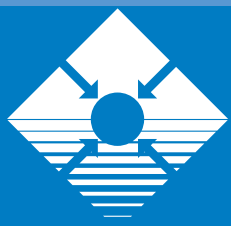




Annual Report 2003

Australian Institute of
Project Management





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From the National President, Colin Dobie



Welcome to the 2003 Report. It identifies the continuing health of our Institute, in terms of both achievements and growth.

The AIPM is managed for outcomes, in benefits terms that will make the most of limited funds to meet members' best interests, and also to promote and improve the profession overall. Objectives for 2002/03 were set in these terms, and prioritised to maximise benefits. Governance includes conduct to strict compliance of criteria set not only for corporate law, but also for conduct of office bearers in meeting both company and professional standards. The 2003 Report is designed to inform you of governance and financial accounting performance, and also to highlight specific achievements. The latter is covered here briefly.

Governance is now matured to consistent practice, thanks to the direction and monitoring provided by the Executive Director. **Membership** has passed the 4000 total, when other associations have recorded levelling off or regression. **Services** to our members remains Priority # One among the eleven program areas, and more is planned for 2003/04 to continue improvement. **Standards** have been rewritten, by the AIPM on behalf of the Business Services Training Authority, and these will become available to all later in the year. Most rework is against the Program Director role, now attuned to real workplace needs of project selection and prioritisation, benefits management, reporting progress of multiple projects, projects to business risk analysis, and the like.

Globalisation remains a high priority, with Australia represented by the AIPM Vice President in global standards initiatives. To this end, the Asia-Pacific Federation of Project Management (APFPM) has been formed, representing the interests of eleven nations in the region, and a charter to promote project management through national associations being developed in emerging nations. **Recognition of excellence** continues to grow, with increasing interest in the AIPM Project Management Achievement Awards, and many more high profile organisations seeking recognition as Project Managed Organisations.

Representing the directors of the company, I am pleased to report a solid year of performance. We are determined to improve, and have put in place steps to ensure that we achieve what we plan, and measure results for effectiveness. The AIPM is blessed with highly competent and hardworking Councillors at each Chapter, and each Chapter complements the role of the National Council. Together we seek to ensure that the interests of all stakeholders are met. The nature of the Report that follows is positive and I commend it to your perusal.

Colin Dobie
President



Executive Director's Report



The AIPM, now into its 28th year of operation, continues to grow at a rate of 12% per annum – well above the growth of membership organisations generally. This strong growth is expected to continue.

Conscious of the need to ensure members' funds are directed to strategic initiatives rather than absorbed in administration costs, an e-commerce strategy was implemented in 2002.

As a result, printing, postage and administrative costs have reduced significantly allowing us to devote resources to initiatives which serve to achieve our goals and objectives. The implementation of a new financial management system in 2002, which facilitates the circulation of invoices and statements by email, has contributed to significantly higher levels of operational efficiency, particularly in relation to the cash flow to sales ratio and accounts receivable turnover. The AIPM is able to manage its assets so that the maximum return is achieved for the lowest possible level of assets. I am therefore pleased to report that we have achieved our best ever financial results with a record profit and substantial cash reserves. We are now well positioned to embark on our planned growth strategies.

Another factor which contributes to the AIPM's operational efficiencies is its flat, lean organisational structure. As a result, we are very reliant on the work of our elected members; National Councillors and Chapter Councillors, who devote a considerable amount of time and energy to the AIPM and project management. Although they are volunteers, they are still expected to maintain high levels of professional conduct and standards, and in the case of National Councillors, they must have a thorough understanding and appreciation of the duties, obligations, liabilities and duty of care expected of company directors of public companies in Australia.

The current National Council of the AIPM is undoubtedly one of the most efficient, mature and disciplined Boards I have worked with over the past nine years. Key Performance Indicators which reflect this high level of performance include:

- National Council meetings are now concluded in approximately five hours – was previously two days.
- 95% of proposals submitted to the National Council are approved.
- Discussion and debate at National Council meetings is focused and informed.
- Conflicts of interest are declared.

