
THE AUSTRALIA INSTITUTE LIMITED

A.C.N 061 969 284

FINANCIAL REPORTS

FOR THE YEAR ENDED 30 JUNE 2014

THE AUSTRALIA INSTITUTE LIMITED

A.C.N 061 969 284

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THE AUSTRALIA INSTITUTE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2014

Your directors present their report on the company for the financial year ended 30 June 2014.

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	Gerardine (Ged) Mary Kearney (ceased 03/06/14)
Lin Hatfield Dodds	Hugh David Walter Saddler (ceased 31/12/13)
Spencer Zifcak	Benjamin Richard Oquist (ceased 31/01/14)
David Morawetz	Richard Denniss (ceased 20/03/14)
Elizabeth Cham	
Samantha Eve Hardy	
John Edward McKinnon (appointed 28/02/14)	
Leanne (Lee) Thomas (appointed 31/03/14)	

Principal Activities

The principal activities of the company during the year were Research and Development. There has been no significant change in the nature of these activities during the year.

Objectives

The Australia Institute seeks to inform public debate and bring greater accountability to the democratic process. The Institute is determined to push public debate beyond the simplistic question of whether markets or governments have all the answers to more important questions: When does government need to intervene in the market? When should it stand back? And when regulation is needed, what form should it take?

Strategy For Achieving The Objectives

1. Produce high quality research which positively influences policy and informs public debate
2. Effectively communicate research findings to key policy makers, NGOs, academics and the broader community in order to effect policy change
3. Sustain strategic relationships with targeted individuals/organisations
4. Increase fundraising in order to develop the Institute's resource base.

Results

The net profit for the year ended 30 June 2014 was \$335,502 (2013 loss \$322,085).

Information on Directors

The information on directors is as follows:

Barbara Pocock

Experience – Director, Centre for Work and Life, University of South Australia
– Deputy Chair of The Australia Institute

Lin Hatfield Dodds

Experience – National Director, UnitingCare Australia
– Chair of The Australia Institute

THE AUSTRALIA INSTITUTE LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2014**

Spencer Zifcak

Experience

- Allan Myers Professor of Law, ACU and Barrister and Solicitor, Supreme Court of Victoria

David Morawetz

Experience

- Clinical and counselling psychologist and founder and director of the Social Justice Fund

Elizabeth Cham

Experience

- Former CEO of Philanthropy Australia (1996-2006), the national umbrella body for grant-making trusts and foundations

Samantha Hardy

Experience

- Strategic Advisor, Callum Hardy Consulting

John McKinnon

Experience

- NGO director, and philanthropist, formerly worked in funds management and international development

Lee Thomas

Experience

- Federal Secretary, Australian Nursing and Midwifery Federation

Gerardine Kearney

Experience

- President, Australian Council of Trade Unions

Hugh Saddler

Experience

- Managing Director, Energy Strategies Limited

Benjamin Oquist

Experience

- Chief of Staff, Senator Christine Milne

Richard Denniss

Experience

- Adjunct Associate Professor of Economics, Crawford School of Economics and Government, Australian National University
- Executive Director of The Australia Institute

THE AUSTRALIA INSTITUTE LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2014

Meetings of Directors

DIRECTORS	DIRECTORS' MEETINGS	
	Number eligible to attend	Number attended
Barbara Ann Pocock	3	2
Lin Hatfield Dodds	3	3
Spencer Zifcak	3	3
David Morawetz	3	3
Elizabeth Cham	3	2
Samantha Eve Hardy	3	2
John Edward McKinnon	2	2
Leanne (Lee) Thomas	1	0
Gerardine (Ged) Mary Kearney	2	0
Hugh David Walter Saddler	1	1
Benjamin Richard Oquist	1	0
Richard Denniss	2	2

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out within the annual report.

Contributions on wind up

The company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to make a maximum contribution of \$10 towards meeting any outstanding obligations. At 30 June 2014, the total maximum amount that members of the company are liable to contribute if the company is wound up is \$80.

