AIE INSTITUTE LIMITED

ABN 91 624 067 536

Annual Financial Report 2023

AIE Institute Limited
Contents

	Page
Company Particulars	1
Directors' Report	2
Independence Declaration	6
Financial Statements	7
Audit Report	26

AIE Institute Limited

Company Particulars

Directors	Gail Dennett - Director and Chair John De Margheriti - Director Victoria De Margheriti - Director Karin Thompson - Director Scott Chamberlain - Director Thomas Cochrane - Director Geoffrey Mitchell - Director
Company Secretary	Victoria De Margheriti
Principal place of business and registered office in Australia	Canberra Technology Park 49 Phillip Avenue Watson ACT 2602 Telephone: (02) 6162 5100 Facsimile: (02) 6242 5090 Website: www.aie.edu.au
Auditor	Canberra Accountancy & Audit Pty Limited PO Box 158 Kippax ACT 2615

AIE Institute Limited
ABN 91 624 067 536

Directors' Report
For the year ended 30 June 2023

Your Directors submit their report on the Company for the financial year ended 30 June 2023.

Directors

Gail Dennett (Chairperson and Director)
John De Margheriti (Director)
Victoria De Margheriti (Secretary and Director)
Karin Thompson (Director)
Scott Chamberlain (Director)
Thomas Cochrane (Director)
Geoffrey Mitchell (Director)

Company Secretary

The following person held the position of entity secretary during the year and to the date of this report unless otherwise stated:

Victoria De Margheriti

Principal Activities

The principal activities of the Company during the financial year were to continue to undertake course content development and tasks for the commencement of course delivery in 2024.

The company's principal objects are:

Education

a) provide accredited public access, industry sponsored and full commercial courses and programs, including Higher Education units and courses, relating to the Industry, comprising (but not limited to) courses in 3D animation and computer games programming, music and film, film post-production and special effects, design and project management and entrepreneurship; and
b) encourage the growth of a strong regional Industry and foster the expansion of employment opportunities in the Industry.

Industry Support

c) provide incubator courses monitored by appropriate Industry providers and customised courses to meet Industry demand;
d) undertake research and development activities in association with Industry suppliers and commercial developers;
e) foster and promote the development of Industry networks and affiliations, both nationally and internationally;
f) assist graduates to find work in the Industry and employers to recruit trained and qualified staff;
g) form alliances with other institutions, both in Australia and internationally, to promote and develop training for the Industry;
h) foster and promote the development of new and small businesses by offering networking opportunities, mentoring, and office accommodation with a range of support services;
i) assist and offer residential accommodation to students, Industry participants, tenants, clients and/or employees and owners of new and small businesses; and
j) provide working capital to Industry participants to fund projects or commercial initiatives with the aim of promoting the company's objects.

The Company is implementing strategies to achieve these objectives.

Operating Results

The profit of the Company amounted to $92,642 (2022: $49,280).

Review of Operations

On 31 March 2023, the Entity's CRICOS registration was approved under section 9 of the Education Services for Overseas Students ACT 2000 (CRICOS registration number is 30986F). On 7 December 2022, the Entity's FEE-HELP application was approved.

A review of the operations of the Company indicates an increase in operating expenses. The Company continued receiving Funding Grants during the financial year from The Academy of Interactive Entertainment (AIE) as its main source of funding.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Company.

After Balance Date Events

No matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect:

(a) The company's operations in future financial years, or
(b) The results of those operations in future financial years, or
(c) The company's state of affairs in future financial years.

Future Developments

The company has entered into a Management and Services Agreement, a Funding Agreement, and an Intellectual Property Licence agreement with The Academy of Interactive Entertainment Limited (AIE). The company receives Grant Funding to cover the necessary level of operations and AIE will provide management services to the company.

Environmental Issues

The entity's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state of territory.

Information on Directors

The following persons were Directors of AIE Institute Limited during or since the end of the financial year.

