

From the National President, Colin Dobie

It is appropriate to introduce this (Financial Year) Annual Report with an overview of the successes of the year. There have been many: excellent growth in membership; increased services to members; contribution to the spread of knowledge of project management through professionalisation at the individual level and support to corporates (recognition of Project-Managed-Organisation). Through promotion of the value of project management to individual and organisational objectives, the community at large has understood a little more of the value of project management to society, no better illustrated than in the enormous interest shown in AIPM's Project Management Achievement Awards (PMAA). Although they are events yet to occur, this year's PMAA, and the National Conference in October, are each 80 percent complete in the planning phases through the superb efforts of planning teams comprising AIPM volunteers. On the international front, we continue to take a lead in globalisation matters, both for commonality in standards and for a consistent approach to recognition of individual competency in project management.

At the risk of criticism for taking a business approach to a largely volunteer association of professionals, I must take my overview of the Financial Year a step further. I will leave details of membership growth, numbers of Registered Project Managers, and the physical financial reports to the person charged with such details, and that of course is the Executive Director Leigh Cunningham.

I would instead like to report a few simple facts, the processes put in place for due diligence management, and the outcomes of these initiatives. First, the facts. Our professional association is a company, responsible to act in accordance with the Company Act and corporate law generally. It is governed by a Board (National Council), with fiduciary and governance responsibilities under corporate law. AIPM is in the 'larger' small company category with a turnover of \$...., with responsibility to its shareholders, which are each of you.

In the year governed by this report, through the efforts of the National Council and often on advice of the Executive Director, AIPM has introduced governance guidance for the Institute as a whole, the National Council, and each National Council (Board) member. Review processes have ensured compliance with corporate law in all respects, including closely managed cash flow to guarantee viability of the company. Portfolio or program management and managers have been installed, along with selection and prioritisation criteria, to ensure initiatives approved are those that best further project management generally and the well-being of individual members (shareholders)

specifically. Products have been reviewed, analysed and improved to ensure that the AIPM continues to lead in some fields, and remains competitive in the remainder.

AIPM must be relevant to Australia first, and also the Asia-Pacific Region. AIPM has no charter, nor inclination, to establish Chapters in other countries. Instead, support has been approved to assist in the establishment of similar Institutions in Asia-Pacific. If this Region is considered the Market, then our products, should be made freely available for customization and use in the context of the operating environments of interested countries such as Indonesia, China, Malaysia, Singapore, and Japan. In FY 2000/01, this is exactly what AIPM has done, and will continue in FY 2001/02: cooperation to establish localized relevant, individual Institutions in the other countries of the Asia-Pacific Region, with public-domain shared products for mutual growth and support on an equal and cooperative footing. That may be large in concept, but it encapsulates essential cornerstones of AIPM objectives in the preceding year and I trust many more to come:

- Freely available information to support growth in project management
- Support for other institutions to create a local infrastructure relevant to their members
- Cooperative agreements with the broader project management community
- A viable, progressive Institution and Company with processes transparent and auditable to all, and potentially a model for others to use should they so choose.

Largely, this Report is about the significant progress that has been made to capture a very broad range of measurable objectives; the many steps or activities in a monitored and controlled WBS, that are in place to ensure progress continues to be made; the underpinning processes that will be refined and improved to increase the probability of success. A Team at national and regional levels has contributed to a significant culture change in AIPM governance and management, and the initial results can be analysed in this Report.

I commend the Report to your perusal.



Colin Dobie
President

Executive Director's Report

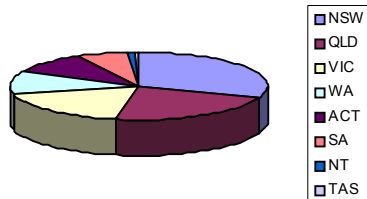
The 1999-2000 financial year was a very proactive year for the AIPM. Strategies designed to shape the future direction of the AIPM were adopted. Major initiatives aimed at improving member services and stimulating membership growth were implemented. As at the date of this report, membership of the AIPM now exceeds 3,000.