Signed in accordance with a resolution of Board of Directors.



Richard Denniss - Director



John McKinnon - Director

Dated: 23/9/2014

THE AUSTRALIA INSTITUTE LIMITED

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C
OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF
THE AUSTRALIA INSTITUTE LIMITED**

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

- no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

PKF Di Bartolo Diamond & Mihailaros



Ross Di Bartolo
Partner

Date: 23 September 2014

THE AUSTRALIA INSTITUTE LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014

	Notes	2014 \$	2013 \$
Revenue from ordinary activities	2	2,126,768	1,003,590
Expenses from ordinary activities			
Employee Expenses		(1,044,648)	(782,307)
Depreciation		(8,310)	(7,203)
Occupancy Expenses		(27,146)	(23,711)
Other Expenses	3	(711,162)	(512,454)
Profit/(Loss) from ordinary activities		<u>335,502</u>	<u>(322,085)</u>
Other comprehensive income			
Net profit/(loss) on revaluation of non-current assets		-	-
Total comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income/(loss) attributable to members		-	-
Profit/(loss) attributable to members		<u>335,502</u>	<u>(322,085)</u>

The accompanying notes form part of these financial statements

THE AUSTRALIA INSTITUTE LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014

	Notes	2014 \$	2013 \$
Current Assets			
Cash and Cash Equivalents	4	928,736	868,371
Trade and Other Receivables	5	352,482	50,366
Total Current Assets		<u>1,281,218</u>	<u>918,737</u>
Non-Current Assets			
Property, Plant & Equipment	6	15,712	13,503
Total Non - Current Assets		<u>15,712</u>	<u>13,503</u>
Total Assets		<u>1,296,930</u>	<u>932,240</u>
Current Liabilities			
Trade and Other Payables	7	118,567	148,258
Provisions	8	62,114	41,401
Total Current Liabilities		<u>180,681</u>	<u>189,659</u>
Non Current Liabilities			
Provisions	8	38,166	-
Total Non – Current Liabilities		<u>38,166</u>	<u>-</u>
Total Liabilities		<u>218,847</u>	<u>91,805</u>
NET ASSETS		<u>1,078,083</u>	<u>742,581</u>
Equity			
Retained Earnings		1,078,083	742,581
TOTAL EQUITY		<u>1,078,083</u>	<u>742,581</u>

The accompanying notes form part of these financial statements

THE AUSTRALIA INSTITUTE LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2014

	Retained Earnings	Total Equity
Balance at 1 July 2012	1,064,666	1,064,666
Profit/(Loss) for the year	<u>(322,085)</u>	<u>(322,085)</u>
Balance at 30 June 2013	<u>742,581</u>	<u>742,581</u>
Balance at 1 July 2013	742,581	742,581
Profit/(Loss) for the year	<u>335,502</u>	<u>335,502</u>
Balance at 30 June 2014	<u>1,078,083</u>	<u>1,078,083</u>

The accompanying notes form part of these financial statements

THE AUSTRALIA INSTITUTE LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2014**

	Notes	2014 \$	2013 \$
Cash Flow from Operating Activities			
Receipts from operations		1,804,563	1,007,782
Payments to suppliers and employees		(1,746,551)	(1,221,505)
Interest Received		<u>13,569</u>	<u>35,559</u>
Net cash provided by (used in) operating activities	12 (b)	<u>71,581</u>	<u>(178,164)</u>
Cash Flow from Investing Activities			
Disposal of plant and equipment		-	-
Payment for property, plant and equipment		<u>(11,216)</u>	<u>(5,012)</u>
Net cash provided by (used in) investing activities		<u>(11,216)</u>	<u>(5,012)</u>
Net Increase/(Decrease) in Cash and cash equivalents		60,365	(183,176)
Cash and equivalents at beginning of financial period		<u>868,371</u>	<u>1,051,547</u>
Cash and equivalents at end of Financial Period	12 (a)	<u>928,736</u>	<u>868,371</u>

The accompanying notes form part of these financial statements

THE AUSTRALIA INSTITUTE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general-purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report is for The Australia Institute Limited as an individual entity. The Australia Institute Limited is a company limited by guarantee, incorporated and domiciled in Australia.