This has been achieved by a number of initiatives which reflect best practice in corporate governance including:

- Establishment of a program management approach to conducting the business of the AIPM.
- Introduction of a template for all proposals to the National Council which includes cost, risks, benefits, resourcing and, importantly, evidence of how the proposal will deliver at least one of the AIPM's goals and objectives, and how it fits with the AIPM's vision. This ensures the National Council have sufficient information in order to make an informed decision.



- A moratorium on the circulation of Council papers – no proposals can be submitted within 48 hours of the meeting. This ensures that the National Council are not expected to make a decision on a proposal without having had sufficient time to consider its merit.
- Each meeting commences with a declaration from the Chairman that the meeting will be conducted on the assumption that all Councillors have thoroughly reviewed all papers. This ensures that discussion is not hindered by a lack of knowledge or understanding of the proposal.
- Adoption of a Code of Conduct for National Councillors.
- Implementation of an evaluation process which is conducted at the conclusion of each National Council meeting to assess the performance of the National Council in achieving the AIPM's goals and objectives.
- Introduction of a Performance Measurement System to assess the performance of Program Managers and Chapter Presidents.
- Requirement for all National Councillors to tender a written declaration of their interests and to read this statement, for official records at their first meeting after installation.
- Introduction in 2000 of a Corporate Governance Manual which outlines the primary issues for Directors of companies including the Business Judgment Rule, Conflict of Interest laws, governance processes, roles and functions of the National Council.

In addition to National Council meetings, Chapter Presidents meet with their Chapter Councils monthly. The National Executive also meets most months.

We are indebted to our volunteers, past and present, for their dedication and commitment.

One of the primary events on the AIPM calendar is the annual Project Management Achievement Awards (PMAA). The awards program continues to grow each year at a level which surprises all of us, with a dramatic increase in the number of projects submitted in each Chapter awards program. The good news is that the quality of the projects submitted remains exceptionally high which is making the role of our judging panels increasingly difficult and time consuming. Past winners of the national 'Project of the Year' award include GHD (2000), Transfield – QLD (2001) and Water Corporation – WA (2002). Award ceremonies will be held in each capital city between 27 August 2003 and 20 September 2003 with the national winner to be announced 13 October 2003 at Alice Springs.

With eight program areas, there is a great deal of activity at the AIPM developing and implementing new programs and services for members. Initiatives in progress as at the date of this report are as follows:

- A new **entry-level certification**; the PPM (Practical Project Manager) which is designed to prepare individuals for involvement in project management. The PPM is a test of a person's knowledge of project management. It is not a competency-based award and therefore is not a part of the RegPM program.
- **Student Awards** – a national awards program to recognise and honour outstanding achievements by students enrolled in project management related courses.
- **Individual award program** – designed for adoption by organisations so that they can recognise and reward (1) project team members, (2) project managers and (3) project/program directors, for excellent performance. The organisation subsequently advises the AIPM of their award recipients. The individuals are then considered for the Chapter level competition. Like the PMAA, the winners from each Chapter, for each of the three levels, are considered for the (inaugural) national awards, to be announced at Perth in October 2004.



- **Endorsement of recruitment firms** – the AIPM has developed a policy for endorsing recruitment firms which show an understanding and appreciation of competency-based certification v knowledge-based certification v qualifications v experience. Employers should desirably seek to engage someone who has proven their competence.
- **Annual employment survey** – the results of a recent survey identifying trends in Project Management recruitment will be published and circulated to members shortly. It reveals some interesting trends; importantly that 'project management' is consistently being nominated by employers as an essential, or at least desirable, skill for a range of diverse positions across a vast array of industries.
- **Expert Panels** – formation of a permanent panel of senior project managers available to act as Experts to assist law firms involved in litigation relating to project management.
- Development of an **online Refereed (Learned) Journal** of international repute. An international search has commenced for an Editor with the appropriate standing.
- **Community aid projects** – initiated in 2002 with sponsorship of the Kaski Drinking Water and Sanitation Project in Nepal, we are continuing our program of sponsoring community aid projects. At the conference in October, we will make a presentation to the Royal Flying Doctor Service of donations from AIPM members, and a contribution of \$5000 from the AIPM.
- **Project Managed Organisation (PMO) award** – designed to recognise organisations which have embarked on a process to continually improve their project management capabilities. Award recipients to date include the NSW Office of Government Business (formerly DPWS), AXA, Information Technology Project Management (ITPM), Australian Taxation Office – ATO Technology and Nortel Networks.