Membership by grade

Life Fellow	→	4
Fellow	→	10
Member	→	1078
Associate	→	1917
Student	→	8

Membership by Chapter

NSW 934 ✧ QLD 654 ✧ VIC 562 ✧
WA 339 ✧ ACT 286 ✧ SA 193 ✧
NT 29 ✧ TAS 16 ✧



The AIPM also launched a Public Relations campaign to raise the awareness of the role of project management in today's society. A number of articles have already been published in newspapers and journals throughout Australia. It is important to note that the AIPM's focus in this campaign has been on the profession of project management and not the AIPM itself.

Another first was the national survey of members the results of which will form the basis of future strategies to ensure the organisation remains in touch with members' needs. Members surveyed believed AIPM is fulfilling its charter to increase the status of project management by enforcing standards and requiring adequate credentials to achieve full Member status, thus ensuring a high calibre of membership.

The survey revealed the primary reason for joining AIPM was the "professionalism of the association" and the secondary reason was "networking opportunities".

Interestingly, a large percentage of our members were unaware of the many services available to them. For example, one in two members were unaware of the AIPM's Library resources which has since been expanded into a full-time Information Resource Centre. This is quite significant given that satisfaction levels are highest amongst those members who have utilised this service.

In the year ahead, a number of projects are planned including the national roll-out of the Project Management Achievement Awards culminating in the National Award in Cairns in October 2000. The Constitution is also under review and will include a review of AIPM's structure.

We will also continue to develop new products and services requested by members in the recent member survey. A benchmarking initiative is already in progress in conjunction with the Australian Quality Council.

In the past 12 months a number of key positions have been filled at National Office to ensure AIPM has the capabilities to meet the needs of our growing membership. New appointments include a National Marketing Manager, Information Resource Manager and Management Accountant. We are also piloting a new role, "Membership Development Manager" to be appointed in each state and territory in due course. This progress will ensure we have the resources in place to support our corporate strategies.

Members of AIPM's National Council approach the affairs of the AIPM with commitment and enthusiasm. I am sensitive to the time and effort Councillors give to the AIPM on a totally honorary basis. I look forward to welcoming four new Councillors to their first meeting next year. Similarly our Chapter Councils devote considerable time and effort, also on a voluntary basis, and I thank them sincerely.

In the coming year we will continue our campaign to increase the awareness of project management as a profession. We will be a strong voice on the vital role of project management and the professional project manager within our society.

Leigh Cunningham
Executive Director

Councillors' Report

Throughout this report the Directors of the company are referred to as Councillors. Councillors of the Institute as at the date of this report are:

Executive:

President	DOBIE, Colin
Vice President	FARWELL, David
Secretary	SARGENT, Roy
Treasurer	LANG, Peter

Chapter Presidents:

Victoria	BARKER, John
Queensland	CHOPRA, Ravi
New South Wales	CRAWFORD, Lynn
Northern Territory	DAVIDSON, Jim
Western Australia	FENNESSY, Terry
South Australia	SCHLIEBS, Robin
A C T	STEWART, Allen

Principal activities

The principal activities of the company during the financial year were:

- the provision of administrative and supporting services for professionals engaged in, or interested in, project management
- the provision of seminars, forums and other functions to promote the knowledge and awareness of project management
- the facilitation of a competency-based program for Project Managers, the RegPM
- the organisation of the inaugural Project Management Achievement Awards.

Results and dividends

The financial year concluded with a profit of **\$26,651** compared to a profit of \$70,142 in the 1998-1999 financial year.

The Institute is exempt from the payment of income tax. The company's Constitution prohibits the distribution of dividends.

Review of operations

The Institute continues to grow with 697 new members during the financial year. This compares to 328 new members in the previous financial year.

Overall income for the financial year increased by approximately 10% while expenses increased by 16%. Major expenses included wages and Marketing and Public Relations.

Profit generated from Chapter seminars decreased by 47% as Chapters maintained fees despite increased costs.

Significant events after the balance date

No matters or circumstances have arisen since the end of the financial year that have significantly affected or may significantly affect :

- i. the operations of the company;
- ii. the results of those operations; and
- iii. the state of affairs of the company in subsequent financial years.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the company during the year ended 30 June 2000.

Likely developments and expected results

The AIPM continues to grow both in membership, products and services and administrative support. A recent survey of members indicates that members are satisfied that the AIPM is fulfilling its charter to increase the status of project management and enforcing a high standard of professionalism. The main reason for joining AIPM was cited as "the professionalism of the association".

