



Australian
Institute of
Management

Australian Institute of Management NSW & ACT Limited
and Consolidated Entity

Annual Report
2010

ACN 000 049 669

ABN 20 000 049 669





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Directors' Report for the Year Ended 31 December 2010

Australian Institute of Management NSW & ACT Limited ("Institute")
and Consolidated Entity ("Group")

ACN 000 049 669 ABN 20 000 049 669

Trading Results and Review of Operations

The 2010 year has seen significant growth in the Group's revenue line and a considerable reinvestment in our organisation in the areas of Member Engagement, Curriculum, Information Technology Infrastructure and Facilities. These investments are expected to stand the Group in good stead as we move through the 2011 year and we anticipate that this will again be a year of revenue growth for the Group. A large driver of that revenue growth has been the decision to access Government funding sources for the delivery of qualifications to our clients, in particular the Productivity Placement Program.

A thorough review of all aspects of the Group's business was undertaken in 2010 culminating in the presentation by management to the Board of a Strategic Plan in September 2010. The new strategic plan was built on the plan from 2009 year which was in turn built on extensive research of the Group's customers and our members and it was work shopped openly with members prior to the presentation to Board. The fundamental building blocks of the new strategy are:

1. Member Engagement – During the year the Institute launched three new networking platforms for our members being Roundtables, Conversation Café's and Hot topic forums. The number and frequency of these programmes will be increased in the 2011 year.
2. Curriculum – During the year we upgraded 20 of our most popular courses to meet and move further ahead of the market place. Throughout 2011 we will be upgrading a similar number of programs.
3. Information Technology Infrastructure – Following an independent review of our IT systems and services, a decision was taken to replace the core operational systems as well as upgrade our digital presence and to integrate our web presence into the Group's learning offerings. The first step was a re-launch of our website in 2010.
4. Facilities – During 2010 we completed the first phase of our facility projects with the launch of upgraded training rooms and the development of an "Integrated Knowledge Centre" on the ground floor of our North Sydney facilities. We lodged a Development Application with the North Sydney Local Council for the site at 215-223 Pacific Highway, North Sydney which also encompassed the current vacant site at 211 Pacific Highway over which a Call Option was taken. It is likely that the Development Application will be determined in the first half of 2011.

We are fortunate to have a passionate group of staff and trainers who seek to improve the performance of our members and customers both at the individual level and also at the organisational level.

Corporate Governance Statement

The Directors review and approve strategies and action plans for the continuing development of the Group and Institute. The main practices in terms of corporate governance in place during the financial year are summarised below.

Composition of the Board

The Chairman and each of the Directors of the Institute are non-executive Directors who act in a voluntary capacity. Members of the Board are entitled to be reimbursed for expenses incurred on behalf of the Institute, such expenses being generally of a small sundry nature. The composition of the Board brings an appropriate mix of skills and experience to address the affairs of the Group and Institute.

Board Committees

To assist the Board to fulfil its responsibilities, the Board of Directors has established Board Committees, which operate under the following principles:

- each Committee will comprise a majority of non-executive Directors.
- wherever appropriate, the Chair of each Committee will be a non-executive Director.
- each Committee will conduct its activities in accordance with the terms of reference prescribed by the Board.

Board Committees and their membership during the financial year are as set out below:

Remuneration and People Policy	Audit and Risk	Strategy and Investment
R. Allan AO *	L. K. Farrell *	J. G. Davis AM*
B. G. J. Nye	M. F. Deegan	R. R. Collins AM
L. Chung	C. N. Westworth	B.G.J. Nye
	B.G. J. Nye (ex officio)	A. Sinodinos AO

* Committee Chair

At its meeting on 25 March 2010, the Board determined to create a Property Strategy Committee in addition to those Committees above. The membership of the Property Strategy Committee is as follows:

Property Strategy
L. Chung *
J. G. Davis AM
M. F. Deegan
B.G.J. Nye

* Committee Chair

The primary functions of the Board Committees were:

Remuneration and People Policy Committee

The purpose of the Remuneration and People Policy Committee is to provide oversight at Board level of the Group's policies, procedures and practices as they affect employees, contractors or others performing work for the Group, and to make recommendations to the Board regarding remuneration of the Chief Executive Officer (CEO).

Excepting routine matters of administration, the Committee is to make recommendations to the Board on significant matters requiring policy change or decision.

Audit and Risk Committee

The Audit and Risk Committee provides a direct link between the Board and the audit and compliance functions. The Committee is responsible for monitoring the scope and independence of the audit process and the preparation of financial statements in accordance with the requirements of the Corporations Act 2001 and Accounting Standards.

The Committee makes recommendations to the Board on appropriate actions to address audit and compliance issues. The Committee invites management and the external auditors, jointly and separately, to attend meetings as appropriate.

Strategy and Investment Committee

The Strategy and Investment Committee is responsible for reviewing business strategies and opportunities in the light of potential changes in the demand and nature of skills, new technology and training and education program requirements.

It reviews recommendations and professional advice and advises the Board on investment strategies for the Group's investment portfolio.

Property Strategy Committee

The Property Strategy Committee was established to provide detailed consideration of real property related strategic matters faced by the Group and to provide the Board with recommendations on these matters and to oversee transactions as delegated by the Board with respect to existing and future real properties and improvements to them.

Advisory Bodies to the Board

The members of the advisory bodies act in a voluntary capacity and we would like to thank them formally for the time and effort that each puts into the work of the Group.

ACT Advisory Council

The ACT Advisory Council is established under Clause 10.1 of the Constitution to advise the Board on issues relevant to the ACT Region. The members of the ACT Advisory Council during the year were:

Mr M. J. Zissler (President)	Full year
Mr A. Cappie-Wood	Full year
Ms D. Fielding	Full year
Rear Admiral Goldrick AM	Full year
Dr J. Harmer AO	Full year
Ms J. M. Morison	Full year
Mr M. Mrdak	Full year
Mr B. G. J. Nye	Full year
Ms J. Richards	Full year

Academic Advisory Board

The Academic Advisory Board advised the Boards of the Group on academic governance issues regarding Higher Education. The members of the Academic Advisory Board during the year were:

Prof. S. Burdon (Chair)	Full year
Dr. N. Chorn	Full year
Ms. V. King	Full year
Prof. E. More AM	Full year
Prof. L. Smith	Full year
Mr. R. Town	Full year
Mr. S. Wisniowski	Full year

Members of the Advisory Bodies receive no remuneration, retirement or other benefits.

Organisational Risks

The Board monitors regularly the operational and financial performance against annual budgets, interim forecasts and other key performance measures. The Board reviews the management of general risk exposures, including oversight of implementing insurance arrangements for material insurable risk and reviewing contingency plans.