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.

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (IFRS). Compliance with the Australian equivalents to IFRS (AIFRS) ensures that the financial report, comprising the financial statements and notes complies with IFRS.

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.

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) Income Tax

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

(b) Property, Plant and Equipment

The depreciable amount of all fixed assets is depreciated 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 General 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.

THE AUSTRALIA INSTITUTE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 JUNE 2014

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(c) 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:

<i>Class of Fixed Asset</i>	<i>Depreciation Rate</i>
Office Equipment, Furniture & Fittings	40%

(e) 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.

(f) Cash and Cash Equivalents

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

(g) 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.

(h) Revenue

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

Interest revenue is 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).

(i) Receivables

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

THE AUSTRALIA INSTITUTE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 JUNE 2014**

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(j) 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.

(k) Events after Balance Date

Assets and liabilities are adjusted for events occurring after balance date that provide evidence of conditions existing at the balance date.

No matter or circumstance has arisen since the end of the financial year which significantly affects or may affect the operation of the company the results of the year or the state of affairs of the company.

NOTE 2 REVENUE	2014	2013
	\$	\$
Donations	1,726,843	743,193
Interest Received	13,419	28,392
Membership	909	14,917
Publications	13,000	15,877
Royalties	2,914	4,844
Other Income	369,683	196,367
	<u>2,126,768</u>	<u>1,003,590</u>

NOTE 3 OTHER EXPENSES

Commissioned Research	238,530	143,978
Postage, Printing & Stationery	22,671	15,766
Superannuation	92,022	69,661
Telecommunications	32,642	20,710
Travel, Accommodation & Conferences	78,775	69,544
Other Expenses	246,522	192,795
	<u>711,162</u>	<u>512,454</u>

NOTE 4 CASH AND CASH EQUIVALENTS

Cash at Bank	670,873	665,998
Cash on Hand	300	300
Term Deposits	257,563	202,073
	<u>928,736</u>	<u>868,371</u>

THE AUSTRALIA INSTITUTE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 JUNE 2014**

NOTE 5	RECEIVABLES	2014 \$	2013 \$
	Prepayments	18,816	25,336
	Accrued Income	252,965	965
	Paypal receivable	55,305	-
	Trade Debtors	26,996	15,080
	Provision for doubtful debts	(4,625)	-
	Rental Deposit	3,025	3,025
	GST Receivable	-	5,960
		352,482	50,366

(i) Credit Risk — Trade and Other Receivables

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

The following table details the company's trade and other receivables exposed to credit risk with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled within the terms and conditions agreed between the association and the customer or counter party to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the association.

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

	Gross Amount	< 30 days \$	Past Due 31–60 days \$	Past Due 61–90 days \$	Past Due > 90 days \$	Past Due and Impaired \$
2014						
Trade and Other receivables	22,371	26,281	715	-	-	(4,625)
2013						
Trade and Other receivables	15,080	15,080	-	-	-	-

THE AUSTRALIA INSTITUTE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 JUNE 2014**

NOTE 6	PROPERTY, PLANT AND EQUIPMENT	2014 \$	2013 \$
	Plant & Equipment (At Cost)	59,039	54,265
	Less Accumulated Depreciation	<u>(43,327)</u>	<u>(40,762)</u>
		<u>15,412</u>	<u>13,503</u>

Movements in Plant & Equipment Carrying Amounts

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

	Plant & equipment \$
2014	
Balance at the beginning of the year	13,503
Additions	11,216
Disposals	(697)
Depreciation expense	<u>(8,310)</u>
Carrying amount at end of year	<u>15,712</u>

NOTE 7 PAYABLES

Trade Creditors & Accruals	117,686	87,485
Unearned Income	-	60,773
GST Liability	<u>881</u>	<u>-</u>
	<u>118,567</u>	<u>148,258</u>

