Net book value 30 June 2021</b>	<b>283,497</b>	<b>236,720</b>	<b>9,162</b>	<b>529,379</b>

No indicators of impairment were found for property, plant, equipment and 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 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 2020.

## 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:

<i>Asset class</i>	
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 2021. 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.

**RSM Australia Pty Ltd**

Equinox Building 4, Level 2, 70 Kent Street Deakin ACT 2600  
GPO Box 2000 Canberra ACT 2601

T +61(0) 2 6217 0300

F +61(0) 2 6217 0401

www.rsm.com.au

**INDEPENDENT AUDITOR'S REVIEW REPORT**  
**TO THE MEMBERS OF**  
**AUSTRALIAN INSTITUTE OF POLICE MANAGEMENT**

We have reviewed the accompanying special purpose financial report of Australian Institute of Police Management, which comprises the statement of financial position as at 30 June 2021, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year ended on that date, notes to the financial statements, including summary of accounting policies and the declaration by those charge with governance.

***Executive Director's Responsibility for the Financial Report***

The Executive Director of Australian Institute of Police Management are responsible for the preparation and fair presentation of the financial report in accordance with the accounting policies described in Note 1 to the financial report, are appropriate to meet the needs of the members. and for such control as the Executive Director determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

***Auditor's responsibility***

Our responsibility is to express a conclusion on the financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the financial report is not presented fairly, in all material respects, in accordance with the *accounting policies described in Note 1 to the financial report*. As the auditor of the Australian Institute of Police Management, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

*Independence*

In conducting our review, we have complied with the independence requirements of the Australian professional accounting bodies.

*Conclusion*

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the financial report of the Australian Institute of Police Management does not present fairly, in all material respects, the financial position of the entity as at 30 June 2021, and of its financial performance and its cash flows for the year ended on that date, in accordance with the accounting policies described in Note 1 to the financial report.

**Canberra, Australian Capital Territory**  
**Dated: 13 September 2021**

**RSM AUSTRALIA PTY LTD**



**Ged Stenhouse**  
**Director**