

**AUSTRALIAN INSTITUTE OF
CREDIT MANAGEMENT
ABN 79 008 455 758**

**CONCISE
ANNUAL REPORT
30 JUNE 2014**

AUSTRALIAN INSTITUTE OF CREDIT MANAGEMENT
ABN 79 008 455 758

DIRECTORS' REPORT

The directors present their report together with the Financial Report of Australian Institute of Credit Management ('the Company') for the year ended 30 June 2014 and the auditor's report thereon.

Directors

The directors of the Company at any time during or since the end of the financial year are:

<i>Name and qualifications</i>	<i>Special Responsibilities</i>	<i>Age</i>	<i>Appointed</i>	<i>Resigned</i>
Mr Grant L Morris, CCE	Australian President Finance	58	29 March 2007	
Mr James A Neate MICM	Law & Regulation	51	20 March 2010	
Mr Evan R Verge MICM CCE	Prof. Development	64	14 September 2011	16 July 2013
Mr G J Nicolas Pilavidis MICM CCE	Finance	36	19 December 2012	
Mr Jeffrey G Hurst FICM CCE	Member Services	60	22 May 2012	
Mr Stephen D Mitchinson LICM	Prof. Development	57	17 August 2013	
Mr Gregory C Young MICM	CCE, YCPA	57	17 August 2013	
Mr Gregg S Odlum	Finance	32	16 July 2014	

Directors' meetings

The number of directors meetings (including meetings of committees of directors) and number of meetings attended by each of the directors of the Company during the financial year are:

<i>Director</i>	<i>Meetings Attended</i>	<i>Meetings Held*</i>
Mr G L Morris	9	9
Mr J A Neat	9	9
Mr G J N Pilavidis	9	9
Mr E R Verge	0	0
Mr J G Hurst	7	9
Mr S D Mitchinson	9	9
Mr G C Young	9	9
Mr G S Odlum	0	0

* Represents meetings for which directors were eligible to attend

DIRECTORS' REPORT (Continued)

Principal activities and achievements

The short and long term objectives of the Institute are the public education and advancement of credit management in Australia and these remain the principal activities during the year. These objectives are achieved by the encouragement of members to engage in career long education and the development of course material and conduct of credit management education programmes.

Performance as measured by attendance at Institute sponsored education activities met all objectives.

Company particulars

Australian Institute of Credit Management is incorporated in Australia. The address of the registered office is:
Masselos Grahame Masselos Pty Limited
Level 17, 44 Market Street
Sydney NSW 2000

Review and results of operations

The profit after income tax amounted to \$59,229 (2013: loss of \$238,955).

Dividends

The Institute is a company limited by a guarantee with no share capital. Clause 4 of the Company's Memorandum of Association prohibits the Institute from paying dividends.

State of affairs

Total income is again lower this financial year, however significant cost reductions including Salaries has produced a modest profit.

The Directors have considered whether the Going Concern basis remains appropriate for the purpose of the Financial Statements and concluded that it does. In reaching that conclusion the Directors have considered the future sources and level of income and budgeted expenditure.

In the opinion of the directors there were no other significant changes in the state of affairs of the Company that occurred during the financial year under review.

Environmental regulation

The Company's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation. The directors are not aware of any significant breaches during the period covered by this Report.

DIRECTORS' REPORT (Continued)

Events subsequent to balance date

There has not arisen in the interval between the end of the financial year and the date of this Report any item, transaction or event of a material or unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.

Likely developments

Since the end of the financial year the Board has continued to actively consider the Institute's 'going concern' status and will continue to do so. The Management and Board will continue to make budgetary decisions to ensure the Institute remains profitable.

The long standing CEO of the Institute, Terry Collins, resigned at the end of August 2014. The new CEO is Nicolas Pilavidis, who prior to this appointment was serving as the Institutes Finance Director.

Indemnification

The Company has agreed to indemnify the directors, secretary and executive officers of the Company against all liabilities to another person (other than the Company) that may arise from their position as director, secretary or executive officer of the Company, except where the liability arises out of conduct involving a lack of good faith.

Insurance premiums

During the year insurance premiums were paid in respect of directors' and officers' liability and legal expenses, for the year ended 30 June 2014. The company has agreed to pay premiums in respect of such insurance contracts for the year ending 30 June 2015. Such insurance contracts insure against liability (subject to exclusions) of persons who are or have been directors' or officers' of the Company.

Directors have not included details of the nature of the liabilities covered or the amount of the premium paid as such disclosure is prohibited under the terms of the contract.

