THE AUSTRALIAN INSTITUTE LIMITED
ABN 061 969 284

FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2018

THE AUSTRALIA INSTITUTE LIMITED
ACN 061 969 284

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DIRECTORS' REPORT

Your Directors present their report on the Company for the financial year ended 30 June 2018.

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

Barbara Ann Pocock
David Morawetz
Elizabeth Cham
John Edward McKinnon
Leanne (Lee) Thomas (resigned 8th December 2017)
Andrew Dettmer
Joshua Bornstein
Elizabeth Hill
Ebony Bennett (Company Secretary to 16th March 2018)
Kathleen O'Sullivan (Company Secretary from 16th March 2018)

Principal Activities
The principal activity of the Company during the year was Research.
There has been no significant change in the nature of this activity during the year.

Objectives
The Australia Institute conducts research on a broad range of economic, social, transparency and environmental issues to inform public debate and bring greater accountability to the democratic process.

Strategy for Achieving the Objectives
1. Produce high quality research.
2. Effectively communicate research findings to key policy makers, NGOs, academics and the broader community in order to effect policy change.
3. Increase fundraising base in order to diversify the Institute's revenue base.

Results
The net profit for the group for the year ended 30 June 2018 was $531,789 (2017: profit $679,465).

Meetings of directors
The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2018, and the number of meetings attended by each director were:

	Attended	**Held**
Barbara Ann Pocock	**1**	**2**
David Morawetz	**2**	**2**
Elizabeth Cham	**2**	**2**
John Edward McKinnon	**2**	**2**
Leanne (Lee) Thomas	**0**	**1**
Andrew Dettmer	**1**	**2**
Joshua Bornstein	**2**	**2**
Elizabeth Hill	**2**	**2**

Held: represents the number of meetings held during the time the director held office.

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DIRECTORS' REPORT

Contributions on winding up
In the event of the company being wound up, members are required to contribute a maximum of $10 each towards meeting any outstanding obligations of the company.

Events occurring after the reporting date
The Australia Institute Limited resigned as the member of Jubilee Australia Research Centre Limited on 1 July 2018. Jubilee Australia Research Centre Limited will therefore no longer be a controlled entity of The Australia Institute Limited from this date.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under the *Australian Charities and Not-for-profits Commission Act 2012* is set out immediately after this Directors' Report.

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

....
John Edward McKinnon

....
Barbara Pocock

Dated this 1 Day of November 2018

RSM Australia Partners

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GPO Box 200 Canberra ACT 2601

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial statements of The Australia Institute Limited for the year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) The auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012*, in relation to the audit; and

(ii) Any applicable code of professional conduct in relation to the audit.

RSM

RSM AUSTRALIA PARTNERS

G Stenhouse

Canberra, Australian Capital Territory
Dated: 2 November 2018

GED STENHOUSE
Partner

RSM Australia Partners

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

THE AUSTRALIA INSTITUTE LIMITED

Opinion

We have audited the financial report of The Australia Institute Limited and its Controlled Entity (the Group), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the financial report of the Group has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2018 and of its financial performance and cash flows for the year ended on that date; and

(b) complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Directors' Responsibilities for the Financial Report

The Directors of the Group 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* (ACNC Act) 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.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

RSM

RSM AUSTRALIA PARTNERS

G Stenhouse

Canberra, Australian Capital Territory
Dated: 2 November 2018

GED STENHOUSE
Partner

THE AUSTRALIA INSTITUTE LIMITED
ACN 061 969 284

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The financial statements and notes are in accordance with Australian Charities and Not-for-profits Commission Act 2012:

    a. Comply with Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

    b. Give a true and fair view of the financial position as at 30 June 2018 and the performance for the year on that date of the Company.

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

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

....	....
John Edward McKinnon	Barbara Pocock

Dated this 1 day of November 2018

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018

		Consolidated		The Australia Institute	
		2018	2017	2018	2017
	Note	$	$	$	$
Revenue from ordinary activities	2	3,997,579	3,544,320	3,873,513	3,462,215
Employee expenses		(2,147,117)	(1,813,717)	(2,108,436)	(1,808,210)
Depreciation		(19,576)	(16,315)	(19,576)	(16,315)
Occupancy expenses		(149,483)	(57,675)	(30,536)	(36,134)
Other expenses	3	(1,149,614)	(977,148)	(1,131,650)	(964,420)
		(3,465,790)	(2,864,855)	(3,290,198)	(2,825,079)
Surplus for the financial year		531,789	679,465	583,315	637,136
Other Comprehensive Income		-	-	-	-
Surplus attributable to members		**531,789**	**679,465**	**583,315**	**637,136**

