

**Accounting and  
Finance Association of  
Australia and New  
Zealand Limited**  
ACN 091 255 908

Financial Report  
For the year ended 31 December  
2007

**Pitcher Partners**  
Level 19  
15 William Street  
Melbourne VIC 3000  
Telephone (03) 8610 5000

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**ACCOUNTING AND FINANCE ASSOCIATION OF AUSTRALIA AND NEW ZEALAND  
LIMITED**  
ACN 091 255 908

**DIRECTORS' REPORT**

The directors present their report together with the financial report of Accounting and Finance Association of Australia and New Zealand Limited for the year ended 31 December 2007 and auditors report thereon. This financial report has been prepared in accordance with Australian Equivalents of International Financial Reporting Standards.

**Directors Names**

The names of the directors in office at any time during or since the end of the year are:

Keryn Chalmers  
Barry Cooper  
Paul de Lange  
Keitha Dunstan (Retired 31 May 2007)  
Ian Eggleton  
Robert Faff  
David Hay  
Bryan Howieson (Retired 31 May 2007)  
Christine Jubb (Appointed 1 June 2007)  
Robyn Moroney (Appointed 1 June 2007)  
Jennifer Stewart  
Cheryl Umoh  
Sue Wright

Directors have been in office since the start of the year to the date of this report unless otherwise stated.

**Results**

The profit of the company for the year after providing for income tax amounted to \$85,668.

**Review of Operations**

A review of the operations of the company during the financial year and the results of those operations found that:

During the year, the company continued to engage in its principal activity, the results of which are disclosed in the attached financial statements.

**Significant Changes in State of Affairs**

There were no significant changes in the company's state of affairs that occurred during the financial year, other than those referred to elsewhere in this report.

**Principal Activities**

The principal activity of the company during the year was the administration of a non-profit accounting and finance association.

No significant change in the nature of these activities occurred during the year.

**ACCOUNTING AND FINANCE ASSOCIATION OF AUSTRALIA AND NEW ZEALAND  
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**DIRECTORS' REPORT (cont'd)**

**After Balance Date Events**

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

**Likely Developments**

The company expects to maintain the present status and level of operations.

**Environmental Issues**

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

**Dividends Paid, Recommended, and Declared**

No dividends were paid or declared since the start of the year. No recommendation for payment of dividends has been made.

**Information on Directors**

**Keryn Chalmers**

- |                          |   |
|--------------------------|---|
| Qualifications           | - BCom, PhD   |
| Experience               | - Associate Professor in the Department of Accounting and Finance, Monash University      |
| Special Responsibilities | - AFAANZ Board Member - Relationship Management Portfolio and President Elect (Australia) |

**Barry Cooper**

- |                          |   |
|--------------------------|---|
| Qualifications           | - BCom, MEd, PhD, FCPA, FCCA  |
| Experience               | - Professor in School of Accounting and Law at RMIT University  |
| Special Responsibilities | - AFAANZ Board Member - Treasurer and President Elect (Australia) (until 31 May 2007); and President (Australia) from 1 June 2007 |

**Paul de Lange**

- |                          |  |
|--------------------------|--|
| Qualifications           | - B.Ed, Grad Dip Acc, M.Bus.Acc, PhD                 |
| Experience               | - Associate Professor in Accounting, RMIT University |
| Special Responsibilities | - AFAANZ Board Member - Education and SIGS Portfolio |

**ACCOUNTING AND FINANCE ASSOCIATION OF AUSTRALIA AND NEW ZEALAND  
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ACN 091 255 908**

**DIRECTORS' REPORT (cont'd)**

**INFORMATION ON DIRECTORS (Continued)**

**Keitha Dunstan**

- Qualifications - BCom, MBus, PhD, ASA
- Experience - Professor in School of Accounting and Commercial Law, Victoria University of Wellington (New Zealand) and Director of the Centre for Accounting, Governance and Taxation
- Special Responsibilities - AFAANZ Board Member - AFAANZ President (New Zealand) from 1 July 2005 to 31 May 2007

**Ian Eggleton**

- Qualifications - BCA (Hons), MBA, PhD, CMANZ, FCPA, ACANZ, ACIS
- Experience - Professor in the Department of Accounting, Waikato Management School, The University of Waikato (New Zealand)
- Special Responsibilities - AFAANZ Board Member - President Elect (New Zealand) until 31 May 2007; President (New Zealand) from 1 June 2007