NOTE 8 PROVISIONS

CURRENT		
Provision for annual leave	<u>62,114</u>	<u>41,401</u>
	<u>62,114</u>	<u>41,401</u>
 NON CURRENT		
Provision for long service leave	<u>38,166</u>	<u>-</u>
Aggregate employee benefits	<u>100,280</u>	<u>41,401</u>

THE AUSTRALIA INSTITUTE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 JUNE 2014**

NOTE 9. CAPITAL & LEASING COMMITMENTS

Operating Lease Commitments

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

	2014	2013
	\$	\$
No later than one year	66,555	-
Later than one year but not later than 5 years	75,245	-
Minimum lease payments	141,800	-

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 30th June 2014 there were eight members.

NOTE 11. RELATED PARTY TRANSACTIONS

The directors during the year ended and as at 30 June 2014 were:

Barbara Ann Pocock	Gerardine (Ged) Mary Kearney
Lin Hatfield Dodds	Hugh David Walter Saddler
Spencer Zifcak	Benjamin Richard Oquist
David Morawetz	Richard Denniss
Elizabeth Cham	
Samantha Eve Hardy	
John Edward McKinnon	
Leanne (Lee) Thomas	

The directors of The Australia Institute Limited have not received 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 organization.

Key Management Personnel Compensation Summary

Short Term Employee Benefits	360,768	329,801
Long Term Employee Benefits	20,949	-
	381,717	329,801

THE AUSTRALIA INSTITUTE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 JUNE 2014**

NOTE 12. CASHFLOW 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:

	2014	2013
	\$	\$
Cash at Bank	670,873	665,998
Cash on Hand	300	300
Term Deposits	257,563	202,073
Cash and Cash equivalents	928,736	868,371

(b) Reconciliation of cash flow from operations

Profit/(Loss) from operating activities	335,502	(322,085)
Non-cash flows in profit from ordinary activities		
Depreciation	8,310	7,203
Loss on sale of fixed assets	697	581
Changes in assets and liabilities		
(Increase)/Decrease in receivables	(302,116)	38,283
Increase/(Decrease) in payables	(69,691)	80,874
Increase/(Decrease) in provisions	58,879	16,980
Net cash provided by (used in) operating activities	71,581	(178,164)

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	928,736	868,371
Trade and Other Receivables	352,482	50,366
	1,281,218	918,737

Financial Liabilities

Trade and other payables	118,567	148,258
Cash and Cash equivalents	118,567	148,258

THE AUSTRALIA INSTITUTE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 JUNE 2014**

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.

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities.

	Within 1 Year		1 to 5 Years		Over 5 Years		Total Cash Flow	
	2014	2013	2014	2013	2014	2013	2014	2013
	\$	\$	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment								
Trade & other payables	118,567	148,258	-	-	-	-	118,567	148,258
Total expected outflows	118,567	148,258	-	-	-	-	118,567	148,258
Financial assets — cash flows realisable								
Cash and cash equivalents	928,736	868,371	-	-	-	-	928,736	868,371
Trade & Other Receivables	352,482	50,366	-	-	-	-	352,482	50,366
Total expected inflows	1,281,218	918,737					1,281,218	918,737
Net (outflow)/inflow on financial instruments	1,162,651	770,479	-	-	-	-	1,162,651	770,479

THE AUSTRALIA INSTITUTE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 30 JUNE 2014

NOTE 13: FINANCIAL RISK MANAGEMENT (continued)

(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: REGISTERED OFFICE AND COMPANY DETAILS

The registered office and principal place of business of the Company is:
Level 5 Unit 1
131 City Walk
Canberra City ACT

NOTE 15: CONTINGENT LIABILITIES

The company had no contingent liabilities as at 30 June 2014.

NOTE 16: COMMITMENTS FOR EXPENDITURE

The company had no commitments for expenditure as at 30 June 2014.