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2018

		Consolidated		The Australia Institute	
		2018	2017	2018	2017
	Note	$	$	$	$
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	4	3,199,278	2,777,703	3,113,748	2,675,912
Trade and other receivables	5	323,802	169,726	335,997	166,242
TOTAL CURRENT ASSETS		**3,523,080**	**2,947,429**	**3,449,745**	**2,842,154**
NON-CURRENT ASSETS					
Property, plant & equipment	6	82,157	41,088	82,157	41,088
TOTAL NON-CURRENT ASSETS		**82,157**	**41,088**	**82,157**	**41,088**
TOTAL ASSETS		**3,605,237**	**2,988,517**	**3,531,902**	**2,883,242**
LIABILITIES					
CURRENT LIABILITIES					
Trade and other payables	7	134,471	78,897	114,885	78,897
Provisions	8	172,522	137,254	172,522	137,254
TOTAL CURRENT LIABILITIES		**306,993**	**216,151**	**287,407**	**216,151**
NON-CURRENT LIABILITIES					
Provisions	8	45,194	51,105	45,194	51,105
TOTAL NON-CURRENT LIABILITIES		**45,194**	**51,105**	**45,194**	**51,105**
TOTAL LIABILITIES		**352,187**	**267,256**	**332,601**	**267,256**
NET ASSETS		**3,253,050**	**2,721,261**	**3,199,301**	**2,615,986**
EQUITY					
Retained Earnings		3,253,050	2,721,261	3,199,301	2,615,986
TOTAL EQUITY		**3,253,050**	**2,721,261**	**3,199,301**	**2,615,986**

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

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018

	Consolidated		The Australia Institute	
	Retained Earnings	Total	Retained Earnings	Total
	$	$	$	$
Balance at 30 June 2016	2,041,796	2,041,796	1,978,850	1,978,850
Surplus attributable to members	679,465	679,465	637,136	637,136
Balance at 30 June 2017	**2,721,261**	**2,721,261**	**2,615,986**	**2,615,986**
Balance at 30 June 2017	2,721,261	2,721,261	2,615,986	2,615,986
Surplus attributable to members	531,789	531,789	583,315	583,315
Balance at 30 June 2018	**3,253,050**	**3,253,050**	**3,199,301**	**3,199,301**

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018

		Consolidated		The Australia Institute	
		2018	2017	2018	2017
	Note	$	$	$	$
Cash flow from operating activities					
Receipts from operations		3,865,909	3,570,011	3,725,775	3,471,029
Payments to suppliers and employees		(3,445,026)	(2,855,377)	(3,288,509)	(2,800,254)
Interest received		61,337	41,517	61,215	41,198
Net cash provided by operating activities	**12**	482,220	756,151	498,481	711,973
Cash flow from investing activities					
Payment for property, plant and equipment		(60,645)	(45,320)	(60,645)	(45,320)
Net cash provided by/(used in) investing activities		**(60,645)**	**(45,320)**	**(60,645)**	**(45,320)**
Net increase in cash		421,575	710,831	437,836	666,653
Cash and cash equivalents at beginning of the financial year		2,777,703	2,066,872	2,675,912	2,009,259
Cash and cash equivalents at end of the financial year		**3,199,278**	**2,777,703**	**3,113,748**	**2,675,912**

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

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, the *Australian Charities and Not-for-profits Commission Act 2012* and associated regulations.

The financial report covers The Australia Institute Limited as an individual parent entity and The Australia Institute and controlled entity, Jubilee Australia Research Centre Limited, as an economic entity.

The financial report has been prepared on an accruals basis and is based on historical costs. It does not take into account changing money values or, except where stated, current valuations of 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.

(a) Consolidation

The consolidated financial statements as at 30 June 2018 comprise The Australia Institute and its controlled entity (together referred to as “the Group”). Refer to Note 11 (b) for further information of the controlled entity.

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by The Australia Institute as at 30 June 2018 and the results of the controlled entities for the year then ended. Subsidiaries are consolidated from the date on which control is obtained through to the date on which control ceases. The Group applies consistent accounting policies and the effects of all transactions and balances between the entities are eliminated in full.