Liability of members in the event of winding up

The Company is limited by the guarantee of its members. Each member of the Company undertakes to contribute to the assets of the Company in the event of it being wound up during the time they are a member or within one year afterwards for:

- Payment of debts and liabilities of the Company contracted before the time at which they ceased to be a member;
- The costs, charges and expenses of winding up the Company; and
- The adjustment of the rights of the contributions amongst themselves.

Such amounts as may be required but not exceeding \$2.00. As at 30 June 2014 the Company had 2,309 (2013: 2,071) members.

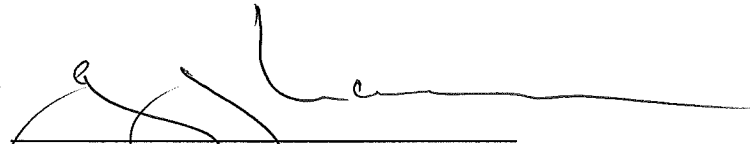
DIRECTORS' REPORT (Continued)

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of Australian Institute Of Credit Management

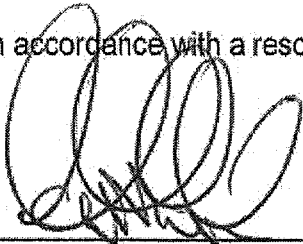
I declare that, to the best of my knowledge and belief, in relation to the audit of the financial year ended 30 June 2014 there have been:

- 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.



Garry Stewart Grahame FCA
Chartered Accountant
Sydney: 16 September 2014

Signed in accordance with a resolution of the directors:



Grant L Morris, Australian President

Date: 16 September 2014



Gregg Odlum, Finance Director

Date: 16 September 2014

AUSTRALIAN INSTITUTE OF CREDIT MANAGEMENT
ABN 79 008 455 758

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2014

		2014	2013
		\$	\$
Cash Flows from Operating Activities			
Cash receipts in the course of operations		1,672,953	1,351,400
Cash payments in the course of operations		(1,583,563)	(1,678,687)
Interest received		9,089	3,838
Net cash provided/(used in) operating activities	14	98,479	(323,449)
Cash Flows from Investing Activities			
Receipts/(Payments) for property, plant, equipment and intangibles		(3,087)	410,030
Net cash (used in)/provided by investing activities		(3,087)	410,030
Net increase/(decrease) in cash and cash equivalents held		95,392	86,581
Cash and cash equivalents at the beginning of the financial year	6	366,097	279,516
Cash and cash equivalents at the end of the financial year	6	461,489	366,097

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

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The significant policies which have been adopted in the preparation of this financial report are:

(a) Basis of preparation

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Interpretations adopted by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001. International Financial Reporting Standards ('IFRS') form the basis of Australian Accounting Standards adopted by the AASB, being the Australian equivalent to IFRS ('AIFRS').

(b) Going concern

The financial report has been prepared on a going concern basis, which contemplates the continuation of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The Directors have considered whether the Going Concern basis remains appropriate for the purpose of the Financial Statements and concluded that it does. In reaching that conclusion the Directors have considered the future sources and level of income and budgeted expenditure.

The Company delivered an operating profit of \$59,229 during the year ended 30 June 2014 (2013: loss of \$238,955) and has accumulated funds and reserves of \$62,629 as at 30 June 2014 (2013:

AUSTRALIAN INSTITUTE OF CREDIT MANAGEMENT
ABN 79 008 455 758

\$3,400). The Company has cash of \$461,489 at 30 June 2014 (2013: \$366,097) and \$98,479 was provided from operations during the year.

The improved position of the Institute, compared with the previous year, ameliorates the material uncertainty that cast significant doubt upon the Company's ability to continue as a going concern in the previous year. The ongoing operations of the Company continue to be dependent upon:

1. the Company increasing revenue; and/or
2. the Company reducing expenditure in-line with available revenue.

The Directors have prepared cash flow projections that support the ability of the Company to continue as a going concern. These cash flow projections assume no increase in revenue and the Company continuing to reduce expenditure.

The Company therefore expects to be able to continue its operations as a going concern and therefore expects to be able to realise its assets and extinguish its liabilities in the ordinary course of operations and at the amounts stated in the financial report.

2. EVENTS SUBSEQUENT TO BALANCE DATE

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material or unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.