I would like to take this opportunity to pay tribute to the outgoing AIPM National President (in October 2003), Colin Dobie who has held the position for the past four years. Colin's contribution to the AIPM has been invaluable; both as National President and as Chair of the Board of Directors. He has represented the AIPM well at every opportunity; presenting a professional, knowledgeable and sharp image which has reflected well on all members.

And finally, please join us for the annual gathering of AIPM members at the conference to be held in Alice Springs, 12-14 October 2003. It is shaping up to be an excellent event and one I'm sure you will not want to miss. I look forward to seeing you then.

Leigh Cunningham
Executive Director



National Councillors' Report

Throughout this report the Directors of the company are referred to as National Councillors. National Councillors of the Institute as at the date of this report are:

Executive:

President: Colin Dobie
 Vice President: Neveen Moussa
 Treasurer: Ray Abé

Chapter Presidents:

Northern Territory: Richard Exley
 Queensland: Darryl Gomersall
 New South Wales: Chivonne Watt
 ACT: Gerry Vassallo
 Victoria: Heinz Haselroither
 South Australia: Lyn Travar
 Western Australia: Leigh Thomson
 Tasmania: Stuart Hughson

PRINCIPAL ACTIVITIES

The principal activities of the company during the financial year were:

- award and recognition programs;
- conference, seminars, forums and other functions;
- certification program for Project Managers; the RegPM®;
- publications including quarterly journal, newsletters, reports etc; and
- Information Resource Centre.

RESULTS AND DIVIDENDS

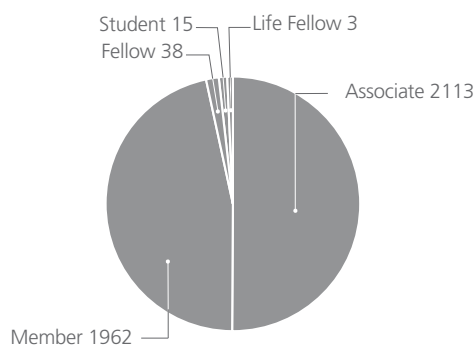
The financial year concluded with a profit of \$140,877 compared to a profit of \$44,643 in the 2001-2002 financial year.

The Institute is exempt from the payment of income tax. The company's Memorandum of Association prohibits the distribution of dividends.

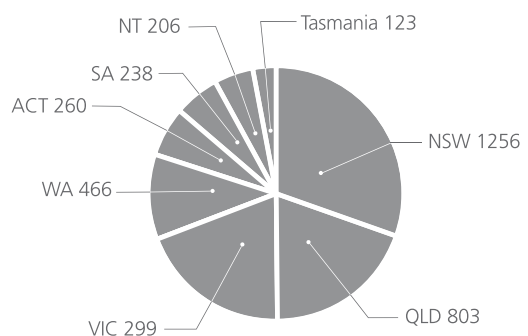
REVIEW OF OPERATIONS

The Institute continues to grow with 1135 new members during the financial year. Overall income increased by approximately 12% while expenses increased by 4%. Increase in income is primarily attributable to growth in membership and take up of the RegPM award program.