Additional Statutory Information

Directors Term in Office

B. G. J. Nye	Full year
R. Allan AO	Full year
L. Chung	Full year
R. R. Collins AM	25/03/10 – 31/12/10
J. G. Davis AM	Full year
M. F. Deegan	Full year
L. K. Farrell	Full year
J.M. Morison	01/01/10 – 15/07/10
A. Sinodinos AO	Full year
A. J. Stuart	01/01/10 – 15/07/10
C.N. Westworth	15/07/10 – 31/12/10
M.J. Zissler	15/07/10 – 31/12/10

Company Secretary

Mr. M.A. Brady – Full Year
BEc LLB, Grad Dip AppFin&Inv, Grad Dip AppCorpGov

Mr Brady has over 21 years legal experience in commercial litigation and corporate law, working in both private practice and in-house positions.

Principal Activities of the Group

The principal activities of the Group in the course of the year were the provision of management information, education and training to members and the broader management community.

Significant Changes in the State of Affairs

There were no significant changes in the state of affairs of the economic entity during the financial year not otherwise disclosed in the Annual Report.

Events Subsequent to Balance Date

Apart from the events noted below and in the Directors' Report, since the end of the financial year the Directors are not aware of any matter or circumstances not otherwise dealt with in the report or consolidated Financial Statements that has significantly or

may significantly affect the operations of the economic entity, the results of those operations or the state of affairs of the economic entity in subsequent financial years.

Likely Developments

A Development Application, outlined in the Trading Results and Review of Activities section at the commencement of this Annual Report, has been lodged and, if it is granted, the Group will advance its plans to deliver services to our members and customers on a “hub and spoke” model, so that we can serve them more effectively.

A Heads of Agreement in relation to the lease of a site in Canberra has been negotiated. It is likely that the Canberra operations will move from its current location to a new site in 2011.

Corporate Social Responsibility (CSR)

CSR for the Group means conducting our business based on a set of principles and practices that address the three areas of social, environmental and economic sustainability in our daily operations, our capital works and within our core responsibilities to members and students. Choices and decisions are made using criteria that are not simply economic; social and environmental criteria are used as well.

The Group’s business strategy aims to make our operations economically sustainable by aligning our culture and capability to maximise performance in meeting the current and emerging needs of leaders and managers.

In addition to statutory and regulatory compliance the Group has and will continue to:

- Maximise the efficient use of all resources, particularly paper, electricity and water;
- Recycle and reuse resources where possible;
- Purchase materials and energy based on sustainability principles;
- Manage buildings in a manner that will provide a healthy working environment based on sustainable and energy efficient principles;
- Provide information, advice and opportunity for staff to adopt sustainability practices.

The Group provides two scholarships each year: the James A Layt award and the Rebecca Gregory indigenous scholarship.

Directors’ Benefits

No Director of the Institute has, since the end of the previous financial year, received or become entitled to receive a benefit by reason of a contract made by the Group or a related body corporate with the Director or with any entity in which the Director has an interest.

Directors' Meetings

The number of Directors' meetings and Committee Meetings held in the period each Director held office during the financial year and the number of meetings attended by each Director was:

A = Number of meetings held while in office

B = Number of meetings attended (including attendance in part)

	Board Meetings		Audit & Risk Committee		Strategy and Investment Committee		Remuneration & People Policy Committee		Property Strategy Committee	
	A	B	A	B	A	B	A	B	A	B
B. G. J. Nye	6	6	3	3	2	2	3	3	3	3
R. Allan AO	6	5	-	-	-	-	3	3	-	-
L. Chung	6	6	-	-	-	-	3	3	3	3
R.R. Collins AM (25/03/10 to 31/12/10)	6	5	-	-	1	1	-	-	-	-
J. G. Davis AM	6	5	-	-	2	2	-	-	3	2
M. F. Deegan	6	4	3	1	-	-	-	-	3	3
L. K. Farrell	6	5	3	3	-	-	-	-	-	-
J.M. Morison (01/01/10 to 15/07/10)	3	3	1	1	-	-	-	-	-	-
A. J. Stuart (01/01/10 to 15/07/10)	3	2	-	-	-	-	1	1	-	-
A. Sinodinos AO	6	4	-	-	2	2	-	-	-	-
C.N. Westworth (15/07/10 to 31/12/10)	4	3	2	2	-	-	-	-	-	-
M.J. Zissler (15/07/10 to 31/12/10)	4	4	-	-	-	-	-	-	-	-

All non-executive Directors provide their time on an honorary basis for the attendance of Board and other meetings and in guiding management through counsel, support and advice, either in person or by telecommunications as required. The Board wishes to thank Ms Morison and Mr Stuart, who retired as Directors during the year, and, in Ms Morison's case, as President (though she remains as a member) of the ACT Advisory Council) for all their considerable service to the Group in their time in office.

Officers' Indemnities and Insurance

Clause 15 of the Institute's Constitution provides an indemnity in favour of Directors and other such officers or former officers of the Institute as the Board determines against all losses and liabilities arising in relation to service as an officer of the Institute, to the extent permitted by law.

No Director or officer of the Institute has received the benefit of an indemnity from the Institute during or since the end of the year.

The Institute maintains a Directors' and Officers' insurance policy which serves to indemnify Directors and officers of the Group in relation to actions taken in their capacity as Directors and officers, subject to the definitions, extensions, exceptions and conditions of the policy.

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 on page 17.

Signed on this 12 day of April 2011 in accordance with a resolution of Directors.



B. G. J. Nye
Chairman



L.K. Farrell
Director

Board of Directors 2010

Bryan G. J. Nye
B.Appl. Sc, Grad Dip Admin, Grad Dip Appl Fin,
Grad Dip Strat Studies, FASAE, FAIM, FCILT
Chairman

Appointed Director July 2002. Appointed Chairman May 2006.

Mr Nye is the Chief Executive Officer of the Australasian Railway Association chartered with bringing a National approach to rail. He is Chairman of the Rail Industry Safety and Standards Board (RISSB) and Chairman of the Rail Skills and Careers Council (RSCC). He was previously the Executive Director of the Australian Institute of Petroleum and prior to that the CEO of the Australian Property Institute. His early career was spent in the Royal Australian Navy, which included the command of three Naval Ships and a wide range of sea going and staff appointments. He is also on the Board of a number of community organisations.

Roslyn Allan AO
BA, SF Fin, FAICD, FAIM

Appointed Director February 2007.

Ms Allan has been a director of a number of private and public companies, including the Securities Industry Research Centre for Asia Pacific 2002-2007. She was Managing Director of the Securities Institute of Australia 1989-2000 and Securities Institute Education 1994-2000. She served as a member of the governing body of the Asian Securities Analysts Federation [ASAF], holding the positions of Honorary Treasurer and Chair of the Education Committee. In 2005 Ms Allan was appointed an Officer of the Order of Australia for service to the finance sector.

Roger R. Collins AM
BSc (Hons) PhD

Appointed Director March 2010.

Dr Collins is a Professor Emeritus at the University of NSW and Chairman of the Board of Grant Thornton Australia Ltd. He is currently a visiting professor at the University of Cambridge. His academic career is complemented by earlier experience in the private sector, the armed services, the public sector and in tertiary education.