(b) New Australian Accounting Standards and Interpretations adopted

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

(c) Income tax

The Company is considered to be exempt from income tax under Section 50-45 of the Income Tax Assessment Act 1997.

(d) Property, plant and equipment

The depreciable amount of all fixed assets is deprecated over their useful lives commencing from the time the asset is held ready for use.

The carrying amount of fixed assets is reviewed annually by the Finance Committee to ensure it is not in excess of the recoverable amount of those assets.

The recoverable amount is assessed on the basis of 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 their present values in determining the recoverable amounts.

(e) Depreciation

The depreciable amount of all fixed assets are depreciated on a reducing balance basis over the useful lives of the assets to the Company commencing from the time the asset is held ready for use.

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

Class of fixed asset	Depreciation Rate
Office equipment, furniture and fittings	40%
Office fit-outs	20%

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Receivables

Trade accounts and other receivables represent the principal amounts due at balance date, plus if applicable any unearned income.

(g) Employee benefits

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.

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

(h) Cash and cash equivalents

Cash and cash an equivalent includes cash on hand, deposits held at-call with banks, and on deposit.

(i) 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 Taxation 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 expense.

(j) Revenue

Donations are recognised as revenue when received. Interest revenue is recognised using the effective interest method.

Revenue from the provision of goods and services is recognised on provision of these goods and services to customers.

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

Interest revenue in recognised on a proportional basis taking into account the interest rates applicable to the financial assets. All revenue is stated net of the amount of goods and services tax (GST).

(k) Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(l) Contingent liabilities

A contingent loss is recognised as an expense and a liability if it is probable that future events will confirm that, after taking into account any related probable recovery, an asset has been impaired or a liability incurred and, a reasonable estimate of the amount of the resulting loss can be made.

(m) New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 30 June 2018. The company's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the company, are set out below.

(m) New Accounting Standards and Interpretations not yet mandatory or early adopted (continued)

AASB 9 Financial Instruments

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ('OCI'). For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. The company will adopt this standard from 1 July 2018 and the impact of its adoption is expected to be minimal on the company.

AASB 15 Revenue from Contracts with Customers

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgments made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The company will adopt this standard from 1 July 2019 but the impact of its adoption is yet to be assessed by the company.

AASB 1058 Income of Not-for-Profit Entities

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 1004 Contributions and clarifies the treatment of the receipt of income by not-for-profit entities.

Income received where there is an associated performance obligation should be recognised in line with the principles of AASB 15, whereas donations with no future obligation may be recognised immediately. In cases where assets or services that were received below market value, such assets or services should be recognised at fair value. When an entity receives volunteer services and can reliably measure the fair value of those services, the entity may elect to recognise the services as an asset (provided the relevant asset recognition criteria are met) or an expense. Local governments, government departments, general government sectors (GGSs) and whole of governments are required to recognise volunteer services if they would have been purchased if not provided voluntarily and the fair value of those services can be measured reliably. The company will adopt this standard from 1 July 2019 but the impact of its adoption is yet to be assessed by the company

(n) Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

	Consolidated		The Australia Institute	
	2018	2017	2018	2017
	$	$	$	$
NOTE 2: REVENUE				
Donations	3,098,303	3,002,688	2,979,473	2,920,902
Interest received	61,337	41,517	61,215	41,198
Publications	26,727	10,786	26,727	10,786
Royalties	508	4,895	508	4,895
Other income	810,704	484,434	805,590	484,434
	3,997,579	**3,544,320**	**3,873,513**	**3,462,215**
NOTE 3: OTHER EXPENSES				
Consultants	(1,650)	(6,453)	(1,650)	(6,453)
Commissioned research	(195,877)	(298,834)	(195,877)	(298,834)
Postage, printing and stationary	(21,767)	(25,055)	(17,582)	(22,630)
Promotions	(147,007)	(35,734)	(147,007)	(35,734)
Superannuation	(200,260)	(169,278)	(200,260)	(169,278)
Telecommunications	(57,524)	(50,452)	(57,524)	(50,452)
Travel, accommodation and conferences	(192,415)	(229,349)	(182,811)	(221,273)
Other expenses	(333,114)	(161,993)	(328,939)	(159,766)
	(1,149,614)	**(977,148)**	**(1,131,650)**	**(964,420)**
NOTE 4: CASH AND CASH EQUIVALENTS				
Cash at bank	2,565,816	2,153,051	2,480,286	2,051,255
Cash on hand	300	300	300	300
Term deposits	633,162	624,352	633,162	624,357
	3,199,278	**2,777,703**	**3,113,748**	**2,675,912**