Membership by Grade



Membership by Chapter





SIGNIFICANT EVENTS AFTER THE BALANCE DATE

No matters or circumstances have arisen since the end of the financial year which have significantly affected or may significantly affect the:

- operations of the company;
- results of those operations; and
- state of affairs of the company in subsequent financial years.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the company during the year ended 30 June 2003.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

It is expected that membership will continue to grow at around 12%. The increased take-up of the RegPM award program is expected to continue as the project management community globally focuses on the need for competency-based assessment for project managers.

The AIPM will continue its campaign to promote the profession of project management and to dedicate funding to projects that advance this objective.

Resources are allocated to projects on a priority basis as documented in the AIPM's Strategic and Business Plans and Key Activity Schedule. The result for the 2003-2004 financial year is expected to be a profit in excess of \$80,000. With the reduction in administrative costs arising from recent business process re-engineering, more funds will be allocated to strategic initiatives.

We will continue to provide a high quality service to members observing our core values; professionalism, integrity, excellence and innovation.

COUNCIL MEETINGS

Councillors met four times during the financial year ended 30 June 2003; three meetings were held by teleconference with one meeting in person.

Lyn Crawford resigned as the National Secretary in July 2002.

The biennial election for Chapter Presidents was conducted in October 2002 with four new Chapter Presidents joining the National Council from Victoria, South Australia, the ACT and the Northern Territory. Chapter Presidents together with the National Executive and the Executive Director comprise the National Council of the AIPM.

Chivonne Watt and Leigh Thomson attended three of the four meetings, and Richard Exley attended two of the three meetings held since his election in October 2002. All other National Councillors attended all four meetings of the National Council.

COUNCILLORS' BENEFITS

No Councillor has received, or become entitled to receive, a benefit during or since the end of the financial year. No company, controlled entity or body corporate directly connected to any Councillor has received or become entitled to receive a benefit from the Institute.

Signed in accordance with a resolution of Councillors.

Colin Dobie
President

Ray Abé
Honorary Treasurer

Dated: 1 August 2003



RSM Bird Cameron Partners

Chartered Accountants

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INDEPENDENT AUDIT REPORT TO THE MEMBERS OF THE AUSTRALIAN INSTITUTE OF PROJECT MANAGEMENT

Scope

We have audited the financial report of the Australian Institute of Project Management for the year ended 30 June 2003, as set out above, including the Declaration by National Councillors. The company's councillors are responsible for the financial report. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material aspects, the financial report is presented fairly in accordance with Australian Accounting Standards, and other mandatory professional reporting requirements in Australia, so as to present a view which is consistent with our understanding of the company's financial position, the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion, the financial report presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia the financial position of the Australian Institute of Project Management as at 30 June 2003, and the results of its operations and its cash flows for the year then ended.

RSM Bird Cameron Partners *H R Moll*
 RSM BIRD CAMERON PARTNERS H R MOLL
 Chartered Accountants Partner

Dated *15 August, 2003*

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Declaration by National Councillors

In accordance with a resolution of National Councillors of the Australian Institute of Project Management, we state, on behalf of the Council that:

In the opinion of the Councillors:

- (a) the Statement of Financial Performance is drawn up so as to give a true and fair view of the profit of the company for the financial year ended 30 June 2003;
- (b) the Statement of Financial Position is drawn up so as to give a true and fair view of the state of affairs of the company as at 30 June 2003; and
- (c) at the date of this statement, there are reasonable grounds to believe the company will be able to pay its debts as and when they fall due.

On behalf of the Council.

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke at the end.

Colin Dobie
President

A handwritten signature in blue ink, written in a cursive style with a long horizontal stroke at the end.