He is a member of the American Academy of Management and is the inaugural Chairman of the judging panels for both Australia's and Asia's Best Employers' awards.

In January 2004 Dr Collins was appointed as a Member in the General Division of the Order of Australia for his services to teaching.

Lisa Chung
LLB, FAPI, FAIM

Appointed Director July 2009.

Ms Chung is a Partner in the Property Group of Maddocks. While a Partner with Blake Dawson she held the positions of Sydney Managing Partner and a Board member. She is a member of the Law Society of NSW, the Women Lawyers Association of

NSW, the Law Council of Australia, the International Bar Association, the Australian Institute of Company Directors and is a fellow of the Australian Property Institute. She is a Notary Public and a member of the Society of Notaries of NSW and the Australian and New Zealand College of Notaries.

Jeremy G. Davis AM
B.Ec (Hons), MBA, MA (Stanford), FAICD, FAIM

Appointed Director March 2002.

Prof Davis is a non-executive director of several companies including Transurban, SP AusNet and Singapore Power. He is a Professor Emeritus of the University of New South Wales, having retired from the Australian Graduate School of Management. Before joining the AGSM, he was a Vice-President of The Boston Consulting Group and Managing Partner of its Paris office. He has been a director of a range of organisations including the Australian Stock Exchange and the Australian Industry Development Corporation.

Michael F. Deegan
BA LLB (Hons), FAIM

Appointed Director July 2009.

Mr Deegan was appointed Australia's first national Infrastructure Coordinator in July 2008. Prior to that appointment he was the Chairman of the National Transport Commission. He has extensive public and private sector background in road, rail, ports and construction.

L. Kathleen Farrell
BA LLB (Hons), FAIM

Appointed Director September 1995.

Ms Farrell is a consultant to leading corporate law firm, Freehills. She specialises in mergers & acquisitions, public securities offerings and corporate compliance. She is President of the Takeovers Panel and immediate past Chairman of the Business Law Section of the Law Council of Australia. She represents the Law Council of Australia on the ASX Corporate Governance Council.

Jennifer M Morison
B.Ec, FCA, FCPA, FAIM

Appointed Director May 2008

President AIM ACT Advisory Council May 2008.

Resigned July 2010

Arthur Sinodinos AO
B.Com, MAICD, FAIM

Appointed Director July 2009.

Mr Sinodinos is the Regional General Manager, Business and Private Banking with the National Australia Bank. He was the Chief of Staff to the Office of Prime Minister (John Howard) for 10 years and held numerous positions in the Department of Finance and

International Finance prior to that. He currently holds positions on a number of Boards including University of Wollongong Vice Chancellor's Advisory Board, the Indo Pacific Forum (INDOPAC), Australia Water Holdings Pty Ltd, CSN Technology Pty Ltd, Aboriginal Employment Strategy (AES) Pty Ltd, the Australian and New Zealand School of Government, The Global Foundation, Global Access Partners Pty Ltd and the Menzies Research Centre Ltd. Mr Sinodinos was awarded the Order of Australia in 2008.

Anthony (Tony) J. Stuart
BCom, MAICD, FAIM

Appointed Director March 2005.

Resigned July 2010.

Christopher N. Westworth
LLB(Hons) Bristol, FCA, FAIM, FAICD

Appointed Director July 2010.

Mr Westworth was a senior audit partner with Ernst & Young until June 2010 with responsibilities for clients and risk management in the audit division. As a senior audit partner with over 30 years of experience, his work with Ernst & Young's clients in the UK, Europe and Australia covered a wide range of industries including the property industry, financial services, media and healthcare.

He is also a director of the Kolling Foundation and Viscopy Ltd.

Mike J. Zissler
MBA, BHA, RN, RSCN, FAIM, FACHSM, MAICD

Appointed Director July 2010

President AIM ACT Advisory Council May 2010

Mr Zissler is the Chief Executive of Lifeline Canberra having been in that role since January 2010. Prior to that appointment he was the Commander of the Northern Territory Emergency Intervention. He has extensive public sector experience having been in senior roles with a number of State and Territory Government agencies.

Five Year Performance Summary Year Ending 31 December 2010

FIVE YEAR PERFORMANCE SUMMARY - Ending 31 December 2010

	2010	2009	2008	2007	2006
INCOME STATEMENT (\$)					
Revenue from continuing operations	20,562,001	15,336,953	18,687,279	21,306,887	19,540,177
Other Income	(171)	4,963	7,035	8,708	83,462
Profit / (Loss) before income tax	615,763	(749)	(1,772,682)	176,687	793,493
STATEMENT OF FINANCIAL POSITION (\$)					
Cash and cash equivalents / available-for-sale financial assets and investments	6,482,419	8,813,599	9,347,099	10,302,813	9,872,639
Other assets	27,316,167	21,266,354	21,081,919	19,839,725	20,583,640
Liabilities	6,500,723	3,397,853	3,746,168	3,431,114	3,392,480
Net assets	27,297,863	26,682,100	26,682,849	26,711,423	27,063,799
Equity	27,297,863	26,682,100	26,682,849	26,711,423	27,063,799
MAJOR EXPENDITURES (\$)					
Expenditure on curriculum development	742,709	745,969	796,018	714,542	660,184
Expenditure on information technology	689,288	506,129	640,441	598,565	863,258
MEMBERSHIP & EMPLOYEES (by number)					
Personal Members	5,390	6,176	7,186	7,903	8,191
Corporate Partners	717	764	892	943	954
Employees	92	67	73	78	78



Auditor's Independence Declaration

As lead auditor for the audit of Australian Institute of Management NSW & ACT Limited and consolidated entity for the year ended 31 December 2010, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Australian Institute of Management NSW & ACT Limited and the entities it controlled during the period.



Sue Horlin
Partner
PricewaterhouseCoopers

Sydney
12 April 2011

Financial Statements for the Year Ended 31 December 2010

Australian Institute of Management NSW & ACT Limited and Controlled Entities

ACN 000 049 669
ABN 20 000 049 669

Statements of Comprehensive Income Year Ended 31 December 2010

STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2010

	NOTE	CONSOLIDATED	
		2010 \$	2009 \$
Revenue from continuing operations	3 (i)	20,562,001	15,336,953
Other Income	3 (ii)	(171)	4,963
Expenses	4 (i)	(19,946,067)	(15,342,665)
Total Profit/(Loss) before income tax		615,763	(749)
Income tax expense	5	-	-
Total Profit/(Loss) for the year		615,763	(749)
Other comprehensive income		-	-
Total Comprehensive Income for the year		615,763	(749)

The accompanying notes form an integral part of these financial statements.