	Consolidated		The Australia Institute	
	2018	**2017**	**2018**	**2017**
	$	**$**	**$**	**$**
NOTE 5: TRADE AND OTHER RECEIVABLES				
Trade debtors	108,570	12,241	122,822	12,241
Provision for doubtful debts	(8,082)	-	(8,082)	-
Rental deposit	-	3,025	-	3,025
Prepayments	1,896	4,126	-	4,126
Paypal receivable	221,418	150,334	221,257	146,850
	323,802	**169,726**	**335,997**	**166,242**

Credit Risk — Trade and Other Receivables

The Company does not have any material credit risk exposure to any single receivable or group of receivables.

NOTE 6: PROPERTY, PLANT AND EQUIPMENT

Plant and equipment				
At cost	141,283	80,638	141,283	80,638
Accumulated depreciation	(59,126)	(39,550)	(59,126)	(39,550)
	82,157	**41,088**	**82,157**	**41,088**

Movements in Plant & Equipment Carrying Amounts

Reconciliation of movements in the carrying amounts of property, plant and equipment between the beginning and the end of the current financial year.

Plant and equipment	**Consolidated**	**The Australia Institute**
Balance at the beginning of the year	41,088	41,088
Additions	60,645	60,645
Disposals	-	-
Depreciation expense	(19,576)	(19,576)
Carrying amount at the end of the year	**82,157**	**82,157**

NOTE 7. TRADE AND OTHER PAYABLES				
Trade creditors and accruals	85,942	80,217	66,356	80,217
GST liability(receivable)	48,529	(1,320)	48,529	(1,320)
	134,471	**78,897**	**114,885**	**78,897**

NOTE 8: PROVISIONS				
CURRENT				
Provision for annual leave	121,219	137,254	121,219	137,254
Provision for long service leave	51,303	-	51,303	-
	172,522	**137,254**	**172,522**	**137,254**
NON CURRENT				
Provision for long service leave	45,194	51,105	45,194	51,105
	45,194	**51,105**	**45,194**	**51,105**
Total Provisions	**217,716**	**188,359**	**217,716**	**188,359**

NOTE 9: CAPITAL AND LEASING COMMITMENTS

	Consolidated		The Australia Institute	
	2018	2017	2018	2017
Operating Lease Commitments	$	$	$	$

Non-cancellable operating leases contracted for but not capitalised in the financial statements.

	2018	2017	2018	2017
No later than one year	60,040	44,376	60,040	44,376
Later than one year but not later than 5 years	371,192	199,366	371,192	199,366
Minimum lease payments	**431,232**	**243,742**	**431,232**	**243,742**

NOTE 10: MEMBERS' LIABILITY

The Company is limited by guarantee. Upon winding up the constitution provides that each member is required to contribute a maximum of $10 each towards meeting any outstanding obligations of the Company. At the 30 June 2018 there were 7 members.

NOTE 11 (a): RELATED PARTY TRANSACTIONS

The Directors during the year ended 30 June 2018 were:

Barbara Ann Pocock	Andrew Dettmer
David Morawetz	Joshua Bornstein
Elizabeth Cham	Elizabeth Hill
John Edward McKinnon	Ebony Bennett (Company Secretary to 16 March 2018)
Leanne (Lee) Thomas	Kathleen O'Sullivan (Company Secretary from 16 March 2018)

The Directors of The Australian Institute Limited did not receive any remuneration from the Company during the year in their capacity as Directors.

Key Management Personnel

Key management personnel comprise Directors and other key persons having authority and responsibility for planning, directing and controlling the activities of the organisation.

Key Management Personnel Compensation Summary

	2018	2017	2018	2017
Short Term Employee Benefits	469,008	458,473	469,008	458,473
Long Term Employee Benefits	45,729	33,820	45,729	33,820
	514,737	**492,293**	**514,737**	**492,293**

NOTE 11 (b) : CONTROLLED ENTITIES

Jubilee Australia Research Centre Limited is a public company limited by guarantee and is 100% controlled by The Australia Institute Limited.

