

Australian Institute of International Affairs Ltd

ABN 34 000 045 170

Financial Statements

For the Year Ended 30 June 2016

Australian Institute of International Affairs Ltd

ABN 34 000 045 170

Contents

For the Year Ended 30 June 2016

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Directors' Report

For the Year Ended 30 June 2016

The directors present their report on Australian Institute of International Affairs Ltd for the financial year ended 30 June 2016.

1. General information

Information on directors

Directors

The names of the directors in office at any time during, or since the end of, the year are:

Names	Position	Appointed/Resigned
Hon Kim Beazley AC	National President	01/03/2016 - present
Ms Zara Kimpton OAM	National Vice President	09/12/2010 - present
Ms Melissa Conley Tyler	National Executive Director	16/01/2006 - present
Mr Geoffrey Ewing	QLD President	07/10/2008 - present
Assoc Prof Felix Patrikeeff	SA President	22/10/1999 - present
Prof Peter John Boyce AO	TAS President	22/05/2013 - present
Mr John Goodlad	WA President	28/08/2012 - present
Mr Patrick Moore	VIC President	27/11/2014 - present
Ms Natalie Sambhi	ACT President	16/09/2015 - 07/06/2015
Mr Richard Broinowski	NSW President	28/09/2014 - present
Prof Nick Bisley	Editor of AJIA	01/07/2013 - present
Prof Shirley Scott	Research Chair	17/12/2009 - present
Mr Robert Lowry	ACT President	07/06/2015 - Present
Mr Greg Moriarty	DFAT	25/02/2015 - 18/10/2015
Ms Kylie Bell	Honorary Treasurer	19/10/2015 to Present
Gary Quinlan AO	DFAT	8/10/2015 - Present
Mr Dayle Redden	Honorary Treasurer	07/06/2007 - 18/10/2015
Mr Cameron Hawker	ACT President	30/11/2012 - 16/09/2015
Mr John McCarthy AO FAIIA	National President	18/10/2010 - 19/10/2015

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.

Directors' Report

For the Year Ended 30 June 2016

1. General information continued

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 online resources and broadcasts footage of events.
- 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 has 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.

2. Operating results and review of operations for the year

Operating result

The profit of the Company for the financial year after providing for income tax amounted to \$ 10,477(2015: loss \$ 125,072).

3. Other items

Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Company during the year.

Events after the reporting date

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

Directors' Report

For the Year Ended 30 June 2016

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 FAIA	2	2
Ms Zara Kimpton OAM	6	6
Ms Melissa Conley Tyler	6	6
Mr Dayle Redden	2	1
Mr Cameron Hawker	1	1
Prof Peter Boyce AO	6	2
Mr Geoffrey Ewing	6	6
Assoc Prof Felix Patrikeeff	6	4
Mr John Goodlad	6	6
Mr Patrick Moore	6	6
Ms Natalie Sambhi	5	5
Mr Richard Broinowski	6	6
Prof Nick Bisley	6	3
Prof Shirley Scott	6	4
Hon Kim C Beazley AC FAIA	2	2
Mr Greg Moriarty	1	-
Kylie Bell	4	4
Robert Lowry	-	-
Gary Quinlan AO	5	2


Auditor's independence declaration

The auditor's independence declaration in accordance with section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 for the year ended 30 June 2016 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: 

Director: 

 November 2016

Auditors Independence Declaration under Section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 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 2016, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commisison Act 2012* 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

14 November 2016
Canberra



Australian Institute of International Affairs Ltd

ABN 34 000 045 170

**Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2016**

		2016	2015
	Note	\$	\$
Revenue and other income	2	631,264	560,443
Administrative expenses		(253,260)	(206,037)
Euan Crone scholarships		(16,889)	(12,000)
Finance costs		(63,782)	(15,770)
Korea Foundation expenses		(46,807)	-
National conference and other seminars		(44,369)	(30,801)
Nygh scholarships		(11,000)	(11,000)
Occupancy costs		(67,339)	(171,527)
Other expenses		(69,607)	(186,505)
Production & editorial costs		(44,632)	(47,107)
Youth Initiative Program		(3,102)	(4,768)
Surplus(deficit) before income tax		10,477	(125,072)
Income tax expense	12(a)	-	-
Surplus(deficit) for the year		10,477	(125,072)

The accompanying notes form part of these financial statements.