Statement of Financial Position Year Ended 31 December 2010

STATEMENT OF FINANCIAL POSITION

Year ended 31 December 2010

	NOTE	CONSOLIDATED		
		2010	2009	1 January 2009 *
		\$	\$	\$
ASSETS				
Current Assets				
Cash and cash equivalents	6	6,482,419	8,813,599	6,480,952
Available-for-sale financial assets	7	-	-	2,866,147
Receivables	8	5,183,823	1,107,193	785,727
Inventories	9	145,891	150,680	188,482
Prepayments & Other	10	348,192	354,387	324,772
Total Current Assets		12,160,325	10,425,859	10,646,080
Non Current Assets				
Property, plant and equipment	11	20,657,787	19,355,402	19,549,506
Intangible assets	12	980,474	298,692	233,431
Total Non Current Assets		21,638,261	19,654,094	19,782,937
Total Assets		33,798,586	30,079,953	30,429,017
LIABILITIES				
Current Liabilities				
Payables	13	2,325,803	1,022,764	1,084,025
Provisions	15	292,094	331,880	405,396
Other	14	3,616,432	1,732,114	2,155,823
Total Current Liabilities		6,234,329	3,086,758	3,645,244
Non Current Liabilities				
Provisions	15	139,521	141,334	100,924
Other	16	126,873	169,761	-
Total Non Current Liabilities		266,394	311,095	100,924
Total Liabilities		6,500,723	3,397,853	3,746,168
Net Assets		27,297,863	26,682,100	26,682,849
Equity				
Reserves	17(a)	7,654,703	7,654,703	7,654,703
Retained surplus	17(b)	19,643,160	19,027,397	19,028,146
Total Equity		27,297,863	26,682,100	26,682,849

* See note 1(s) for details regarding the change in accounting policy.

The accompanying notes form an integral part of these financial statements.

Statements of Changes in Equity Year Ended 31 December 2010

STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2010

	NOTE	Retained Earnings	Asset Revaluation	Revenue on Consolidation	TOTAL EQUITY
		\$	\$	\$	\$
CONSOLIDATED					
Balance at 1 January 2009		19,188,132	7,300,113	354,590	26,842,835
Adjustment on change in Accounting Policy (net of tax)		(159,986)	-	-	(159,986)
Restated total equity at the beginning of the financial year		19,028,146	7,300,113	354,590	26,682,849
Total comprehensive income for the year as reported in the 2009 financial statements		22,510	-	-	22,510
Adjustment on change in Accounting Policy (net of tax)	1 (s)	(23,259)	-	-	(23,259)
Restated total comprehensive income for the year		(749)	-	-	(749)
Balance at 31 December 2009	17	19,027,397	7,300,113	354,590	26,682,100
Total comprehensive income for the year		615,763	-	-	615,763
Balance at 31 December 2010	17	19,643,160	7,300,113	354,590	27,297,863

The accompanying notes form an integral part of these financial statements.

Cash Flow Statements Year Ended 31 December 2010

CASH FLOW STATEMENTS

Year ended 31 December 2010

	NOTE	CONSOLIDATED	
		2010 \$	2009 \$
Cash flows from operating activities			
Receipts from Members and customers (inclusive of GST)		18,137,231	16,498,210
Payments to suppliers and employees (inclusive of GST)		(18,086,451)	(16,417,268)
Net cash (outflows) / inflows from operating activities	26	50,780	80,942
Cash flows from investing activities			
Proceeds from available-for-sale financial assets		-	2,718,927
Payments for intangible assets		(975,389)	(313,430)
Payments for property, plant and equipment		(1,817,770)	(470,583)
Interest and distributions from:			
Cash and cash equivalents		411,199	316,791
Net cash (outflows) / inflows from investing activities		(2,381,960)	2,251,705
Net (decrease) / increase in cash and cash equivalents		(2,331,180)	2,332,647
Cash and cash equivalents at beginning of financial year		8,813,599	6,480,952
Cash and cash equivalents at end of financial year	6	6,482,419	8,813,599

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements Year Ended 31 December 2010

1. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the consolidated entity consisting of Australian Institute of Management NSW & ACT Limited ("Company") and its controlled entities ("Group").

a) Basis of preparation

This general purpose financial statement has been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the Corporations Act 2001.

(i) Compliance with Australian Accounting Standards - Reduced Requirements

The consolidated financial statements of Australian Institute of Management NSW & ACT Limited group comply with Australian Accounting Standards - Reduced Disclosure Requirements as issued by the Australian Accounting Standards Board (AASB).

(ii) Early adoption of standards

The group has elected to apply the following pronouncements to the annual reporting period beginning 1 January 2010:

- AASB 2009-5 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project*

- AASB 1053 *Application of Tiers of Australian Accounting Standards* and AASB 2010-2 *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements*

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss, certain classes of property, plant and equipment and investment property.

The consolidated entity has a policy of independently revaluing its freehold land and buildings, based on periodic, but at least triennial valuations by external independent valuers.

The consolidated financial statements are presented in Australian dollars, which is the Australian Institute of Management NSW & ACT Limited's functional and presentation currency.

The financial report was authorised for issue by the Directors on 17 March 2011. The Company has the power to amend and reissue the financial report.

b) Principles of consolidation

The consolidated financial statements of the consolidated entity incorporate the assets and liabilities of the Company and the controlled entities at the end of the financial year and the results of the Company and the controlled entities during the financial year. This control is by virtue of the fact that all Directors of the controlled entities are appointed by the Company. The Company and its controlled entities together are referred to in this financial report as the consolidated entity.

Intercompany transactions

The effect of all transactions between entities in the consolidated entity and inter-entity balances are eliminated in full in preparing the consolidated financial statements.

c) Income tax

The consolidated entity adopts the liability method of tax-effect accounting. Under present legislation income derived by the Company from Members is not assessable for income tax. Income tax liabilities arise in respect of income derived from non-Members and investments less certain allowable deductions.

The controlled entities have been advised by the Australian Taxation Office that they are exempt from Income Tax pursuant to the *Income Tax Assessment Act 1997*.

d) Foreign currency

Transactions denominated in a foreign currency are recorded at the exchange rates prevailing at the date of the transactions. Foreign currency payables at balance date are translated at exchange rates current at the balance date. Exchange gains and losses are brought to account in determining the profit or loss for the financial year.

e) Revenue

Revenue of the Company includes Personal Membership and Corporate Partner subscriptions to the Company, the provision of related services and research service income (net of discounts). Subscription revenue is recognised progressively over the subscription period and research service income is recognised when the service is provided.

Revenue from the controlled entities is earned from the provision of management training courses, the sale of management educational material and the hiring of facilities. Course revenue is recognised over the length of the course or qualification. Other training related revenue is recognised when the service is provided.

Convention revenue and expenses are recognised in accordance with the percentage of completion method unless the outcome of the convention cannot be reliably estimated. Where it is probable that a loss will arise from a convention, the excess of total cost over revenue is recognised as an expense.

Other revenue including property lease rental and interest income is recognised on an accruals basis.

f) Receivables

All trade debtors are recognised at the amounts receivable as they are due for settlement at no more than 30 days.

Collectibility of trade debtors is reviewed on an ongoing basis.