Signed in accordance with a resolution of Councillors.



Colin Dobie

President



Peter Lang

Honorary Treasurer

Dated: 23 August 2000

Council meetings

Councillors met four times during 1999-2000. The biennial election for the National Executive was held in October 1999. Roy Sargent attended two meetings as Immediate Past President and one meeting as the newly-elected Secretary. John Barker attended three meetings during the year. All other Councillors attended all four meetings.

Councillors benefits

No Councillor has received or become entitled to receive a benefit, during or since the end of the financial year. No company, controlled entity or body corporate directly connected to any Councillor has received or become entitled to receive a benefit from the Institute.

Declaration by Councillors

In accordance with a resolution of Councillors of the Australian Institute of Project Management, we state, on behalf of the Council that :

In the opinion of the Councillors:

- (a) the Profit and Loss Statement is drawn up so as to give a true and fair view of the profit of the company for the financial year ended 30 June 2000;
- (b) the Balance Sheet Statement is drawn up so as to give a true and fair view of the state of affairs of the company as at 30 June 2000; and
- (c) at the date of this statement, there are reasonable grounds to believe the company will be able to pay its debts as and when they fall due.

On behalf of the Council.



Colin Dobie
President



Peter Lang
Honorary Treasurer

Dated: 23 August 2000

Profit And Loss
Statement
for the year ended 30 June 2000

	Notes	2000 \$	1999 \$
OPERATING REVENUE	2	<u>734,447</u>	662,705
OPERATING PROFIT	2	<u>26,651</u>	70,142
OPERATING PROFIT after income tax		26,651	70,142
RETAINED PROFITS at the beginning of the financial year		118,996	48,854
RETAINED PROFITS at the end of the financial year		<u>145,647</u>	<u>118,996</u>

The profit and loss statement should be read in conjunction with the accompanying notes.

**Balance Sheet
Statement**
for the year ended 30 June 2000

	Notes	2000 \$	1999 \$
CURRENT ASSETS			
Cash		483,227	390,299
Receivables	5	259,666	580
Inventories	6	17,053	13,692
Other	7	70,639	22,985
TOTAL CURRENT ASSETS		830,585	427,556
NON-CURRENT ASSETS			
Plant and equipment	8	54,713	12,274
Other	9	5,553	-
TOTAL NON-CURRENT ASSETS		60,266	12,274
TOTAL ASSETS		890,851	439,830
CURRENT LIABILITIES			
Creditors	10	143,335	45,625
Provisions	11	-	685
Other	12	601,869	274,524
TOTAL CURRENT LIABILITIES		745,204	320,834
TOTAL LIABILITIES		745,204	320,834
NET ASSETS		145,647	118,996
ACCUMULATED FUNDS			
Retained profits	13	145,647	118,996
TOTAL ACCUMULATED FUNDS		145,647	118,996

The balance sheet statement should be read in conjunction with the accompanying notes.

Statement of
Cash Flows
For the year ended 30 June 2000

	Notes	2000 \$	1999 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		793,040	707,764
Payments to suppliers and employees		(649,006)	(611,451)
Interest received		9,667	9,462
NET CASH FLOWS FROM OPERATING ACTIVITIES	3(b)	153,701	105,775
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of plant and equipment		(54,575)	(6,380)
Acquisition of other assets		(6,198)	-
NET CASH FLOWS FROM INVESTING ACTIVITIES		(60,773)	(6,380)
NET INCREASE IN CASH HELD			
Add opening cash brought forward		92,928	99,395
CLOSING CASH CARRIED FORWARD	3(a)	390,299	290,904

This statement of cash flows should be read in conjunction with the accompanying notes.

Notes to and forming part of the Financial Statements as at 30 June 2000

1. Summary of significant accounting policies

Basis of accounting

The financial report is a general purpose financial report which has been prepared in accordance with the requirements of the Corporations Law which includes applicable Accounting Standards. Other mandatory professional reporting requirements (Urgent Issues Group Consensus Views) have also been complied with.

Chapters

The Financial Statements include those of the National Office and the seven State and Territory Chapters of the Australian Institute of Project Management.

Plant and equipment

Plant and equipment are carried at cost. Any gain or loss on the disposal of assets is determined as the difference between the carrying value of the asset at the time of disposal and the proceeds from disposal and is included in the result of the company in the year of disposal.