Statement of Financial Position
As At 30 June 2016

	Note	2016 \$	2015 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	234,506	247,870
Trade and other receivables	4	68,581	3,111
Other assets	6	8,913	-
TOTAL CURRENT ASSETS		312,000	250,981
NON-CURRENT ASSETS			
Property, plant and equipment	5	2,282,812	2,265,240
TOTAL NON-CURRENT ASSETS		2,282,812	2,265,240
TOTAL ASSETS		2,594,812	2,516,221
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	51,108	33,444
Employee benefits	10	21,917	-
Income in advance	9	50,000	10,000
TOTAL CURRENT LIABILITIES		123,025	43,444
NON-CURRENT LIABILITIES			
Borrowings	8	1,099,015	1,110,582
Employee benefits	10	100	-
TOTAL NON-CURRENT LIABILITIES		1,099,115	1,110,582
TOTAL LIABILITIES		1,222,140	1,154,026
NET ASSETS		1,372,672	1,362,195
EQUITY			
Reserves		911,307	911,307
Retained earnings		461,365	450,888
TOTAL EQUITY		1,372,672	1,362,195

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 30 June 2016

2016

	Retained Earnings	Asset Revaluation Surplus	Total
	\$	\$	\$
Balance at 1 July 2016	450,888	911,307	1,362,195
Surplus attributable to members of the entity	10,477	-	10,477
Balance at 30 June 2016	461,365	911,307	1,372,672

2015

	Retained Earnings	Asset Revaluation Surplus	Total
	\$	\$	\$
Balance at 1 July 2014	575,960	2,106,148	2,682,108
Deficit attributable to members of the entity	(125,072)		(125,072)
Revaluation increment (decrement)	-	(1,194,841)	(1,194,841)
Balance at 30 June 2015	450,888	911,307	1,362,195

Australian Institute of International Affairs Ltd

ABN 34 000 045 170

Statement of Cash Flows**For the Year Ended 30 June 2016**

	2016	2015
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	230,706	296,274
Payments to suppliers and employees	(560,756)	(614,530)
Interest received	(2,475)	772
Interest paid	(63,782)	(15,770)
Receipt from grants	135,300	85,800
Rent receipts	278,838	271,107
Net cash provided by/(used in) operating activities	12(a) 17,831	23,653
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(19,627)	(903,480)
Net cash used by investing activities	(19,627)	(903,480)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of borrowings	-	(10,420)
Proceeds of borrowings	(11,568)	900,000
Net cash used by financing activities	(11,568)	889,580
Net increase/(decrease) in cash and cash equivalents held	(13,364)	9,753
Cash and cash equivalents at beginning of year	247,870	238,117
Cash and cash equivalents at end of financial year	12(a) 234,506	247,870

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2016

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

These general purpose financial statements have been prepared in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, 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. The amounts presented in the financial statements have been rounded to the nearest dollar.

(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 the period.

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 Company 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 returns, discounts and rebates.

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

Notes to the Financial Statements

For the Year Ended 30 June 2016

1 Summary of Significant Accounting Policies continued

(e) Revenue and other income continued

Grant revenue

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

Non-reciprocal grant revenue is recognised in profit or loss when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before the entity is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Interest revenue

Interest is recognised using the effective interest method.

Rental income

Investment property revenue is recognised on a straight-line basis over a period of the lease term so as to reflect a constant periodic rate of return on the net investment.

Other income

Other income is recognised on an accruals basis when the Company is entitled to it.

(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.

Notes to the Financial Statements

For the Year Ended 30 June 2016

1 Summary of Significant Accounting Policies continued

(g) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

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. 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.

Plant and equipment

Plant and equipment are measured using the cost 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.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is available for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period..

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

Fixed asset class	Depreciation rate
Plant & Equipment Leased to External Parties	5-15%

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.

Notes to the Financial Statements

For the Year Ended 30 June 2016

1 Summary of Significant Accounting Policies continued

(h) Financial instruments continued

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.

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.

Notes to the Financial Statements

For the Year Ended 30 June 2016

1 Summary of Significant Accounting Policies continued

(h) Financial instruments continued

(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.

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.

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired.

The Company's financial liabilities include borrowings, trade and other payables (including finance lease liabilities), which are measured at amortised cost using the effective interest rate method.

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.

Notes to the Financial Statements

For the Year Ended 30 June 2016

1 Summary of Significant Accounting Policies continued

(h) Financial instruments continued

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.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

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.

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(j) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

Notes to the Financial Statements

For the Year Ended 30 June 2016

1 Summary of Significant Accounting Policies continued

(k) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Company has decided not to early adopt these Standards. The following table summarises those future requirements, and their impact on the Company where the standard is relevant:

Standard Name	Effective date for entity	Requirements	Impact
AASB 9: Financial Instruments and associated Amending Standards	1 January 2018	The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments, and simplified requirements for hedge accounting.	It is impracticable at this stage to provide a reasonable estimate of such impact.

2 Revenue and Other Income

	2016	2015
	\$	\$
Other Income		
- royalties	86,975	59,877
- donations	18,975	42,046
- Nygh fund	10,958	9,388
- other interest received	171	772
- editorial fees and publications	56,646	49,328
- capitation	3,186	2,806
- rent and room hire	253,489	252,143
- sponsorship	46,694	19,050
- government grants	83,000	78,000
- other income	71,170	47,033
Total Revenue and Other Income	<u>631,264</u>	<u>560,443</u>

3 Cash and cash equivalents

	2016	2015
	\$	\$
Cash at bank and in hand	31,006	44,370
Short-term deposits	203,500	203,500
	<u>234,506</u>	<u>247,870</u>