Ray Abé
Honorary Treasurer

Dated: 1 August 2003



Statement of Financial Performance

For the year ended 30 June 2003

	Notes	2003 \$	2002 \$
Revenue from ordinary activities	2	1,140,113	1,011,919
Marketing/Public Relations expenses		(100,073)	(77,917)
Project Management Achievement Awards		(174,929)	(190,878)
Occupancy expenses	3	(67,542)	(48,605)
Meeting/Seminar expenses		(95,473)	(98,615)
Depreciation and amortisation expenses	3	(44,909)	(37,472)
Printing and distribution expenses		(25,910)	(55,236)
Employee benefits expense		(236,115)	(276,644)
Other expenses from ordinary activities		(254,285)	(181,909)
Profit from ordinary activities before income tax expense		140,877	44,643
Income tax expense relating to ordinary activities		–	–
Net profit from ordinary activities after income tax expense attributable to members of the company		140,877	44,643
Total revenues, expenses and valuation adjustments attributable to members of the company recognised directly in equity		137,528	92,885
Total changes in equity other than those resulting from transactions with owners as owners		278,405	137,528

The accompanying Notes form part of these financial statements.



Statement of Financial Performance

For year ended 30 June 2003

	Notes	2003 \$	2002 \$
CURRENT ASSETS			
Cash	5	767,531	340,898
Receivables	6	608,979	612,243
Inventories	7	14,294	23,344
Other	8	16,827	60,992
TOTAL CURRENT ASSETS		1,407,631	1,037,477
NON-CURRENT ASSETS			
Plant and equipment	9	76,458	107,996
Other	10	3,467	7,630
TOTAL NON-CURRENT ASSETS		79,925	115,626
TOTAL ASSETS		1,487,556	1,153,103
CURRENT LIABILITIES			
Creditors	11	189,202	219,458
Interest-bearing liabilities	12	8,758	8,758
Provisions	13	2,262	7,477
Other	14	1,000,505	762,700
TOTAL CURRENT LIABILITIES		1,200,727	998,393
NON-CURRENT LIABILITIES			
Interest-bearing liabilities	12	8,424	17,182
TOTAL NON-CURRENT LIABILITIES		8,424	17,182
TOTAL LIABILITIES		1,209,151	1,015,575
NET ASSETS		278,405	137,528
ACCUMULATED FUNDS			
Retained profits	15	278,405	137,528
TOTAL ACCUMULATED FUNDS		278,405	137,528

The accompanying Notes form part of these financial statements.



Statement of Cash Flows

For the year ended 30 June 2003

	Notes	2003 \$	2002 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		2,169,948	1,473,313
Payments to suppliers and employees		(1,733,020)	(1,535,527)
Interest received		18,099	8,828
Net cash provided by (used in) operating activities	18(b)	455,027	(53,386)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		(9,207)	(63,633)
Net cash provided by investing activities		(9,207)	(63,633)
CASH FLOW FROM FINANCING ACTIVITIES			
Net movements in loans		(10,430)	0
Lease liability paid		(8,758)	0
		(19,188)	0
NET INCREASE/DECREASE IN CASH HELD		426,632	(117,020)
Cash at beginning of year		340,899	457,918
Cash at end of year	18(a)	767,531	340,898

The accompanying Notes form part of these financial statements.



Notes to the Financial Statements

For the year ended 30 June 2003

Note 1. Statement of significant accounting policies

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standard's Board. The financial report is for the Australian Institute of Project Management as an individual entity. The Australian Institute of Project Management is a company limited by shares, incorporated and domiciled in Australia.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations or non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on a first-in first-out basis and include direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenses.

Property, plant and equipment

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

Plant and equipment

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining the recoverable amount.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, are depreciated on a straight line basis over their useful lives to the company commencing from the time the asset is held ready for use. Properties held for investment purposes are not subject to a depreciation charge. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

<i>Class of Fixed Asset</i>	<i>Depreciation Rate</i>
Plant and equipment	5-10%
Leased plant and equipment	10%



Notes to the Financial Statements

For the year ended 30 June 2003

Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to the company are classified as finance leases. Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual value. Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the economic entity will obtain ownership of the asset or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Employee entitlements

Provision is made for the company's liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at their nominal amount. Other employee entitlements payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those entitlements.

Contributions are made by the company to an employee superannuation fund and are charged as expenses when incurred.