Dr Gail Dennett	**-**	Director and Chairperson Director since 29 January 2018
Qualifications:	-	Doctor of Philosophy (PhD), Master of Health Planning (MHP), Bachelor of Arts (BA)
Experience:	-	Over 29 years' experience in Higher Education as Lecturer, Associate Professor, Director, Pro Vice Chancellor at Queensland University of Technology, RMIT University and University of Tasmania
Special Responsibilities:	-	Chair of Academic Board
Mr John De Margheriti	**-**	Director Director since 29 January 2018
Qualifications:	-	Executive Master of Business Administration
Experience:	-	Founder of the Game Developers' Association of Australia, Honorary Ambassador for Canberra and 2014 CSIRO Benson Entrepreneur of the Year.
Special Responsibilities:	-	Member of the Academic Board
Mrs Victoria De Margheriti	**-**	Director and Secretary Director since 29 January 2018
Qualifications:	-	Bachelor of Science (Hons), Master of Business Administration
Experience: -		CEO of The Academy of Interactive Entertainment Limited (AIE) and over 35 years' in managing businesses
Special Responsibilities:	-	Interim Chief Executive Officer, Member of Audit and Risk Committee
Mrs Karin Thompson	**-**	Director Director since 29 January 2018
Qualifications:	-	Member, Chartered Accountants Australia and New Zealand, Bachelor of Economics
Experience:	-	Chief Financial Officer of The Academy of Interactive Entertainment Limited (AIE) and over 25 years' broad public accounting, financial and commercial experience, both local and international
Special Responsibilities:	-	Member of the Audit and Risk Committee
Mr Scott Chamberlain	**-**	Director Director since 29 January 2018
Qualifications:	-	Executive Master of Business Administration, Bachelor of Laws/Bachelor of Economics
Experience:	-	Over 11 years' experience as a Senior Lecturer at the Australian National University
Emeritus Professor Thomas Cochrane		Director Director since 19 March 2018
Qualifications:	-	G.A.I.C.D. (Australian Institute of Company Directors), F.A.L.I.A. (Fellow of the Australian Library and Information Association), M.Phil (Research), Bachelor of Arts
Experience:	-	Order of Australia (AM), Over 14 years' experience as Deputy Vice-Chancellor at Queensland University of Technology (QUT), Professor Emeritus, Faculty of Law (QUT)
Special Responsibilities:	-	Chair of Audit and Risk Committee
Dr Geoffrey Mitchell		Director Director since 8 July 2021
Qualifications:	-	Doctor of Philosophy (PhD), Bachelor of Information Technology (First Class Honours), Bachelor of Informatics
Experience:	-	Over 32 years' experience as an academic, and IT professional in government agencies, private sector organisations and Higher Education institutions. More than 18 years' experience in the Higher Education sector across Australia and New Zealand
Special Responsibilities:	-	Chair of Course Advisory Committee and member of the Academic Board

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the entity.

AIE Institute Limited
ABN 91 624 067 536

Directors' Report
For the year ended 30 June 2023

Meetings of Directors

During the financial year, 10 meetings of directors were held. Attendances by each director were as follow:

	Number eligible to attend	Number attended
Dr Gail Dennett	10	10
Mr John De Margheriti	10	9
Mrs Victoria De Margheriti	10	10
Mrs Karin Thompson	10	8
Mr Scott Chamberlain	10	9
Emeritus Professor Thomas Cochrane	10	9
Dr Geoffrey Mitchell	10	10

Proceedings on Behalf of the Entity

No person has applied for leave of Court to bring proceedings on behalf on the entity or intervene in any proceedings to which the entity is a party for the purpose of taking responsibility on behalf of the entity for all or any part of those proceedings.

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2023 has been received and can be found on page 6.

Signed in accordance with a resolution of the Board of Directors.

Gail Dennett

Gail Dennett
Chairperson and Director

Date: 27 September 2023

Auditor's Independence Declaration to the Directors of The AIE Institute Limited

In relation to our audit of the financial report of The AIE Institute Limited for the financial year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

Canberra Accountancy & Audit Pty Limited

Peter Irving CA – Director
Canberra

27 September 2023

AIE Institute Limited
ABN 91 624 067 536

Financial Statements
For the year ended 30 June 2023

Contents

	Page
Statement of Profit or Loss and other Comprehensive Income	8
Statement of Financial Position	9
Statement of Changes in Equity	10
Cash Flow Statement	11
Notes to the Financial Statements	12
Directors' Declaration	25

AIE Institute Limited is a non-profit company incorporated and domiciled in Australia.