Bad debts which are known to be uncollectible are written off during the year in which they are identified. A provision for doubtful debts is established where there is objective evidence that the consolidated entity will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is recognised in the income statement.

g) Inventories

Finished goods for resale are stated at the lower of cost and net realisable value. Costs have been assigned to individual inventory quantities on hand at the balance date on a First In First Out basis using actual costs.

h) Investments

Investments can be classified into one or more of the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. The Company determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date. The Company has classified its investments as 'available-for-sale financial assets'.

Available-for-sale Financial Assets

Available-for-sale financial assets comprising managed funds operated by professional fund managers, are classified as non-derivatives that are not classified in any of the other investment categories.

Purchases and sales of available-for-sale financial assets are recognised on trade-date-the date on which the consolidated entity commits to purchase or sell the asset. Available-for-sale financial assets are initially recognised at fair value (see below), plus transaction costs. Available-for-sale financial assets are subsequently carried at fair value. Unrealised gains and losses arising from changes in the fair value are recognised in equity in the available-for-sale financial assets revaluation reserve. When securities are sold or impaired, the accumulated fair value adjustments are included in the income statement as gains and losses from available-for-sale financial assets.

Fair Value Estimation

The fair value of available-for-sale financial assets are based on unit prices at the time of valuation provided by the professional fund managers.

The consolidated entity assesses at each balance date whether there is objective evidence that a financial asset is impaired. A significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If such evidence exists, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on the financial asset previously recognised in the profit and loss - is removed from equity and

recognised in the income statement. Impairment losses recognised in the income statement on available for sale financial assets are not reversed through the income statement.

i) Property, plant and equipment

Land and buildings are shown at fair value, based on periodic, but at least triennial valuations by external independent valuers, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Increases in the carrying amounts arising on revaluation of land and buildings are credited to the asset revaluation reserve in equity.

Property, plant and equipment, other than freehold land, are depreciated over their expected useful lives using the straight line method. The expected useful lives are as follows:

Buildings	40 years
Library	10 years
Furniture, equipment and motor vehicles	3 – 10 years
Computer equipment and external software costs	3 years

The assets' residual values and useful lives are reviewed and adjusted if appropriate at each balance sheet date.

Gains and losses on disposal of property, plant and equipment are taken into account in determining the profit for the financial year.

j) Leased assets

Leases under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Operating lease payments are charged to expenses in the financial periods in which they occur.

k) Trade and other creditors

The amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. The amounts are usually paid within 30 days of recognition.

l) Employee entitlements

(i) Wages and Salaries and Annual Leave

Liabilities for wages and salaries and annual leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Long Service Leave

The liability for long service leave expected to be settled within 12 months of the reporting date is measured in accordance with (i) above. The liability for long service leave expected to be settled more than 12 months from the reporting date is measured as the present value of expected future payments to be made in respect of services provided by the employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted to match as closely as possible, the estimated future cash outflows.

(iii) Superannuation

Contributions to external employee superannuation plans are charged as an expense when the contributions are paid or become payable.

(iv) Employee benefits on-costs

Employee benefits on-costs, including payroll tax, are recognised and included in employee benefits liabilities and costs when the employee benefits to which they relate are recognised as liabilities.

m) Cash flows

For the purpose of the cash flow statements, cash includes cash on hand and deposits held with banks, net of any bank overdrafts.

n) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments that are readily convertible to known amounts of cash.

o) Non-current assets classified as held for sale

When non-current assets are classified as held for sale and stated at the lower of their carrying amount and fair value less costs to sell if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

An impairment loss is recognised for any initial or subsequent write down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of derecognition.

Non-current assets are not depreciated or amortised while they are classified as held for sale.

Non-current assets classified as held for sale are presented separately from the other assets in the balance sheet.

p) Intangible assets

Web Site

Web site development costs are recognised as an intangible asset only when it is probable that the expected economic benefits that are attributable to the web site flow to the company and the costs can be measured reliably. Expenditure relating to the planning stage of the web site are expensed when incurred.

Capitalised web development expenditure is stated at cost less accumulated amortisation. Web site development is amortised over 3 years using the straight line method.

Training Course Development

The Australian Institute of Management NSW & ACT Training Centre Limited develops training course curriculum to be used in a wide range of specific and tailored training programmes for both Members and non-Members.

Capitalised development expenditure is stated at cost less accumulated amortisation. Training course development is amortised over 2 years using the straight line method.

q) Provisions

Provisions are recognised when: the consolidated entity has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

r) Critical accounting estimates

Other than accruals, provisions and taxation there are no critical accounting estimates.

s) Changes in accounting policy

The following amendment to existing accounting standards and interpretations, mandatory for reporting periods commencing on or after 1 January 2009, was implemented for the first time in these financial statements.

Revised AASB 138 *Intangible Assets* (effective from 1 January 2009)

The amendments to AASB 138 *Intangible Assets* are part of the IASB's annual improvements project published in May 2008. They require the cost of purchasing advertising related goods (which include mail order catalogues) and advertising related services to be booked as an expense when the entity owns or controls the goods and receives the services. To enhance comparability, the company has applied the amended standard retrospectively from 1 January 2009, which has resulted in the presentation of a third balance sheet. The impact of adoption of this standard on these financial statements is set out below:

- 2009 closing: reduction of \$183,245 in both Prepayments (from \$537,632 to \$354,387) and in Retained Earnings (from \$19,210,642 to \$19,027,397)
- 2009 opening: reduction of \$159,986 in both Prepayments (from \$484,758 to \$324,772) and in Retained Earnings (from \$19,188,132 to \$19,028,146)

- The above changes resulted in a net \$23,259 increase in other expenses (from \$1,301,636 to \$1,324,895) and a net \$23,259 reduction in profit for the year (from \$22,510 profit to \$749 loss) in the 2009 year.

t) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the 31 December 2010 reporting periods, are AASB 2010-3 *Amendments to Australian Accounting Standards arising from the Annual Improvements Project* and AASB 2010-4 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project*. The Group does not expect that any adjustments will be necessary as the result of applying the revised rules included in the revised Australian Accounting Standards.

u) Parent entity financial information

The financial information for the parent entity, Australian Institute of Management NSW & ACT Limited disclosed in note 27 has been prepared on the same basis as the consolidated financial statements.

2. Industry and geographical segments

The consolidated entity operates predominantly to provide management education and information within Australia.

