

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 2013 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 Francis L Vredenbregt, LICM CCE	Australian President	58	17 November 2005	6 December 2012
Mr Grant L Morris, CCE	Finance Australian President	57	29 March 2007	
Mr Ronald C Freier, CCE	CCE, YCPA	63	25 January 2008	7 June 2013
Mr James A Neate MICM	Law & Regulation	50	20 March 2010	
E. R. Verge MICM CCE	Prof. Development	63	14 September 2011	
G J N Pilavidis MICM CCE	Finance	35	19 December 2012	
J. G. Hurst FICM CCE	Member Services	59	22 May 2012	

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 F L Vredenbregt, President	5	5
Mr G L Morris	9	9
Mr R C Freier	8	9
Mr J A Neate	9	9
E R Verge	8	9
J G Hurst	9	9
N G Pilavidis	4	4

* Represents meetings for which directors were eligible to attend

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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 loss after income tax amounted to \$238,955 (2012: loss of \$274,133).

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

During the year the Institute's joint venture with the Australasian Retail Credit Association (ARCA) has provided a much needed boost to Income for the year through the increase in profitability of AICM's education courses.

Furthermore the Institutes Property in Melbourne was successfully sold in March 2013 which has raised cash of \$410,030.

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.

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DIRECTORS' REPORT (Continued)

Events subsequent to balance date

Since the end of the financial year a significant redundancy was paid. This was foreshadowed before 30 June 2013 and a provision made and charged to the Statements of Operation and Profit or Loss and Other Comprehensive Income this year.

There has not arisen in the interval between the end of the financial year and the date of this Report any other 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 actively considered the Institute's 'going concern' status and will continue to do so. The Management and Board have made budgetary decisions in the context of rapidly returning the Institute to profitability.

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 insurance contracts for the year ended 30 June 2013 and since the end of the financial year, the Company has agreed to pay premiums in respect of such insurance contracts for the year ending 30 June 2014. Such insurance contracts insure against liability (subject to exclusions) 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 2013 the Company had 2,071 (2012: 2,124) members.

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DIRECTORS' REPORT (Continued)

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

To: the directors of Australian Institute Of Credit Management

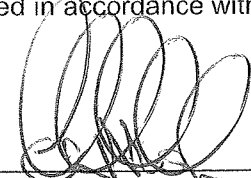
I declare that, to the best of my knowledge and belief, in relation to the audit of the financial year ended 30 June 2013 there have been:

- 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 25 September 2013

Signed in accordance with a resolution of the directors:



Grant L Morris, Australian President

Date: 25 September 2013



G J Nicolas Pilavidis, Finance Director

Date: 25 September 2013

AUSTRALIAN INSTITUTE OF CREDIT MANAGEMENT
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2013

	2013	2012
	\$	\$
Cash Flows from Operating Activities		
Cash receipts in the course of operations	1,351,400	1,589,538
Cash payments in the course of operations	(1,678,687)	(1,835,357)
Interest received	3,838	11,517
Net cash used in operating activities	<u>(323,449)</u>	<u>(234,302)</u>
Cash Flows from Investing Activities		
Receipts/(Payments) for property, plant, equipment and intangibles	<u>410,030</u>	<u>(12,958)</u>
Net cash (used in)/provided by investing activities	<u>410,030</u>	<u>(12,958)</u>
Net increase/(decrease) in cash and cash equivalents held	<u>86,581</u>	<u>(247,260)</u>
<i>Cash and cash equivalents at the beginning of the financial year</i>	<u>279,516</u>	<u>526,776</u>
<i>Cash and cash equivalents at the end of the financial year</i>	<u>366,097</u>	<u>279,516</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

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. During the year the Institute's joint venture with the Australasian Retail Credit Association (ARCA) has provided a much needed boost to Income for the year through the increase in profitability of AICM's education courses. Furthermore the Institutes Property in Melbourne was successfully sold in March 2013 which has raised cash of \$410,030.

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.

**AUSTRALIAN INSTITUTE OF CREDIT MANAGEMENT
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The Company incurred an operating loss of \$238,955 during the year ended 30 June 2013 (2012: loss of \$274,133) and has accumulated funds and reserves of \$3,400 as at 30 June 2013 (2012: \$262,324). The Company has cash of \$366,097 at 30 June 2013 (2012: \$279,519) and used \$323,449 of cash in operations during the year.