Cash

For the purposes of the statement of cash flows, cash includes cash on hand and in at call deposits with banks or financial institutions, investments in money market instruments maturing within less than two months, net of bank overdrafts.

Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Interest revenue is recognised on a proportional basis taking in to account the interest rates applicable to the financial assets.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.



Notes to the Financial Statements

For the year ended 30 June 2003

	2003	2002
	\$	\$
Note 2. Revenue		
Operating activities		
Membership subscriptions	743,330	661,947
Project Management Achievement awards	126,510	100,990
RegPM program	116,435	99,962
Courses/Seminars/Forums	58,662	47,852
Endorsement fees	44,166	24,500
Interest received	18,099	8,828
Sale of publications	4,163	16,728
Other income	28,748	51,112
TOTAL REVENUE	1,140,113	1,011,919

Note 3. Profit from ordinary activities

Profit from ordinary activities before income tax expense has been determined after:

(a) Expenses

Depreciation of property, plant and equipment	30,167	33,379
Amortisation of leased plant and equipment	14,742	4,093
Remuneration of auditor – audit	7,910	6,600
Rental expense	67,542	48,605

Note 4. Dividends

The company's Memorandum of Association prohibits the distribution of dividends.

Note 5. Cash Assets

Cash at bank	94,473	265,892
Cash – deposits	672,936	74,756
Cash on hand	122	250
	767,531	340,898

Note 6. Receivables

Trade debtors	608,979	612,243
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Note 7. Inventories

Stock and publications	14,294	23,344
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Notes to the Financial Statements

For the year ended 30 June 2003

	Note	2003 \$	2002 \$
Note 8. Other assets (current)			
Prepayments		16,827	60,992
Note 9. Plant & equipment			
Plant and equipment at cost		153,127	167,191
Less: accumulated depreciation		(98,932)	(91,087)
		54,195	76,104
Capitalised leased plant and equipment		32,985	32,985
Less: accumulated amortisation		(10,722)	(1,093)
		22,263	31,892
Total plant and equipment		76,458	107,996
Note 10. Other assets (non-current)			
Deferred expenditure		15,036	15,036
Provision for amortisation		(11,570)	(7,406)
		3,466	7,630
Note 11. Creditors			
PMRCA loan		78,114	88,544
ATO – GST payable		65,353	60,548
Other creditors and accruals		45,735	70,366
		189,202	219,458
Note 12. Interest bearing liabilities			
CURRENT			
Lease liability		8,758	8,758
NON-CURRENT			
Lease liability		8,424	17,182
	16	17,182	25,940
Note 13. Provisions			
Employee entitlements		2,262	7,477
Note 14. Other liabilities (current)			
Subscriptions received in advance		934,780	754,750
Other income received in advance		65,725	7,950
		1,000,505	762,700



Notes to the Financial Statements

For the year ended 30 June 2003

	Note	2003 \$	2002 \$
Note 15. Accumulated funds			
Retained profits at beginning of the financial year		137,528	92,885
Net profit attributable to members of the company		140,877	44,643
Retained profits at the end of the financial year		278,405	137,528

Note 16. Capital and leasing commitments

(a) Finance lease commitments

Payable			
– not later than 1 year		10,387	11,275
– later than 1 year but not later than 5 years		19,485	19,036
– later than 5 years		–	–
Minimum lease payments		29,872	30,311
Less future finance charges		12,690	4,371
Total lease liability		17,182	25,940

The above finance lease commitments are for computer equipment.

Note 17. Related party disclosures

The Australian Institute of Project Management was incorporated in 1978 as the Project Managers Forum to develop, promote and protect the profession of project management and all associated matters in Australia and overseas. The company changed its name in 1986 to the Australian Institute of Project Management. The Institute established the Project Management Recognition Council, Australia (PMRCA) in 1997 to quality assure the AIPM's Registered Project Manager program (RegPM). As at the date of this report, the PMRCA has been wound up with funds of \$78,114 distributed to the AIPM as the nominated beneficiary.