A description of the nature of the company's operations and its principal activities is included in the Directors' Report on pages 2-5. The Directors' Report is not part of the Financial Statements.

AIE Institute Limited
ABN 91 624 067 536

Statement of Profit or Loss and other Comprehensive Income
For the year ended 30 June 2023

	Notes	2023 $	2022 $
Continuing Operations			
Revenue	**3 (a)**	916,953	754,545
Employee benefits expense – Academic Staff	**3 (b)**	(199,407)	(237,244)
Employee benefits expense – Non-Academic Staff	**3 (b)**	(216,471)	(103,419)
Depreciation and amortisation expense		(6,200)	(2,592)
Board and Committee fees and benefits	**3 (c)**	(97,436)	(110,321)
Marketing and advertising costs		(151,327)	(51,534)
Consultants and services		-	(41,792)
Travel costs		(36,286)	(40,579)
Software		(31,120)	(17,320)
Training, conferences and scholarly activities		(6,863)	(8,520)
Curriculum and Library Resources		(6,766)	(1,655)
Accounting and audit services		(6,650)	(3,000)
Memberships and subscriptions		(5,467)	(18,322)
Staff and Committee amenities		(3,524)	(1,267)
Minor plant and equipment		(1,794)	(18)
Other expenses		(55,000)	(67,682)
Net current year surplus		92,642	49,280
Other comprehensive income			-
Total Comprehensive Income for the year		92,642	49,280

The accompanying notes form part of these financial statements.

AIE Institute Limited
ABN 91 624 067 536

Statement of Financial Position
As at 30 June 2023

	Notes	2023 $	2022 $
Current assets			
Cash and cash equivalents	4	106,551	259,658
Trade and other receivables		16,692	841
Prepayments		15,457	13,735
Total current assets		138,700	274,234
Non-current assets			
Plant and equipment	5	30,487	5,501
Intangible asset	6	181,082	-
Total non-current assets		211,569	5,501
Total assets		350,269	279,735
Current liabilities			
Trade and other payables	7	64,238	84,609
Provisions	8	14,199	13,468
Total current liabilities		78,437	98,077
Non-current liabilities			
Provisions		930	3,398
Total non-current liabilities		930	3,398
Total liabilities		79,367	101,475
Net assets		270,902	178,260
Equity			
Accumulated Funds/ (Deficit)		270,902	178,260
Total equity		270,902	178,260

The accompanying notes form part of these financial statements.

AIE Institute Limited
ABN 91 624 067 536

Statement of Changes in Equity
For the year ended 30 June 2023

	$
Balance 1 July 2021	128,980
Surplus for the 2022 year	49,280
Closing balance 30 June 2022	178,260
Surplus for the 2023 year	92,642
Closing balance 30 June 2023	270,902

The accompanying notes form part of these financial statements

.

AIE Institute Limited
ABN 91 624 067 536

Cash Flow Statement
For the year ended 30 June 2023

	Notes	2023 $	2022 $
Cash flows from operating activities			
Receipts from customers		1,002,205	831,089
Payments to suppliers and employees		(943,044)	(746,780)
Interest received		-	-
Net cash flows from operating activities	**16 (a)**	59,161	84,309
Cash flows from/(used in) investing activities			
Purchase of property, plant and equipment		(31,186)	(3,830)
Capitalised content development costs		(181,082)	-
Net cash flows (used in) investing activities		(212,268)	(3,830)
Cash flows from/(used in) financing activities			
Decrease/(Increase) in financing activities		-	-
Net cash flows (used in) financing activities		-	-
Net increase/ (decrease) in cash and cash equivalents		(153,107)	80,479
Cash and cash equivalents at beginning of period		259,658	179,179
Cash and cash equivalents at the end of the period	**16 (b)**	106,551	259,658

The accompanying notes form part of these financial statements.

Note 1. Corporate information

The financial statements cover AIE Institute Limited (the company) for the year ended 30 June 2023. The financial statements were authorised for issue in accordance with a resolution of the directors on 27 September 2023.

The nature of the operations and principal activities of the company are described in the Directors' Report.

Note 2. Summary of significant accounting policies

Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Act 2001.