These conditions give rise to a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern. The ongoing operations of the Company are 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 reduces expenditure significantly through actions already put in place subsequent to 30 June 2013, including reductions in personnel costs, which are greater than the 2013FY Loss.

In the event that the Company does not increase revenue and/or reduce expenditure in-line with available revenue, it may not be able to continue its operations as a going concern and therefore may not 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

Since the end of the financial year a significant redundancy was paid. This was foreshadowed before year end and has been provided for in these Financial Statements.

There has not arisen in the interval between the end of the financial year and the date of this report any other 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.

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

Scope

I have audited the financial report of Australian Institute of Credit Management ('the Company') for the financial year ended 30 June 2013, 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 20. 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 2013 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.

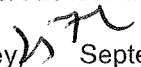
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Material uncertainty regarding continuation as a going concern

Without qualifying my opinion, I draw attention to Note 1(b), "Going Concern" in the financial report. The conditions disclosed in Note 1(b) including the need to raise revenue streams and/or reducing expenditure in-line with available revenue, indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern and, therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.



Garry Stewart Grahame FCA
Chartered Accountant

Sydney  September 2013

AUSTRALIAN INSTITUTE OF CREDIT MANAGEMENT
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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED
30 JUNE 2013

	2013 \$	2012 \$
Revenue from ordinary activities	1,539,907	1,646,885
Employee expenses	718,770	701,574
Depreciation and Amortisation expenses	5,814	5,173
Corporate and Administration expenses	1,054,278	1,214,271
(Loss)	(238,955)	(274,133)
Income tax expense	-	-
(Loss) after tax	(238,955)	(274,133)

Discussion and analysis of the Statement of Comprehensive Income

- The above figures reflect the ongoing financial shortfalls arising from the loss of RTO income in a previous year.
- During the year the Institute's joint venture with the Australasian Retail Credit Association (ARCA) has provided a much needed boost to Income for the year through the increase in profitability of AICM's education courses.
- Total membership numbers declined from 2,124 as at 30 June 2012 to 2,071 as at 30 June 2013, an decrease of approximately 2.5%.

STATEMENT OF FINANCIAL POSITION AS AT
30 JUNE 2013

	2013 \$	2012 \$		2013 \$	2012 \$
Current Assets			Current Liabilities		
Cash and Cash Equivalents	366,097	279,516	Sundry Creditors & Accruals	90,703	100,276
Trade Debtors	197,784	141,403	Conference Fees in Advance	82,396	77,250
Less Provision for Doubtful Debts	(8,058)	(3,058)	Education Fees in Advance	53,033	3,955
Prepayments & Other Debtors	28,452	33,650	Members Subscriptions in Advance	64,931	242,783
Total current assets	584,275	451,510	Sponsorship in Advance	66,250	51,250
			Publications in Advance	-	6,600
			Provision for Annual Leave	145,604	68,339
			Total current Liabilities	502,917	550,453
Non-Current Assets			Non-Current Liabilities		
Land & Buildings (cost)	-	221,995	Provision for Long Service Leave	85,652	82,241
Land & Buildings (Directors Valuation)	-	208,005	Total Non-Current Liabilities	85,652	82,241
Furniture & Fittings (cost)	4,983	4,983	TOTAL LIABILITIES	588,569	632,694
Less: Accumulated Depreciation	(2,456)	(1,890)	TOTAL NET ASSETS	3,400	262,324
Office Equipment (cost)	22,930	22,930			
Less: Accumulated Depreciation	(17,763)	(12,515)	Statement of Changes in Equity		
Total non-current assets	7,694	443,508	Opening Accumulated Funds	54,320	328,453
			Surplus/(Deficit) for Year	(238,955)	(274,133)
			Transfer from Reserves	188,035	-
			Accumulated Funds 30 June	3,400	54,320
			Asset Revaluation Reserve	-	208,004
TOTAL ASSETS	591,969	895,018	Accumulated Funds & Reserves	3,400	262,324

Discussion and analysis of the Statement of Financial Position

The Institutes Property in Melbourne was successfully sold in March 2013 which has raised cash of \$410,030.

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.

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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 2013 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 21 September 2013

Signed in accordance with a resolution of the directors:



Grant L Morris, Australian President

Date: 25 September 2013



G J Nicolas Pilavidis, Finance Director

Date: 25 September 2013