**Robert Faff**

- Qualifications - BCom, MBus, PhD
- Experience - Professor of Finance at Monash University
- Special Responsibilities - Editor of AFAANZ journal (Accounting & Finance)

**David Hay**

- Qualifications - PhD, CA
- Experience - Associate Professor and Deputy Head in the Department of Accounting and Finance, The University of Auckland
- Special Responsibilities - AFAANZ Board Member - Co-Chair 2006 Conference Technical Committee and President Elect (New Zealand) from 1 June 2007

**Bryan Howieson**

- Qualifications - BCom(Hons), MCom(Hons), FCPA
- Experience - Senior Lecturer in the Adelaide Graduate School of Business, University of Adelaide
- Special Responsibilities - AFAANZ Board Member - AFAANZ President (Australia) from 1 July 2005 until 31 May 2007

**Christine Jubb**

- Qualifications - Grad Dip Ed, Bus (Accounting), Grad Dip Sc in App Statistics, PhD
- Experience - Chair in Accounting and Associate Head of School (Research), Deakin University
- Special Responsibilities - AFAANZ Board Member - Practice Portfolio

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**DIRECTORS' REPORT (cont'd)**

**INFORMATION ON DIRECTORS (Continued)**

**Robyn Moroney**

- Qualifications - BEc Hons, MCom, PhD  
 Experience - Senior Lecturer, Monash University  
 Special Responsibilities - AFAANZ Board Member - Co-Chair Conference Technical Committee

**Jennifer Stewart**

- Qualifications - BBS, MEd, PhD, CPA  
 Experience - Professor, Griffith University, Griffith Business School, Department of Accounting, Finance and Economics  
 Special Responsibilities - AFAANZ Board Member - Co-Chair Conference Technical Committee

**Cheryl Umoh**

- Qualifications - BA  
 Experience - Executive Director, AFAANZ  
 Special Responsibilities - AFAANZ Board Member - Executive Director from 15 May 2006

**Sue Wright**

- Qualifications - BA (Hons), PhD, AAIBF  
 Experience - Senior Lecturer in the Department of Accounting and Finance, Macquarie University  
 Special Responsibilities - AFAANZ Board Member - Treasurer

**Meetings of Directors**

DIRECTORS	DIRECTORS' MEETINGS	
	Number eligible to attend	Number attended
Keryn Chalmers	3	3
Barry Cooper	3	3
Paul de Lange	3	2
Keitha Dunstan (Resigned 31 May 2007)	1	1
Ian Eggleton	3	3
Robert Faff	3	1
David Hay	3	3
Bryan Howieson (Resigned 31 May 2007)	1	1
Christine Jubb (Appointed 1 June 2007)	2	2
Robyn Moroney (Appointed 1 June 2007)	2	2
Jennifer Stewart	3	3
Cheryl Umoh	3	3
Sue Wright	3	3

ACCOUNTING AND FINANCE ASSOCIATION OF AUSTRALIA AND NEW ZEALAND  
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DIRECTORS' REPORT (cont'd)

**Options**

No options over unissued shares or interests in the company were granted during or since the end of the year and there were no options outstanding at the end of the year.

**Indemnification of Officer**

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

**Auditor's Independence Declaration**

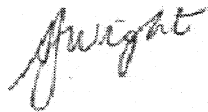
A copy of the auditor's declaration under section 307C in relation to the audit for the financial year is provided with this report.


**Proceedings on Behalf of the Company**

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

The company was not a party to any such proceedings during the year.

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

Director   
\_\_\_\_\_  
Sue Wright

Director   
\_\_\_\_\_  
Barry Cooper

Dated this 3<sup>rd</sup> day of April 2008

## AUDITOR'S INDEPENDENCE DECLARATION


**To the Directors of Accounting and Finance Association of Australia and New Zealand Limited**

In relation to the independent audit for the year ended 31 December 2007, to the best of my knowledge and belief there have been:

- (i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*.
- (ii) No contraventions of any applicable code of professional conduct.