Recoverable amount

Non-current assets are not revalued to an amount above their recoverable amount and where carrying values exceed this recoverable amount assets are written down. In determining recoverable amount, the expected net cash flows have not been discounted to their present value.

Depreciation of fixed assets

Assets have been depreciated at rates based on the expected useful economic-life of the asset using the 'straight line' method.

Inventories

Stock on hand has been valued at lower of cost and net realisable value.

Employee benefits

Provision is made for employee entitlement benefits accumulated as a result of employees rendering service up to the reporting date.

These benefits include wages, salaries, unused and accrued annual leave. Liabilities arising in respect of wages and salaries, annual leave and any other employee entitlement expected to be settled within twelve months of the reporting date are measured at their normal amounts. All other employee entitlements are measured at the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. In determining the present value of future net cash out flows, the interest rates attaching to government guarantee securities which have terms to maturity approximating the terms of the related liability are used.

Employee entitlement expense and revenues arise with respect to the following categories:

- wages and salaries, non-monetary benefits, annual leave and other leave entitlements; and
 - other types of employee entitlements
- are charged against profit on a net basis in their respective categories.

Cash

For the purpose of the Statement of Cash Flows, cash includes cash on hand, cash at bank and money market investments readily convertible to cash within two working days, net of outstanding bank overdrafts.

Financial Instruments

The accounting policies adopted in relation to financial instruments are set out in Note 16.

Revenue

Revenue from membership subscriptions are recognised in the year in which they relate.

**Notes to and forming part of the
Financial Statements
as at 30 June 2000**

1. Summary of significant accounting policies continued

Fees in Advance

During the year the company changed its accounting method with respect to membership subscriptions. In previous years, membership subscriptions were accounted for on a cash basis, but will be treated on an accrual basis from herein. This results in Receivables (Debtors) being recognised for the first time for

membership subscriptions for the 2000-2001 membership year which remained unpaid as at 30 June 2000. While this change has no effect on the operating profit, it has resulted in Debtors at year end of \$259,666 (Nil in 1999) and subscriptions received in advance of \$601,869 (\$274,524 in 1999).

	2000	1999
	\$	\$

2. Operating profit

The operating profit before income tax is arrived at after charging/(crediting) the following items;

Depreciation and amortisation	12,781	7,699
Provisions for employee entitlements	-	685
Auditors fees	5,500	5,800

Included in the operating profit are the following items of operating revenue:

Membership subscriptions and application fees	508,662	462,332
Courses/Seminars/Forums	36,257	76,020
Sale of publications	20,779	27,951
Conference	43,700	-
Course endorsement fees	15,000	12,500
PMP/RegPM programs	85,584	66,401
Interest received	9,667	9,463
Other income	14,798	8,038
TOTAL OPERATING REVENUE	734,447	662,705

**Notes to and forming part of the
Financial Statements
as at 30 June 2000**

	2000	1999
	\$	\$
3. Statement of cash flows		
(a) Reconciliation of cash balance comprises :		
Cash (at bank, invested and petty cash)	<u>483,227</u>	<u>390,299</u>
(b) Reconciliation of the operating profit after tax to the net cash flows from operations:		
Operating profit	26,651	70,142
Changes in assets & liabilities:		
Receivables	(259,086)	(15,458)
Inventories	(3,361)	(13,692)
Other current assets	(47,654)	-
Creditors	97,710	9,405
Provisions	(685)	685
Other current liabilities	<u>327,345</u>	<u>46,994</u>
Net cash flows from operating activities	<u>153,701</u>	<u>105,775</u>

4. Dividends paid or provided for

The company's Constitution prohibits the distribution of dividends.