The financial report is for AIE Institute Limited, incorporated and domiciled in Australia. The AIE Institute Limited is a company limited by guarantee and a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian accounting standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted by the entity in the preparation of the financial report are presented below and have been consistently applied, unless otherwise stated.

The financial statements, except for the cash flow statement, have been prepared on an accruals basis and are based on historical costs, modified where applicable, by the measurement of fair value of selected non-current assets, financial assets and financial liabilities. The financial report is presented in Australian dollars.

(a) Significant accounting judgements, estimates and assumptions

(i) Significant accounting judgements

No significant adjustments were made to accounting judgements during the year.

(ii) Significant accounting estimates and assumptions

There are no significant accounting estimates and assumptions.

(b) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Educational Services

Revenue is recognised when significant risks and rewards of services have been provided and benefits pass to the buyer and the cost incurred or to be incurred in respect of the transaction can be measured reliably. Risk and rewards of ownership are considered passed to the buyer at the time of delivery of the service/ goods to the customer.

(ii) Rendering of other services

Revenue from rendering of other services is recognised by reference to the stage of completion of work. Stage of completion is measured by reference to the labour hours and total cost incurred to date as a percentage of total estimated labour hours and total cost for each job. When the contract outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

(iii) Interest income

Revenue is recognised as interest accrues to the net carrying amount of the financial asset.

(iv) Grants

The entity receives grant funding from its parent entity under the Funding Agreement, towards payment of operational expenses. Revenue from grants is recognised when the funds are obtained, and any surplus funds held at the end of the financial year are carried forward to the next financial year.

(c) Borrowing costs

Borrowing costs are recognised as an expense when incurred, or if related to a qualifying asset, can be capitalised.

(d) Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purpose of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(e) Trade and other receivables

Trade receivables, which generally have 30-90 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

An allowance for doubtful debts is made when there is objective evidence that the Company will not be able to collect the debts. Bad debts are written off when identified.

(f) Derecognition of financial assets and financial liabilities

(i) Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a ‘pass-through’ arrangement; or
- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company’s continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration received that the Company could be required to repay.

When continuing involvement takes the form of a written and/or purchased option (including a cash-settled option or similar provision) on the transferred asset, the extent of the Company’s continuing involvement is the amount of the transferred asset that the Company may repurchase, except that in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, the extent of the Company’s continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

(ii) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in surplus or deficit.

(ii) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in surplus or deficit.

(g) Impairment of financial assets

The Company assesses at each balance sheet date whether a financial asset or company of financial assets is impaired.

(i) Financial assets carried at amortised cost

If there is objective evidence that an impairment deficit on loans and receivables carried at amortised cost has been incurred, the amount of the deficit is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit deficits that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced either directly or through use of an allowance account. The amount of the deficit is recognised in surplus or deficit.

The Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a company of financial assets with similar credit risk characteristics and that company of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment deficit is or continues to be recognised are not included in a collective assessment of impairment.

If, in a subsequent period, the amount of the impairment deficit decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment deficit is reversed. Any subsequent reversal of an impairment deficit is recognised in surplus or deficit, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

(h) Income tax

The company is exempt from income tax.

(i) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense items as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(j) Property, plant and equipment

- Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment deficits. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation.

Depreciation

- Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

  Plant and equipment – 2-4 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

(k) Property, plant and equipment (continued)

(i) Impairment

The carrying values of plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value.

An impairment exists when the carrying value of an asset or cash-generating unit exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

For property, plant and equipment, impairment deficits are recognised in the income statement.

(ii) Derecognition and disposal

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or deficit arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in surplus or deficit in the year the asset is derecognised.

(l) Investments and other financial assets

All regular way purchases and sales of financial assets are recognised on the trade date, ie the date that the Company commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the market place.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and deficits are recognised in surplus or deficit when the loans are receivables are derecognised or impaired, as well as through the amortisation process.

(m) Impairment of assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or companies of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment deficits relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment deficit is treated as a revaluation decrease.)

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment deficits may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment deficit is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment deficit was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment deficit been recognised for the asset in prior years. Such reversal is recognised in surplus or deficit unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(n) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

(o) Employee leave benefits

(i) *Wages, salaries and annual leave*
Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are, recognised in other payables in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

(ii) *Long service leave*
The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(p) Intangible Assets

Capitalisation of costs of developing Course Materials

Expenditure on the research phase of course material development is recognised as an expense as incurred.