  
K.L. BYRNE  
Partner

3<sup>rd</sup> April 2008

  
PITCHER PARTNERS  
Melbourne



**ACCOUNTING AND FINANCE ASSOCIATION OF AUSTRALIA AND NEW ZEALAND  
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**INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2007**

	Notes	2007 \$	2006 \$
Revenue	2	<u>788,582</u>	<u>695,190</u>
Employee benefits expense		(92,179)	(94,722)
Depreciation and amortisation expenses	3	(10,878)	(13,895)
Conference expenses		(227,443)	(240,172)
Research grants		(139,395)	(116,410)
Newsletter expenses		-	(2,800)
PhD scholarships		(30,000)	(30,000)
Doctoral colloquium (consortium) expenses		(48,601)	(54,418)
Meeting expenses		(25,858)	(24,404)
Administration expenses		(21,916)	(23,507)
Accounting & finance journal expenses		(45,597)	(41,299)
AFAANZ Reps		(18,036)	(13,042)
Rent expense		(28,296)	(27,339)
Other expenses		<u>(14,715)</u>	<u>(16,305)</u>
		<u>(702,914)</u>	<u>(698,313)</u>
<b>Profit before income tax expense</b>		85,668	(3,123)
Income tax expense	1 (d)	<u>-</u>	<u>-</u>
<b>Profit from continuing operations</b>		<u><u>85,668</u></u>	<u><u>(3,123)</u></u>

The accompanying notes form part of these financial statements.

**ACCOUNTING AND FINANCE ASSOCIATION OF AUSTRALIA AND NEW ZEALAND  
LIMITED  
ACN 091 255 908**

**BALANCE SHEET  
AS AT 31 DECEMBER 2007**

	Notes	2007	2006
		\$	\$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	578,896	422,659
Trade receivables	6	7,942	8,265
Other	7	<u>31,562</u>	<u>17,166</u>
<b>TOTAL CURRENT ASSETS</b>		<u><b>618,400</b></u>	<u><b>448,090</b></u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	<u>28,102</u>	<u>38,980</u>
<b>TOTAL NON-CURRENT ASSETS</b>		<u><b>28,102</b></u>	<u><b>38,980</b></u>
<b>TOTAL ASSETS</b>		<u><b>646,502</b></u>	<u><b>487,070</b></u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	217,297	200,270
Provisions	10	157,909	103,159
Other	11	<u>4,225</u>	<u>4,225</u>
<b>TOTAL CURRENT LIABILITIES</b>		<u><b>379,431</b></u>	<u><b>307,654</b></u>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	10	<u>3,013</u>	<u>1,026</u>
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u><b>3,013</b></u>	<u><b>1,026</b></u>
<b>TOTAL LIABILITIES</b>		<u><b>382,444</b></u>	<u><b>308,680</b></u>
<b>NET ASSETS</b>		<u><b>264,058</b></u>	<u><b>178,390</b></u>
<b>EQUITY</b>			
Retained earnings	12	<u>264,058</u>	<u>178,390</u>
<b>TOTAL EQUITY</b>		<u><b>264,058</b></u>	<u><b>178,390</b></u>

The accompanying notes form part of these financial statements.

**ACCOUNTING AND FINANCE ASSOCIATION OF AUSTRALIA AND NEW ZEALAND  
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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2007**

	Notes	2007	2006
		\$	\$
<b>Total equity at the beginning of the financial year</b>		<u>178,390</u>	<u>181,513</u>
<b>Profit / (loss) for the year</b>		<u>85,668</u>	<u>(3,123)</u>
<b>Total recognised income and expense for the year</b>		<u>85,668</u>	<u>(3,123)</u>
<b>Total equity at the end of the financial year</b>		<u>264,058</u>	<u>178,390</u>

The accompanying notes form part of these financial statements.

**ACCOUNTING AND FINANCE ASSOCIATION OF AUSTRALIA AND NEW ZEALAND  
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**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2007**

	Notes	2007	2006
		\$	\$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Cash receipts in the course of operations		221,020	167,184
Sponsorship by professional accounting bodies		103,414	122,573
Other cash inflows		396,003	360,586
Interest received		34,099	18,469
Cash payments in the course of operations		(542,441)	(633,514)
Payments to memberships - PHD scholarships & AAA consortium		(30,000)	(30,000)
Payments for executive expenses		<u>(25,858)</u>	<u>(24,404)</u>
Net cash provided by/(used in) operating activities	17 (b)	<u>156,237</u>	<u>(19,106)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Payment for property, plant and equipment		<u>-</u>	<u>(2,279)</u>
Net cash used in investing activities		<u>-</u>	<u>(2,279)</u>
Net increase/(decrease) in cash held		156,237	(21,385)
Cash at beginning of financial year		<u>422,659</u>	<u>444,044</u>
Cash at end of financial year	17 (a)	<u>578,896</u>	<u>422,659</u>

The accompanying notes form part of these financial statements.