5. Receivables

Trade Debtors	258,151	-
ATO - GST paid and receivable	<u>1,515</u>	<u>580</u>
	<u>259,666</u>	<u>580</u>

**Notes to and forming part of the
Financial Statements
as at 30 June 2000**

	2000	1999
	\$	\$
6. Inventories		
Publications	<u>17,053</u>	<u>13,692</u>
7. Other assets (current)		
Prepayments	<u>70,639</u>	<u>22,985</u>
8. Plant & equipment		
Cost	85,661	33,531
Provision for depreciation	<u>(30,948)</u>	<u>(21,257)</u>
Net Plant & Equipment	<u>54,713</u>	<u>12,274</u>
9. Other assets (non-current)		
Deferred expenditure (legal fees)	6,198	-
Provision for amortisation	<u>(645)</u>	<u>-</u>
	<u>5,553</u>	<u>-</u>
10. Creditors		
PMRC	46,502	7,169
ATO – GST received and payable	62,884	
Other creditors and accruals	<u>33,949</u>	<u>38,456</u>
	<u>143,335</u>	<u>45,625</u>

**Notes to and forming part of the
Financial Statements
as at 30 June 2000**

	2000	1999
	\$	\$
11. Provisions		
Provision for Employee Entitlements	-	685
	<hr/>	<hr/>
12. Other liabilities (current)		
Subscriptions received in advance	601,869	274,524
	<hr/>	<hr/>
13. Accumulated funds		
RETAINED PROFIT		
Balance at beginning of period	118,996	48,854
Operating profit	26,651	70,142
Balance at end of period	145,647	118,996
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14. Remuneration of auditors		
Amounts payable to the auditors for auditing the accounts	5,500	5,800
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15. Related party disclosures

The Australian Institute of Project Management was incorporated in 1978 as the Project Managers Forum to develop, promote and protect the profession of project management and all associated matters in Australia and overseas. The company changed its name in 1986 to the Australian Institute of Project Management. The Institute established the Project Management Recognition Council (PMRC) in 1997 to progress the concept of a Registered Project Manager, assessed within a workplace competency-based program. The Immediate Past President of the Institute is the Chairman of the PMRC.

Councillors in office during the year were :

Colin Dobie
David Farwell
Roy Sargent
John Barker
Ravi Chopra
Lynn Crawford
Jim Davidson
Terry Fennessy
Peter Lang
Robin Schliebs
Allen Stewart
Phil Harlow (did not seek re-election)
Bill Beck (did not seek re-election)

No Councillor received remuneration or any other benefit during the year.

**Notes to and forming part of the
Financial Statements
as at 30 June 2000**

16. Financial Instruments

(a) Terms, conditions and accounting policies

The company's accounting policies, including the terms and conditions of each class of financial asset, financial liability and equity instrument, both recognised and unrecognised, at the balance date are as follows :

Recognised Financial Instruments	Balance Sheet Notes	Accounting Policies	Terms and Conditions
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(i) Financial assets

Receivables - trade	5	trade receivables are carried at nominal amounts	payment to be within 7 days of invoicing
Receivables - related parties/entities	5	amounts receivable from related parties/entities are carried at nominal amounts due	details of the terms and conditions are set out in Note 16

(ii) Financial liabilities

Creditors	10	liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the economic entity	trade liabilities are normally settled on 30 day terms
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**Notes to and forming part of the
Financial Statements
as at 30 June 2000**

16. Financial Instruments

(b) Interest rate risk

The company's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities both recognised and unrecognised at the balance date are as follows :

Financial Instruments	Floating interest rate		Fixed interest rate		Non-interest bearing		Total carrying amount as per the balance sheet		Weighted average effective interest rate	
	2000 \$	1999 \$	2000 \$	1999 \$	2000 \$	1999 \$	2000 \$	1999 \$	2000	1999

(i) Financial assets

Cash	315,427	315,299	167,600	74,800	200	200	483,227	390,299	1.47	3.96
Receivables - trade	-	-	-	-	259,666	580	259,666	580	n/a	n/a
Total financial assets	315,427	315,299	167,400	74,800	259,866	780	742,893	390,879	-	-

(ii) Financial liabilities

Trade creditors	-	-	-	-	143,335	45,625	143,335	45,625	n/a	n/a
Total financial liabilities	-	-	-	-	143,335	45,625	143,335	45,625	-	-

(c) Net fair values

The aggregate net fair values of the financial assets and financial liabilities, both recognised and unrecognised, at the balance date approximate the carrying book value of the financial assets and liabilities in the financial statements.

(d) Credit risk exposures

The company's maximum exposures to credit risk at balance date in relation to each class of recognised financial asset is the carrying amount of those assets as indicated in the balance sheet.

Credit risk in trade receivables is managed in the following ways :

- payment terms are 7 days from date of invoice;
- accounts rendered are sent monthly.