3. Revenue from continuing operations

	CONSOLIDATED	
	2010	2009
	\$	\$
3. Revenue from continuing operations		
(i) Revenue from continuing operations		
Training revenue	15,671,845	10,590,743
Book revenue	856,134	801,102
Membership revenue	1,572,188	1,903,129
Other sales revenue	1,897,346	1,601,116
Other revenue		
Interest revenue	411,199	308,299
Rent	153,289	132,564
	20,562,001	15,336,953
(ii) Other Income		
Foreign exchange (loss) / gains	(171)	4,963
	(171)	4,963
	20,561,830	15,341,916

4. Profit before income tax includes the following net gains and expenses

	2010	2009
	\$	\$
4. Profit before income tax includes the following net gains and expenses		
(i) Expenses		
Employee costs	7,126,796	6,474,070
Cost of sales	7,987,679	4,798,236
Depreciation and amortisation	808,992	891,461
Marketing and promotion	1,612,318	1,168,172
Maintenance costs	703,962	685,831
Other expenses of operating activities	1,706,320	1,324,895
	19,946,067	15,342,665
(ii) Net losses		
Net loss recognised in the Income Statement on the:		
Disposal of available-for-sale financial assets	-	190,858
Disposal of property, plant and equipment	-	20,945
	58,500	56,200
(iii) Auditors' remuneration - PricewaterhouseCoopers		
	58,500	56,200
(iv) Other expenses include:		
Employee entitlements - superannuation	588,760	447,420
Bad debts written off	-	2,227
Rental expense on operating leases	57,685	22,109
Inventories written off	47,531	6,703

5. Taxation

The amount of income tax attributable to the financial year differs from the amount prima facie payable on the profit before income tax. The differences are reconciled as follows :



CONSOLIDATED		
	2010	2009
	\$	\$
Prima facie income tax on the profit before income tax at 30% (2009 : 30%)	184,729	6,753
Tax effect of permanent differences which reduce tax payable		
Non-assessable profits derived from Members	(152,779)	(70,906)
Non-assessable profits and losses	(229,352)	60,470
Prima facie tax adjusted for permanent differences	(197,402)	(3,683)
Tax losses not booked	197,402	3,683
Income tax attributable to profit before income tax	-	-

Deferred tax assets, at 30% (2009: 30%), attributed to tax losses carried forward amounting to \$617,060 (2009 : \$419,658) have not been brought to account at 31 December 2010 because the Directors believe it is inappropriate to regard realisation of the future income tax benefit as it is not probable.

The benefits will only be obtained if:

- a) The Company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the loss to be realised;
- b) The Company continues to comply with the conditions for deductibility imposed by law; and
- c) No changes in tax legislation adversely affect the Company in realising the benefit from the deduction for the loss.

6. Current Assets – Cash and cash equivalents

CONSOLIDATED		
	2010	2009
	\$	\$
Cash at bank and in hand	6,482,419	8,813,599

7. Current Assets – Available-for-sale financial assets

CONSOLIDATED		
	2010	2009
	\$	\$
At beginning of year	-	2,866,147
Decrement in value of available-for-sale financial assets	-	(190,858)
Additions	-	43,638
Disposals (redemption)	-	(2,718,927)
At end of year	-	-

8. Current Assets – Receivables

CONSOLIDATED		
	2010	2009
	\$	\$
Enrolment debtors	5,188,571	1,091,740
Trade debtors	61,631	63,287
Amounts receivable from controlled entities	-	-
	5,250,202	1,155,027
Less: Provision for doubtful debts	(66,379)	(47,834)
	5,183,823	1,107,193

The increase in enrolment debtors is due to transactions with the Federal Government and the NSW State Government in respect of the Productivity Placement Program (PPP). This debtor as at 31 December 2010 was \$3,342,702.

PPP revenue is recognised when the services have been delivered. This is different from when the respective Government pay for PPP. Government payment terms are fixed throughout the period of the qualification. Periods range from one to three years. Many of these payments occur when the qualification has been completed.

Enrolment debtors primarily relate to training courses and trade debtors relate to retail transactions such as Membership revenue and bookshop sales. Enrolment debtors are generally required to be settled within 14 days prior to each course start date. As at 31 December 2010 and 31 December 2009, there are no past due receivables aged more than 90 days which are not impaired.

9. Current Assets – Inventories

CONSOLIDATED		
	2010	2009
	\$	\$
Goods for resale - at net realisable value	145,891	150,680

10. Current Assets – Prepayments and Other

CONSOLIDATED		
	2010	2009
	\$	\$
Other debtors and prepayments	348,192	354,387

The amounts above are after the change in accounting policy referred to in note 1(s).

11. Non-current assets – Property, plant and equipment

Consolidated entity	Freehold land & buildings \$	Plant & Equipment \$	Total \$
At 1 January 2009			
- Cost	-	6,719,237	6,719,237
- Valuation	18,650,000	-	18,650,000
Accumulated depreciation	-	(5,819,731)	(5,819,731)
Net book amount	18,650,000	899,506	19,549,506
Year ended 31 December 2009			
Revaluation surplus	-	-	-
Additions	105,729	364,854	470,583
Disposals	-	(21,394)	(21,394)
Depreciation charge	(202,748)	(440,545)	(643,293)
Closing net book amount	18,552,981	802,421	19,355,402
At 31 December 2009			
- Cost	105,729	7,007,667	7,113,396
- Valuation	18,650,000	-	18,650,000
Accumulated depreciation	(202,748)	(6,205,246)	(6,407,994)
Net book amount	18,552,981	802,421	19,355,402
Consolidated entity			
	Freehold land & buildings \$	Plant & Equipment \$	Total \$
Year ended 31 December 2010			
Opening net book amount	18,552,981	802,421	19,355,402
Additions	1,449,334	368,436	1,817,770
Depreciation charge	(162,641)	(352,744)	(515,385)
Closing net book amount	19,839,674	818,113	20,657,787
At 31 December 2010			
- Cost	1,555,063	7,376,103	8,931,166
- Valuation	18,650,000	-	18,650,000
Accumulated depreciation	(365,389)	(6,557,990)	(6,923,379)
Net book amount	19,839,674	818,113	20,657,787

Included in the Freehold land & building additions of \$1,449,334 are development application costs of \$735,071 and a call option fee and related costs of \$204,287 over 211 Pacific Highway. The payment of the call option fee enabled the company to also

include 211 Pacific Highway in the development application which has been lodged with Council.

The Directors' valuation of the class of assets freehold land and buildings are as follows:

**The North Sydney buildings are based on a valuation conducted by John Waugh FAPI, Registered Real Estate Valuer No: 2836 (NSW) (on behalf of Colliers International Consulting and Valuation Pty Limited) on 30 September 2008. The Directors accept the basis of valuation provided by the external property valuer and do not believe there has been a material change in this valuation at 31 December 2010.

**The Canberra building is based on a valuation conducted by Robert Rixon AAPI F Fin, Registered Real Estate Valuer No: 3368 (NSW) (on behalf of Colliers International Consulting and Valuation Pty Limited) on 30 June 2008. The Directors accept the basis of valuation provided by the external property valuer and do not believe there has been a material change in this valuation at 31 December 2010.