Notes to the Financial Statements
For the Year Ended 30 June 2016

4 Trade and other receivables

	2016	2015
	\$	\$
CURRENT		
Trade receivables	68,581	3,111
Total current trade and other receivables	68,581	3,111

5 Property, plant and equipment

Buildings		
At fair value	2,250,000	2,250,000
Total buildings	2,250,000	2,250,000
PLANT AND EQUIPMENT		
Furniture, fixtures and fittings		
At cost	199,399	179,769
Accumulated depreciation	(166,587)	(164,529)
Total furniture, fixtures and fittings	32,812	15,240
Total property, plant and equipment	2,282,812	2,265,240

(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	Total
	\$	\$	\$
Year ended 30 June 2016			
Balance at the beginning of year	2,250,000	15,240	2,265,240
Additions	-	19,630	19,630
Depreciation expense	-	(2,058)	(2,058)
Balance at the end of the year	2,250,000	32,812	2,282,812

Notes to the Financial Statements
For the Year Ended 30 June 2016

6 Other non-financial assets

	2016	2015
	\$	\$
CURRENT		
Prepayments	6,438	-
Accrued income	2,475	-
	<u>8,913</u>	<u>-</u>

7 Trade and other payables

	2016	2015
	\$	\$
CURRENT		
Trade payables	5,469	7,416
Annual leave provision	14,518	14,463
Sundry payables and accrued expenses	31,121	11,565
	<u>51,108</u>	<u>33,444</u>

(a) Financial liabilities at amortised cost classified as trade and other payables

	2016	2015
	\$	\$
Trade and other payables:		
	51,108	33,444
Less:		
annual leave entitlements	(14,518)	(14,463)
Financial liabilities as trade and other payables	<u>36,590</u>	<u>18,981</u>

All amounts are short term and the carrying values are considered to be a reasonable approximation of fair value.

8 Borrowings

	2016	2015
	\$	\$
NON-CURRENT		
Bank loans	1,099,015	1,110,582
	<u>1,099,015</u>	<u>1,110,582</u>

(a) Defaults and breaches

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

Notes to the Financial Statements

For the Year Ended 30 June 2016

9 Income in advance

	2016	2015
	\$	\$
CURRENT		
Deferred income	50,000	10,000
Total	50,000	10,000

10 Employee Benefits

	2016	2015
	\$	\$
Current liabilities		
Long service leave	21,917	-
	21,917	-
Non-current liabilities		
Provision for LSL	100	-
	100	-

11 Financial Risk Management

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

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:

		2016	2015
		\$	\$
Financial Assets			
Cash and cash equivalents	3	234,506	247,870
Trade receivables	4	68,581	3,111
Total financial assets		303,087	250,981
Financial Liabilities			
Financial liabilities at amortised cost			
Trade payables	7(a)	36,590	18,981
Borrowings	8	1,099,015	1,110,582
Total financial liabilities		1,135,605	1,129,563

Notes to the Financial Statements
For the Year Ended 30 June 2016

12 Cash Flow Information

(a) Reconciliation of cash

	2016	2015
	\$	\$
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:		
Cash and cash equivalents	3 <u>234,506</u>	<u>247,870</u>
	<u>234,506</u>	<u>247,870</u>

Reconciliation of result for the year to cashflows from operating activities

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

	2016	2015
	\$	\$
Surplus(deficit) for the year	10,477	(125,072)
Non-cash flows in profit:		
- depreciation	2,058	104,935
Changes in assets and liabilities.:		
- (increase)/decrease in trade and other receivables	(67,945)	39,306
- (increase)/decrease in prepayments	(6,438)	10,150
- increase/(decrease) in income in advance	40,000	(3,313)
- increase/(decrease) in trade and other payables	17,662	2,803
- increase/(decrease) in employee benefits	22,017	(5,156)
Cashflow from operations	<u>17,831</u>	<u>23,653</u>

13 Events Occurring After the Reporting Date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

14 Company Details

The registered office of the company is:
 Australian Institute of International Affairs Ltd
 1st Floor
 32 Thesiger Court
 Deakin ACT 2600

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 5-19 are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and:
 - a. comply with Australian Accounting Standards; and
 - b. give a true and fair view of the financial position as at 30 June 2016 and of the performance for the year ended on that date of the Company.
2. There are reasonable grounds to believe that the registered entity will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with subs 60.15(2) of the Australian Charities and Not-for-profits Commission Regulation 2013.


Director


Director

 23 November 2016

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 2016, 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 and the *Australian Charities and Not-for-profits Commission Act 2012* 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.

Independence

In conducting our audit, we have complied with the independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and any applicable code of professional conduct in relation to the audit.



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

Opinion

In our opinion:

- (a) the financial report of Australian Institute of International Affairs Ltd is in accordance with Div 60 of the Australian Charities and Not-for-profits Commission Act 2012, including:
- (i) giving a true and fair view of the company's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards to the extent described in Note , and the Australian Charities and Not-for-profits Commission Regulation 2013.

Hardwickes
Chartered Accountants



Amanda O'Reilly CA

Canberra

14 November 2016