Costs that are directly attributable to the course material development phase are recognised as an intangible asset, provided the course materials developed meet all of the following recognition requirements:

- The course materials are an identifiable asset,
- The course materials are controlled to derive economic benefits,
- The course materials are likely to lead to economic benefits,
- The course material costs can be measured reliably.

Further, the following requirements are also to be met:

- The course is technically and commercially feasible,
- The entity intends to and has sufficient resources to deliver the course,
- The entity has the ability to use the course content.

Development costs not meeting these criteria for capitalisation are expensed as incurred.

Directly attributable costs include employee costs incurred on course material development. All course material development costs recognised as an Intangible Asset are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives of 5 years.

Note 3. Revenues and expenses

	2023 $	2022 $
(a) Revenue		
Grants received	881,818	754,545
Rendering of services - administration	35,135	-
	916,953	754,545
(b) Employee benefits expense		
Academic staff		
Wages, salaries and benefits	209,517	246,097
Annual leave	(7,058)	(10,636)
Long service leave	(3,052)	1,783
	199,407	237,244

Note 3. Revenues and expenses (continued)

	2023 $	2022 $
Non-Academic Staff		
Wages, salaries and benefits	208,099	101,112
Annual leave	7,788	1,961
Long service leave	584	346
	216,471	103,419

(c) Board and Committee fees

	2023 $	2022 $
Fees, superannuation and benefits	97,436	110,321
	97,436	110,321

Note 4. Cash and Cash Equivalents

	2023 $	2022 $
Cash at Bank	106,551	259,658
	106,551	259,658

Credit Facilities:

At 30 June 2023, the Entity had a corporate credit card facility of $10,000.

Note 5. Plant and Equipment

Year ended 30 June

	2023 $	2022 $
At 1 July net of accumulated depreciation	5,501	4,263
Additions	31,186	3,830
Depreciation charge for the year	(6,200)	(2,592)
At 30 June net of accumulated depreciation and amortisation	30,487	5,501

As at 30 June

	2023 $	2022 $
Cost	46,085	14,899
Accumulated depreciation/amortisation	(15,598)	(9,398)
Net carrying amount	30,487	5,501

Note 6. Intangible asset

	2023 $	2022 $
Capitalisation of costs of developing course materials	181,082	-
	181,082	-

Note 7. Trade and other payables

Current

	2023 $	2022 $
Trade creditors	3,603	18,784
Other creditors and accruals	60,635	65,825
	64,238	84,609

Trade and other creditors are non-interest bearing and are normally settled on 30-day terms. Related party transactions for the year are disclosed at Note 13.
Information regarding the effective interest rate and credit risk of current payables is set out in note 10.

Note 8. Provisions

	Long Service	Annual	Total
Movements for the year ended 30 June 2023			
Opening balance at 1 July 2022	3,398	13,468	16,866
Change during 2023 year	(2,468)	731	(1,737)
At 30 June 2023	930	14,199	15,129
As at 30 June 2023			
Current	-	14,199	14,199
Non-current	930	-	930
	930	14,199	15,129

Note 9. Financial risk management objectives and policies

The company's principal financial instruments comprise only of cash.

The main purpose of these financial instruments is to raise or provide finance for the company's operations. The company has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations. It is, and has been throughout the period under review, the company's policy that no trading in financial instruments shall be undertaken. The main risks arising from the company's financial instruments are, credit risk, and liquidity risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in Note 2 to the financial statements.

Credit risk
The company trades, where possible, only with recognised, creditworthy third parties.

It is the company's policy that all customers who wish to trade on credit terms are subject to credit and company verification procedures.

In addition, receivable balances are monitored on an ongoing basis and negotiated with customers accordingly.

There are no significant concentrations of credit risk that have not been provided for as a provision for bad debts within the company at balance date, or during the year.

With respect to credit risk arising from the other financial assets of the Company, which comprise cash and cash equivalents, the company's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments.

Since the company trades only with recognised third parties under contract, there is no requirement for collateral, other than director guarantees. In exceptional circumstances, the company will seek charges/liens over third party assets to service trade receivables.