NOTE 12: 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:

		Consolidated		The Australia Institute	
		2018	2017	2018	2017
	Note	$	$	$	$
Cash at bank	4	2,565,816	2,153,051	2,480,286	2,051,255
Cash on hand	4	300	300	300	300
Term deposits	4	633,162	624,352	633,162	624,357
		3,199,278	**2,777,703**	**3,113,748**	**2,675,912**

(b) Reconciliation of cash flow from operations

Profit from operating activities	531,789	679,465	583,315	637,136
Non-cash flows in profit from ordinary activities:				
Depreciation	19,576	16,315	19,576	16,315
Loss on disposal of assets	-	850	-	850
Changes in assets and liabilities:				
Decrease in receivables	(154,076)	17,196	(169,755)	15,347
(Decrease)/Increase in payables	55,574	22,535	35,988	22,535
Increase in provisions	29,357	19,790	29,357	19,790
Net cash provided by operating activities	**482,220**	**756,151**	**498,481**	**711,973**

NOTE 13: FINANCIAL RISK MANAGEMENT

(i) Financial risk management policies

The Company's financial instruments consist mainly of cash and deposits at bank, trade debtors, and trade creditors. The Board of Directors meet on a regular basis to assist the Company in meeting its financial targets, whilst minimising potential adverse effects on financial performance. The total of each category of financial instruments, measured in accordance with AASB139 as detailed in the accounting policies to these financial statements, are detailed below:

Financial assets				
Cash and cash equivalents	3,199,278	2,777,703	3,113,748	2,675,912
Trade and other receivables	323,802	169,726	335,997	166,242
	3,523,080	**2,947,429**	**3,449,745**	**2,842,154**
Financial liabilities				
Trade and other payables	134,471	78,897	114,885	78,897
	134,471	**78,897**	**114,885**	**78,897**

NOTE 13: FINANCIAL RISK MANAGEMENT (CONTINUED)

(ii) Interest rate risk
Exposure to interest rate risk arises on financial assets and financial liabilities recognised at reporting date whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

(iii) Liquidity risk
Liquidity risk arises from the possibility that the Company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The association manages this risk through the following mechanisms:

• preparing forward looking cash flow analysis in relation to its operational, investing and financing activities;
• maintaining a reputable credit profile;
• managing credit risk related to financial assets;
• investing only in surplus cash with major financial institutions; and
• comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

(iii) Liquidity risk
The tables below reflect an undiscounted contractual maturity analysis for financial liabilities

	CURRENT		NON-CURRENT		Total Cash Flow	
	2018	2017	2018	2017	2018	2017
	$	$	$	$	$	$
Financial liabilities due for payment						
Trade & other payables	134,471	78,897	-	-	134,471	78,897
Total expected outflows	**134,471**	**78,897**	**-**	**-**	**134,471**	**78,897**
Financial assets - cash flow realisable						
Cash and cash equivalents	3,199,278	2,777,703	-	-	3,199,278	2,777,703
Trade & other receivables	323,802	169,726	-	-	323,802	169,726
Total expected inflows	**3,523,080**	**2,947,429**	**-**	**-**	**3,523,080**	**2,947,429**
Net (outflow)/inflow on financial instruments	**3,388,609**	**2,868,532**	**-**	**-**	**3,388,609**	**2,868,532**

(iv) Credit risk
Exposure to credit risk relating to financial assets arises from the potential non-performance by counter parties of contract obligations that could lead to a financial loss to the Company.

Credit risk is managed through the maintenance of procedures (such procedures include the utilisation of systems for the approval, regular monitoring of exposures against such limits and monitoring of the financial stability of significant customers and counter parties), ensuring to the extent possible, that customers and counter parties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating, or in entities that the executive committee has otherwise cleared as being financially sound.

The maximum exposure to credit risk at balance date to recognised financial assets is the carrying amount as disclosed in the statement of financial position and notes to the financial statements. The Company does not have any material credit risk exposure to any single debtor or group of debtors.

NOTE 14: CONTINGENT LIABILITIES
The Company had no contingent liabilities as at 30 June 2018.

NOTE 15: EVENTS OCCURRING AFTER THE REPORTING DATE
The Australia Institute Limited resigned as the member of Jubilee Australia Research Centre Limited on 1 July 2018. Jubilee Australia Research Centre Limited will therefore no longer be a controlled entity of The Australia Institute Limited from this date.

NOTE 16. REGISTERED OFFICE AND COMPANY DETAILS
The registered office and principal place of business of the Company is:
Level 1 Endeavour House
1 Franklin St, Manuka, ACT 2603