12. Intangible assets

Consolidated entity	Training Course Development \$	Web Site \$	Total \$
At 1 January 2009			
- Cost	2,328,863	-	2,328,863
Accumulated amortisation	(2,095,432)	-	(2,095,432)
Net book amount	233,431	-	233,431
Year ended 31 December 2009			
Opening net book amount	233,431	-	233,431
Additions	313,429	-	313,429
Amortisation charge	(248,168)	-	(248,168)
Closing net book amount	298,692	-	298,692
At 31 December 2009			
- Cost	2,642,292	-	2,642,292
Accumulated amortisation	(2,343,600)	-	(2,343,600)
Net book amount	298,692	-	298,692
Consolidated entity			
	Training Course Development \$	Web Site \$	Total \$
Year ended 31 December 2010			
Opening net book amount	298,692	-	298,692
Additions	723,481	251,908	975,389
Amortisation charge	(293,607)	-	(293,607)
	728,566	251,908	980,474
At 31 December 2010			
- Cost	3,365,773	251,908	3,617,681
Accumulated amortisation	(2,637,207)	-	(2,637,207)
Net book amount	728,566	251,908	980,474

13. Current Liabilities – Payables

CONSOLIDATED		
	2010	2009
	\$	\$
Trade creditors	1,172,193	488,814
Other creditors and accruals	1,153,610	533,950
	2,325,803	1,022,764

Trade creditors are generally settled within 30 days. The Directors consider the carrying amounts of trade and other accounts payable approximate their net fair values.

14. Current Liabilities – Other

CONSOLIDATED		
	2010	2009
	\$	\$
Subscriptions in advance	711,341	513,859
Course fees in advance 4 (a)	2,905,091	1,218,255
	3,616,432	1,732,114
14 (a) Course Fees in Advance		
Training Paid in Advance	166,288	167,561
Other Revenue in Advance	290,367	95,475
Qualifications Deferred Revenue - Current	382,917	551,384
PPP Total Deferred Revenue 4 (b)	2,065,519	403,835
Total	2,905,091	1,218,255
14 (b) PPP Total Deferred Revenue		
PPP Deferred Revenue	1,731,879	403,835
PPP Provision for Withdrawals	333,640	-
Total	2,065,519	403,835

15. Provisions

CONSOLIDATED		
	2010	2009
	\$	\$
Employee benefits and related on-costs liabilities		
- current	292,094	331,880
- non - current	139,521	141,334
Aggregate employee benefits and related on-costs liabilities	431,615	473,214
Employee Numbers		
Average number of employees during the financial year	82	67

16. Non Current Liabilities – Other

CONSOLIDATED		
	2010	2009
	\$	\$
Qualifications Deferred Revenue	126,873	169,761

17. Reserves and Retained Surplus

CONSOLIDATED		
	2010	2009
	\$	\$
17(a). Reserves		
Asset revaluation surplus		
Balance 1 January	7,300,113	7,300,113
Balance 31 December	7,300,113	7,300,113
Reserve on consolidation		
Balance 1 January	354,590	354,590
Balance 31 December	354,590	354,590
Total Reserves	7,654,703	7,654,703
17(b). Retained Surplus		
Retained Surplus at the beginning of the financial year	19,027,397	19,028,146
Surplus / (Deficit) attributable to Members of Australian Institute of Management NSW & ACT Ltd	615,763	(749)
Retained Surplus at the end of the financial year	19,643,160	19,027,397

17 (c) Nature & Purpose of reserves

Revaluation surplus

The property, plant & equipment surplus is used to record increments and decrements on the revaluation of non-current assets, as described in note 1(o).

18. Contingent Liabilities

The Company has no contingent liabilities as at 31 December 2010.

19. Commitments for Expenditure

(i) Capital commitments

Commitments for expenditure on property, plant and equipment and intangibles are not recognised as liabilities.

4. Profit before income tax includes the following net gains and expenses

(i) Expenses

Capital expenditure was contracted for at the reporting date.	60,000	230,000
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(ii) Operating leases

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

	CONSOLIDATED	
	2010	2009
	\$	\$
Not later than one year	67,404	27,120
Later than one year but not later than five years	258,382	51,894
	325,786	79,014

20. Controlled Entities

Australian Institute of Management NSW & ACT Training Centre Limited (a company limited by guarantee), incorporated in New South Wales on 6 October 1982, is a controlled entity by virtue of the fact that all Directors are appointed by the Company.

Australian Institute of Management Canberra (a company limited by guarantee), incorporated in the Australian Capital Territory on 7 November 1972, is a controlled entity by virtue of the fact that all Directors are appointed by the Company.

The Company has no investment in the controlled entities and the Constitutions of the controlled entities preclude payment of any dividends to the Company. The retained surplus of the controlled entities at 31 December 2010 are \$19,506,571 (31 December 2009 : \$19,074,053).

21. Members' Guarantees

Pursuant to the Constitution of the Australian Institute of Management NSW & ACT Limited, every Member has undertaken in the event of a deficiency on winding up, to

contribute an amount not exceeding \$2. At 31 December 2010, the total of these guarantees was \$13,880 (31 December 2009: \$13,880).

Pursuant to the Memorandum of Association of the Australian Institute of Management NSW & ACT Training Centre Limited, every Member (being Directors who have consented to become a Member) and in addition the Australian Institute of Management NSW & ACT Limited which is also a Member has undertaken in the event of a deficiency on winding up, to contribute an amount not exceeding \$50. At 31 December 2010, the total of these guarantees was \$450 (31 December 2009: \$450).

22. Director and Key Management Personnel disclosures

(i) Directors

The Directors who have held office during the financial year were:

Mr. B. G. J. Nye	Full year
Ms. R. Allan AO	Full year
Ms. L. Chung	Full year
Prof. J. G. Davis AM	Full year
Mr. M. F. Deegan	Full year
Ms. L. K. Farrell	Full year
Ms. J.M. Morison	From 01/01/2010 – 15/07/2010
Mr. A Sinodinos AO	Full year
Mr. A. J. Stuart	From 01/01/2010 – 15/07/2010
Mr. R.Collins	From 25/03/2010
Mr.M.Zissler	From 15/07/2010
Mr.C.Westworth	From 15/07/2010

(ii) Key Management Personnel

The following persons were key management personnel with the greatest authority for the strategic direction and management of the consolidated entity during the financial year:

Name	Position
Mr. M. A. Brady	General Counsel and Company Secretary
Mr. A.G.Field	ACT General Manager
Mr. T. Herlihy	Chief Financial Officer
Mr. A. A. Macalister	General Manager - Learning & Development
Mr. D. Wakeley	Chief Executive Officer
Mr. N. Witcombe	General Manager - Membership, Marketing & Publications

All of the above were / are specified key management personnel of the Australian Institute of Management NSW & ACT Training Centre Ltd.

(iii) Details of remuneration

Details of the remuneration of Directors and the key management personnel of the Group are set out in the following tables:

CONSOLIDATED		
	2010	2009
	\$	\$
Directors and specified key management personnel compensation	1,430,142	1,036,015

23. Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the chief entity and its controlled entities:

CONSOLIDATED		
	2010	2009
	\$	\$
(a) Assurance services		
Audit services		
PricewaterhouseCoopers		
Audit and review of financial reports	58,500	55,000
Workers compensation	-	1,200
Total remuneration for assurance services	58,500	56,200
(b) Tax services		
PricewaterhouseCoopers		
Tax services	86,300	5,800
Total remuneration for tax services	86,300	5,800

24. Related Party Information

(i) Controlling entities

Australian Institute of Management NSW & ACT Limited is the ultimate chief entity.