Liquidity risk
The company's objective is to maintain a balance between continuity of funding and flexibility and therefore has minimal external debt and intercompany loans, with the objective of using loans only where required, as approved by the Board from time to time.

Note 10. Financial Instruments

Fair values
Set out below is a comparison by category of carrying amounts and fair values of all of the company's financial instruments recognised in the financial statements.

The fair values of other financial assets have been calculated using market interest rates.

The fair value and carrying amounts of the financial instruments are equal to each other.

Credit risk exposures
The credit risk on financial assets of the company which have been recognised in the statement of financial position is generally the carrying amount, net of any allowance for doubtful debts.

Interest rate risk exposures
Exposures arise predominantly from assets and liabilities bearing variable interest rates. The company's exposure to interest rate risk and the effective weighted average interest rate by maturity periods is set out in the following table.

2023			**Floating interest maturing in:**		**Fixed interest maturing in:**			
		Weighted average interest rate	**1 year or less**	**Over 1 to 5 years**	**1 year or less**	**Over 1 to 5 years**	**Non-interest bearing**	**Total**
	Notes		**$**	**$**	**$**	**$**	**$**	**$**
Financial assets								
Cash and deposits	4	Nil					106,551	106,551
Receivables - trade							16,692	16,692
Receivables - other								
Financial assets								
Loan								
Other								
							123,243	123,243
Financial liabilities								
Creditors and accruals	7						64,238	64,238
Provisions	8						14,199	14,199
							78,437	78,437
Net financial assets/or (liabilities)							44,806	44,806

Note 10. Financial Instruments (continued)

2022			Floating interest maturing in:		Fixed interest maturing in:			
		Weighted average interest rate	1 year or less	Over 1 to 5 years	1 year or less	Over 1 to 5 years	Non-interest bearing	Total
	Notes		$	$	$	$	$	$
Financial assets								
Cash and deposits	4	Nil					259,658	259,658
Receivables - trade							841	841
Receivables - other								
Financial assets								
Loan								
Other								
							260,499	260,499
Financial liabilities								
Creditors and accruals	7						84,609	84,609
Provisions	8						13,468	13,468
							98,077	98,077
Net financial assets/or (liabilities)							162,422	162,422

Note 11. Remuneration of directors, committee members and executives

(a) Names and positions held of key management personnel - directors and key management personnel – executives in office at any time during the financial year are:

Board of Directors

Gail Dennett	Chair and Director
John De Margheriti	Director (Nil remuneration)
Victoria De Margheriti	Director and Secretary (Nil remuneration)
Karin Thompson	Director (Nil remuneration)
Thomas Cochrane	Director and Chair of Audit and Risk Committee
Scott Chamberlain	Director
Geoffrey Mitchell	Director

Note 11. Remuneration of directors, committee members and executives (continued)

Academic Board

Gail Dennett	Chair
Geoffrey Mitchell	Member
Gary Butriss	Member
John De Margheriti	Member
Manolya Kavakli-Thorne	Member – ceased February 2023

Course Advisory Committee

Geoffrey Mitchell	Chair
Jonathan Dickins	Committee member - ceased December 2022
Stephen Wang	Committee member
Manolya Kavakli-Thorne	Committee member - ceased February 2023
Karl Cizakowsky	Committee member
Patrick Delmastro	Committee member
Sam Cartwright	Committee member

Executives

Manolya Kavakli-Thorne	Academic Director – ceased February 2023
Karin Thompson	CFO – commenced February 2023

(b) Remuneration by category: Key Management Personnel

	2023 $	2022 $
Short-term employee benefits	309,908	333,598
Long-term employee benefits	-	-
Termination benefits	50,896	-
Total	360,804	333,598

Note 12. Auditor Remuneration

Remuneration of the auditor of the company for:

	2023 $	2022 $
Auditing and review of the financial report	3,500	3,000
Total	3,500	3,000

Note 13. Related Parties

Directors
The names of persons who were directors of AIE Institute Limited at any time during the financial year are as follows:

Director	Appointed
Gail Dennett (Chair and Director)	29 January 2018
Victoria De Margheriti (Secretary and Director)	29 January 2018
John De Margheriti (Director)	29 January 2018
Karin Thompson (Director)	29 January 2018
Scott Chamberlain (Director)	29 January 2018
Tom Cochrane (Director)	19 March 2018
Geoffrey Mitchell (Director)	8 July 2021

Transactions with related parties

AIE Institute Limited received grants from The Academy of Interactive Entertainment Limited (AIE) during the 2023 financial year. AIE Institute Limited also received reimbursement of administration services provided from AIE during the 2023 financial year. AIE is the sole member of AIE Institute Limited.