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

Scope

I have audited the concise financial report of Australian Institute of Credit Management ('the Company') for the financial year ended 30 June 2014, consisting of the Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Equity, accompanying Notes, and the Directors' Declaration set out on pages 5 to 9. The Company's directors are responsible for the financial report. I have conducted an independent audit of this financial report in order to express an opinion on it to the members of the Company.

My audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. My 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 respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia and statutory requirements so as to present a view which is consistent with my understanding of the Company's financial position, and performance as represented by the results of its operations and its cash flows.

The audit opinion expressed in this report, pursuant to the Corporations Act 2001, has been formed on the above basis.

Statement of continued independence

The Auditor's independence declaration provided to the directors of the Company included in the Directors' Report would be unchanged if provided to the directors as at the date of this audit report.

Audit opinion

In my opinion the financial report of the Australian Institute of Credit Management is in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position of the Company as at 30 June 2014 and of its performance for the year ended on that date; and
 - (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
- (b) other mandatory professional reporting requirements in Australia.



Garry Stewart Grahame FCA
Chartered Accountant

Sydney: / 6 September 2014

AUSTRALIAN INSTITUTE OF CREDIT MANAGEMENT
ABN 79 008 455 758

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED
30 JUNE 2014**

	2014 \$	2013 \$
Revenue from ordinary activities	1,492,206	1,539,907
Employee expenses	483,992	718,770
Depreciation and Amortisation expenses	5,014	5,814
Corporate and Administration expenses	943,971	1,054,278
Profit/(Loss)	59,229	(238,955)
Income tax expense	-	-
Profit/(Loss) after tax	59,229	(238,955)

Discussion and analysis of the Statement of Comprehensive Income

1. The above figures reflect the stabilisation of revenue following the loss of RTO income sources.
2. The Institute has significantly reduced its Employee expenses.
3. Total membership numbers increased from 2,071 as at 30 June 2013 to 2,309 as at 30 June 2014, an increase of approximately 11.5% pursuant to the initiation of membership incentives.

**STATEMENT OF FINANCIAL POSITION AS AT
30 JUNE 2014**

	2014 \$	2013 \$		2014 \$	2013 \$
Current Assets			Current Liabilities		
Cash and Cash Equivalents	461,489	366,097	Sundry Creditors & Accruals	88,500	90,703
Trade Debtors	199,431	212,784	Conference Fees in Advance	145,145	82,396
Less Provision for Doubtful Debts	(20,713)	(23,058)	Education Fees in Advance	4,706	53,033
Prepayments & Other Debtors	89,958	28,452	Members Subscriptions in Advance	205,602	64,931
Total current assets	730,165	584,275	Sponsorship in Advance	76,820	66,250
			Provision for Annual Leave	75,031	145,604
			Total current Liabilities	595,804	502,917
Non-Current Assets			Non-Current Liabilities		
Furniture & Fittings (cost)	4,983	4,983	Provision for Long Service Leave	77,499	85,652
Less: Accumulated Depreciation	(2,920)	(2,456)	Total Non-Current Liabilities	77,499	85,652
Office Equipment (cost)	16,450	22,930	TOTAL LIABILITIES	673,303	588,569
Less: Accumulated Depreciation	(12,746)	(17,763)	TOTAL NET ASSETS	62,629	3,400
Total non-current assets	5,767	7,694	Statement of Changes in Equity		
TOTAL ASSETS	735,932	591,969	Opening Accumulated Funds	3,400	54,320
			Surplus/(Deficit) for Year	59,229	(238,955)
			Transfer from Reserves	-	188,035
			Accumulated Funds	62,629	3,400

Discussion and analysis of the Statement of Financial Position

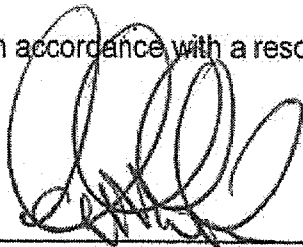
1. The cash holdings have increased by 26% from \$366,097 as at 30 June 2013 to \$461,489 as at 30 June 2014.
2. The Directors have considered whether the Going Concern basis remains appropriate for the purpose of the Financial Statements and concluded that it does. In reaching that conclusion the Directors have considered the future sources and level of income and budgeted expenditure.

DIRECTORS' DECLARATION

In the opinion of the directors of Australian Institute of Credit Management:

- (1) the financial statements and notes, are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position of the Company as at 30 June 2014 and of its performance, as represented by the results of its operations and its cash flows, for the year ended on that date; and
 - (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
- (2) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:



Grant L Morris, Australian President

Date: 16 September 2014



Gregg Odlum, Finance Director

Date: 16 September 2014