(ii) Directors and specified key management personnel

Disclosures relating to Directors and specified key management personnel are set out in note 22.

(iii) Other transactions with Directors and specified executives

There has been no transaction with the Directors of the company or its controlled entities.

During the year, the Australian Institute of Management NSW & ACT Training Centre Limited leased part of its premises to EPE Global Pty Limited. Nik Witcombe is a director of this company and is part of the Key Management Personnel. This transaction is at arm's length and has an annual value of \$14,400 with an expiry date of 30 June 2011. As at year end there was no debtor balance.

CONSOLIDATED		
	2010	2009
	\$	\$
	7,200	-

In addition, the Australian Institute of Management NSW & ACT Training Centre Limited purchased AIM branded backpacks, pens and compendiums from EPE Global Pty Limited. These transactions are at preferred rates.

CONSOLIDATED		
	2010	2009
	\$	\$
Total	125,060	44,550

(iv) Loans to Directors and Director-related entities

There are no loans in existence at balance date that have been made, guaranteed or secured by the consolidated entity or any related entity to Directors of the consolidated entity, their spouses, their relatives or entities under their control or significant influence.

(v) Transactions with between parent entity and controlled entities

The interest held in the controlled entities is set out in Note 1(b) and Note 20 to the financial statements.

The aggregate amounts brought to account in respect of the following type of transactions and each class of related party involved were :



	CONSOLIDATED	
	2010	2009
	\$	\$
Provision of financial and administrative assistance by the parent	1,326,699.00	1,197,451.00
Transfer of funds to the controlled entities in accordance with normal funds management of the consolidated entity	1,549,265.00	1,195,246.00

(vi) Amounts receivable from and payable to entities in the controlled group and related parties

Amounts receivable from entities in the consolidated entity and from related parties are disclosed in Note 8 to the financial statements.

(vii) Terms & Conditions

The above transactions were made on commercial terms and conditions and at market prices.

25. Financial Instruments

(i) Interest rate risk exposures

The consolidated entity is exposed to interest rate risk. The exposure arises predominately from cash investments in Term Deposits and Cash Management accounts.

Exposures arise predominately from assets and liabilities bearing variable interest rates.

(ii) Net fair value of financial assets and liabilities

The net fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities of the consolidated entity approximates their carrying value.

(iii) Credit risk exposures

The credit risk on financial assets of the consolidated entity which have been recognised on the Balance Sheets, other than investments in shares, is generally the carrying amount, net of any provisions for doubtful debts.

(iv) Financial Risk Management

The Group's activities expose it to the following financial risks: market risk (including currency risk and credit risk). Foreign exchange transactions are minimal and exchange fluctuations are taken to profit and loss. The Group does not hedge for foreign exchange fluctuations. Ageing analysis of Trade Receivables is the basis for

credit risk analysis. Risk management is carried out by the Finance Function under policies written by Senior Management and approved by the Audit and Risk Committee and by the Board of Directors.

Market risk

(i) Foreign exchange risk

The Group engages international speakers from time to time throughout the year and is exposed to foreign exchange risk arising primarily with respect to the US dollar. Foreign exchange transactions are not hedged nor material and any exchange fluctuations are taken to profit and loss.

Credit Risk

Credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents and from outstanding receivables. Trade receivables consist of a large number of customers, spread across diverse industries including Federal and State Governments. Services provided to customers are settled in cash or by using a major credit card, mitigating credit risk. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are financial institutions with high credit-ratings assigned by international credit-rating agencies. As discussed in note 8, 64.7% of the enrolment debtors balance as at 31 December 2010 relates to Federal & NSW State government debt related to PPP transactions.

Liquidity Risk

The Group and the Parent entity maintain sufficient cash in order to meet all future commitments.

26. Reconciliation of Profit /(Loss) for the year to Net Cash Flow from Operating Activities

CONSOLIDATED		
	2010	2009
	\$	\$
Profit/ (Loss) for the year	615,763	22,510
Depreciation and amortisation	808,992	891,461
Loss on disposal of available-for-sale financial assets	-	190,858
(Profit)/Loss on disposal of non-current assets	(1,815)	20,945
Interest income and other revenue from investment activities	(411,199)	(308,299)
(Increase) / decrease in trade and other debtors	(4,002,095)	(371,938)
Increase in provisions	(41,598)	(33,106)
Decrease/(Increase) in inventories	4,790	37,802
(Decrease) / Increase in trade and other creditors	3,077,943	(369,291)
Net cash inflows / (outflows) from operating activities	50,780	80,942

27. Parent entity financial information

(a) Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:

CONSOLIDATED		
	2010	2009
	\$	\$
Balance Sheet		
Current Assets	2,526,581	2,286,923
Total Assets	2,526,581	2,286,923
Current Liabilities	781,544	571,516
Total Liabilities	781,544	571,516
Shareholders' equity		
Retained Earnings	1,745,037	1,715,407
Profit or Loss for the year	29,630	224,077
Total comprehensive income	29,630	224,077

(b) Contingent liabilities of the parent entity

The parent entity did not have any contingent liabilities as at 31 December 2010 or 31 December 2009.



Directors' Declaration

Year ended 31 December 2010

In the Directors' opinion:

- (a) the financial statements and notes set out on pages 18 to 45 are in accordance with the *Corporations Act 2001*, including:
 - i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - ii) giving a true and fair view of the company's financial position as at 31 December 2010 and of their performance for the financial year ended on that date;

and

- b) 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 Directors.

B. G. J. Nye
Chairman

L. K. Farrell
Director

12 April 2011

**Independent auditor's report to the members of
Australian Institute of Management NSW & ACT Limited**

Report on the financial report

We have audited the accompanying financial report of Australian Institute of Management NSW & ACT Limited (the company), which comprises the balance sheet as at 31 December 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for both the company and the Australian Institute of Management NSW & ACT Group (the consolidated entity). The consolidated entity comprises the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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 judgement, 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 control 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 control. 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.

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with 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 auditor's report to the members of
Australian Institute of Management NSW & ACT Limited (continued)**

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion

In our opinion the financial report of Australian Institute of Management NSW & ACT Limited is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

Matters relating to the electronic presentation of the audited financial report

This auditor's report relates to the financial report of Australian Institute of Management NSW & ACT Limited (the company) for the year ended 31 December 2010 included on the Australian Institute of Management web site. The company's directors are responsible for the integrity of the Australian Institute of Management web site. We have not been engaged to report on the integrity of this web site. The auditor's report refers only to the financial report named above. It does not provide an opinion on any other information which may have been hyperlinked to/from the financial report. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

PricewaterhouseCoopers

PricewaterhouseCoopers

S. Horlin

Sue Horlin
Partner

Sydney
12 April 2011