	2023 $	2022 $
The Academy of Interactive Entertainment Ltd – grants received	881,818	754,545
The Academy of Interactive Entertainment Ltd – administration services provided	35,135	-
	916,953	754,545

Sales to and purchases from related parties are made in arm's length transactions both at normal market prices and on normal commercial terms.

Outstanding balances at year-end are unsecured, interest free and settlement occurs within normal commercial terms.

Note 14. Events occurring after reporting date

There are no events subsequent to balance date and up to the date of this report that require additional disclosure.

Note 15. Segment reporting

Business Segments:
The company operates predominantly in one industry sector – the Education sector.

Geographical Segments:
The company's business segment is located in Australia, and all activities of the business segment are controlled and conducted from Canberra, Australia.

Note 16. Reconciliation of surplus from ordinary activities after income tax to net cash inflow from operating activities

	2023 $	2022 $
(a) Reconciliation of net surplus after tax to net cash flows from operations		
Net surplus after tax	92,642	49,280
Adjustments for:		
Depreciation and amortisation	6,200	2,592
Changes in assets and liabilities:		
(Increase) / decrease in trade and other receivables	(15,851)	(841)
(Increase) / decrease in prepayments	(1,722)	(3,815)
(Decrease) / increase in trade and other payables	(20,371)	43,639
(Decrease) / increase in provisions	(1,737)	(6,546)
Net cash inflow/(outflow) from operating activities	59,161	84,309
(b) Reconciliation of cash		
Cash at bank	106,551	259,658
Cash on hand	-	-
	106,551	259,658

Note 17. Company details

The registered office is:

AIE Institute Limited
Canberra Technology Park
49 Phillip Avenue
Watson ACT 2602

The principal place of business is:

AIE Institute Limited
Canberra Technology Park
49 Phillip Avenue
Watson ACT 2602

Note 18. Company limited by guarantee

The company is a public company limited by guarantee. The constitution provides that if the company is wound up each member would be required to contribute a maximum of $10.00 towards any outstanding obligation.

AIE Institute Limited
ABN 94 624 067 536

Directors’ Declaration

In accordance with a resolution of the Directors of AIE Institute Limited, the directors declare that:

1. The financial statements and notes, as set out on pages 7-24, are in accordance with the Corporations Act 2001 and:
    a. Comply with Australian Accounting Standards; and
    b. give a true and fair view of the financial position of the company as at 30 June 2023 and of its performance for the year ended on that date.
2 In the directors’ opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Gail Dennett

Gail Dennett
Chairperson

Dated this: 27 September 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AIE INSTITUTE LIMITED

We have audited the accompanying general purpose financial report of AIE Institute Limited (the company), which comprises the statement of financial position as at 30th June 2023, the statement of profit and loss and other comprehensive income, statement of change in equity and statement of cash flow for the year ended on that date and notes to the financial statements including a summary of significant accounting policies and the directors' declaration.

Audit Opinion

In our opinion:

(a) The accompanying financial report of AIE Institute Limited is in accordance with the Corporations Act 2001, including:

(i) Giving a true and fair view of the Company's financial position as at 30th June 2023 and of its financial performance for the year ended; and

(ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001; and

Basis of Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this audit report.

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

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2023, but does not include the financial report and our audit's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors 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 and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

(Continued over)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AIE INSTITUTE LIMITED (CONTINUED)

Auditor's Responsibility for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scientism throughout the audit. We also:

- Identify and access the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis of opinion. He risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and based on the audit evidence obtained., whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.
However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entity or business activities within the Company to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

CANBERRA ACCOUNTANCY & AUDIT PTY. LIMITED
Chartered Accountants

Peter Irving : Director
Canberra
27 September 2023