NOTE 17: EVENTS OCCURRING AFTER THE REPORTING DATE

No matter or circumstance has arisen since 30 June 2014 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

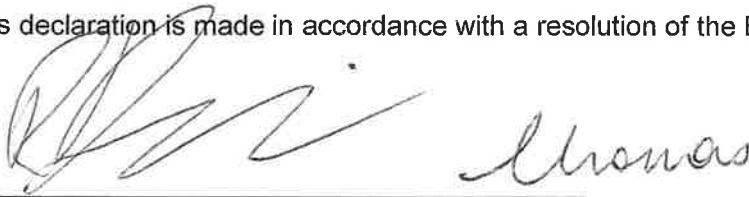
THE AUSTRALIA INSTITUTE LIMITED

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The Financial Statements and Notes are in accordance with the Corporations Act 2001:
 - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 30 June 2014 and performance for the year ended on that date of the company.
2. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



Richard Denniss - Director



John McKinnon - Director

Dated: 23/9/2014

INDEPENDENT AUDIT REPORT

TO THE MEMBERS OF THE AUSTRALIA INSTITUTE LIMITED

Report on the Financial Report

We have audited the accompanying financial report of The Australia Institute Limited (the company), which comprises the statement of financial position as at 30 June 2014 and the statement of comprehensive, statement of recognised income and expenditure and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the Directors' declaration.

Directors' Responsibility for the Financial Report

The Directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 judgment, 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 controls relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF THE AUSTRALIA INSTITUTE LIMITED

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001* has been provided to the Directors of The Australia Institute Limited

Auditor's Opinion

In our opinion, the financial report of The Australia Institute Limited is in accordance with the *Corporations Act 2001*, including:

- i. giving a true and fair view of the company's financial position as at 30 June 2014 and of their performance for the year ended on that date; and
- ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

PKF Di Bartolo Diamond & Mihailaros



Ross Di Bartolo
Partner

Canberra

Dated: 23 September 2014

THE AUSTRALIA INSTITUTE LIMITED

AUDITORS' DISCLAIMER OF ADDITIONAL FINANCIAL INFORMATION

The additional financial information presented on the following page is in accordance with the books and records of The Australia Institute Limited, which have been subjected to the auditing procedures applied in our statutory audit of the Company for the year ended 30 June 2014. It will be appreciated that our statutory audit did not cover all details of the additional financial information. Accordingly, we do not express an opinion on such financial information and no warranty of accuracy or reliability is given.

Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever (other than The Australia Institute Limited) in respect of such data, including any errors of omission therein, however caused.

PKF Di Bartolo Diamond & Mihailaros



Ross Di Bartolo
Partner

Dated: 23 September 2014

THE AUSTRALIA INSTITUTE LIMITED
INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	\$	\$
Revenue from Ordinary Activities		
Donations	1,726,843	743,193
Membership subscriptions	909	14,917
Interest received	13,419	28,392
Publications	13,000	15,877
Royalties	2,914	4,844
Other Income	369,683	196,367
Total Income	2,126,768	1,003,590
Expenditure from Ordinary Activities		
Audit fees	6,700	6,450
Bank fees & charges	6,128	3,977
Commissioned research	238,530	143,978
Consultants	112,001	102,870
Depreciation	8,310	7,203
Entertainment	1,895	1,714
Gifts	787	257
Insurance	13,144	10,989
Journals and Periodicals	12,180	15,689
Legal Fees	1,608	8,040
Loss on Sale of Fixed Assets	333	581
Personnel Costs	1,044,648	782,306
Postage, Printing & Stationery	22,671	15,766
Promotions	5,518	2,554
Public Relations	24,588	13,548
Re-location expenses	6,020	-
Rent	27,146	23,711
Sundry Expense	28,491	10,512
Superannuation	92,022	69,661
Telecommunications	32,642	20,710
Travel, accommodation & conferences	78,775	69,544
Website & CRM	27,129	15,615
Total Expenditure	1,791,266	1,325,675
Operating Surplus/ (Deficit)	335,502	(322,085)