National Councillors in office during the year were: Colin Dobie, Neveen Moussa, Ray Abe, Stuart Hughson, Richard Exley, Darryl Gomersall, Chivonne Watt, Gerry Vassallo, Heinz Haselroither, Lyn Travar, Jim Davidson, Robin Schliebs, Leigh Thomson, Lynn Crawford, Paul Steinfort and Ramesh Malik.

No Councillor received remuneration or any other benefit during the year.

Note 18: Cash flow information

(a) Reconciliation of Cash

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the statement of financial position as follows:

	2003 \$	2002 \$
Cash (at bank, invested and petty cash)	767,531	340,898



Notes to the Financial Statements

For the year ended 30 June 2003

	2003 \$	2002 \$
(b) Reconciliation of cash flow from operations with profit (loss) from ordinary activities after income tax		
Profit (Loss) from ordinary activities after income tax	140,877	
<i>Non-cash flow in profit (loss) from ordinary activities</i>		
Amortisation	14,742	
Depreciation	30,167	
Charges to provision	5,215	
Write-downs to recoverable amount	0	
Net loss (gain) on disposal of PPE	0	
Net loss (gain) on disposal of Investments	0	
Share of associated company's net profit after dividends	0	
Share of joint venture entity's net profit after dividends	0	
<i>Changes in assets and liabilities, net of the effects of purchase and disposals of subsidiaries</i>		
(Increase)/decrease in receivables	241,069	
(Increase)/decrease in other assets	44,165	
(Increase)/decrease in inventories	9,050	
Increase/(decrease) in payables	(19,828)	
Increase/(decrease) in income tax payable	0	
(Increase)/decrease in deferred taxes	0	
Increase/(decrease) in provisions	(10,430)	
Cash flows from operations	455,027	

Note 19. Financial instruments

(a) Terms, conditions and accounting policies

The company's accounting policies, including the terms and conditions of each class of financial asset, financial liability and equity instrument, both recognised and unrecognised, at the balance date are as follows:

(i) Financial assets

Recognised financial instruments	Notes	Accounting policies	Terms and conditions
Receivables – trade	5	trade receivables are carried at nominal amounts	payment to be within 7 days of invoicing



Notes to the Financial Statements

For the year ended 30 June 2003

(ii) Financial liabilities

Recognised financial instruments	Notes	Accounting policies	Terms and conditions
Creditors	10	liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the economic entity	trade liabilities are normally settled on 30 day terms

(b) Interest rate risk

The company's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities both recognised and unrecognised at the balance date are as follows:

(i) Financial assets

Financial instrument	Floating rate		Fixed rate		Non-interest bearing		Total per Balance Sheet		Weighted average	
	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
Cash	94,473	265,892	672,936	74,756	122	250	767,531	340,898	4.35	5.35
Receivables					608,979	612,243	608,979	612,243	N/A	N/A
Total financial assets	94,473	265,892	672,936	74,756	609,101	612,493	1,376,510	953,141	-	-

(ii) Financial liabilities

Financial instrument	Floating rate		Fixed rate		Non-interest bearing		Total per Balance Sheet		Weighted average rate	
	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
Trade creditors	-	-	-	-	189,202	219,458	189,202	219,458	N/A	N/A
Total financial liabilities	-	-	-	-	189,202	219,458	189,202	219,458	-	-

(c) Net fair values

The aggregate net fair values of the financial assets and financial liabilities, both recognised and unrecognised, at the balance date approximate the carrying book value of the financial assets and liabilities in the Financial Statements.

(d) Credit risk exposures

The company's maximum exposures to credit risk at balance date in relation to each class of recognised financial asset is the carrying amount of those assets as indicated in the Statement of Financial Performance.

Credit risk in trade receivables is managed in the following ways:

- payment terms are seven days from date of invoice;
- statements are sent monthly.



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