**ACCOUNTING AND FINANCE ASSOCIATION OF AUSTRALIA AND NEW ZEALAND  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2007**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report is for the entity Accounting and Finance Association of Australia and New Zealand Limited as an individual entity. Accounting and Finance Association of Australia and New Zealand Limited is a company limited by guarantee, incorporated and domiciled in Australia.

The following is a summary of the material accounting policies adopted by the company in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

**(a) Basis of preparation of the financial report**

*Compliance with IFRS*

Australian Accounting Standards include Australian Equivalents to International Financial Reporting Standards (AIFRSs). Compliance with AIFRS ensures compliance with International Financial Reporting Standards (IFRSs).

*Historical Cost Convention*

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets as described in the accounting policies.

**(b) Revenue**

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

Interest revenue is recognised when it becomes receivable on a proportional basis taking in to account the interest rates applicable to the financial assets.

Revenue from royalties is recognised when the right to receive royalty revenue has been established.

Other revenue is recognised when the right to receive the revenue has been established.

All revenue is stated net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2007

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**(c) Plant and Equipment**

Each class of plant and equipment is carried at cost less, where applicable, any accumulated depreciation.

*Plant and equipment*

Plant and equipment is measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to present values in determining recoverable amounts.

*Depreciation*

The depreciable amount of all fixed assets are depreciated over their estimated useful lives to the company commencing from the time the asset is held ready for use.

The depreciation rates used for each class of assets are:

Class of fixed asset	Depreciation rates	Depreciation basis
Plant and equipment	33.33 %	Diminishing Value
Furniture, Fixtures and Fittings	20 %	Straight Line

*Leases*

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

*Operating leases*

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

**(d) Income Tax**

The Accounting and Finance Association of Australia and New Zealand Limited is exempt from income tax in accordance with the provisions of the Income Tax Assessment Act. The Accounting and Finance Association of Australia and New Zealand Limited is a not for profit entity.

**(e) Foreign Currency Transactions and Balances**

*Transactions and Balances*

Transactions in foreign currencies are translated into functional currency at the rate of exchange ruling at the date of the transaction.

**ACCOUNTING AND FINANCE ASSOCIATION OF AUSTRALIA AND NEW ZEALAND  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2007**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(f) Employee Benefits**

Liabilities arising in respect of wages and salaries, annual leave, sick leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date.

Contributions are made by the company to an employee superannuation fund and are charged as expenses when incurred.

**(g) Finance Costs**

Finance costs can include interest, amortisation of discounts or premiums relating to borrowings, ancillary costs incurred in connection with arrangement of borrowings, foreign exchange losses net of hedged amounts on borrowings, including trade creditors and lease finance charges.

Finance costs are expensed as incurred.

**(h) Impairment of assets**

Assets with an indefinite useful life are not amortised but are tested annually for impairment in accordance with AASB 136. Assets subject to annual depreciation or amortisation are reviewed for impairment whenever events or circumstances arise that indicate that the carrying amount of the asset may be impaired. An impairment loss is recognised where the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset is defined as the higher of its fair value less costs to sell and value in use.

**(i) Comparative Figures**

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

**ACCOUNTING AND FINANCE ASSOCIATION OF AUSTRALIA AND NEW ZEALAND  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2007**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(j) Financial Instruments**

*Classification*

The company classifies its financial instruments in the following categories: financial assets at fair value through profit and 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. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date.

*Held-to-maturity investments*

Fixed term investments with an intention to be held to maturity are classified as held-to-maturity investments. They are measured at amortised cost using the effective interest rate method.

*Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are measured at fair value at inception and subsequently at amortised cost using the effective interest rate method.

Non-interest bearing loans and receivables are designated as receivable 'at call' and are therefore recognised at their face value at inception.

*Financial liabilities*

Financial liabilities include trade payables, other creditors and loans from third parties including inter-company balances and loans from or other amounts due to director-related entities. Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Non-interest bearing loans and payables are payable on demand and are therefore recognised at their face value at inception.

**NOTE 2: REVENUE**

**Operating activities**

- rendering of services		725,473	637,929
- interest	2(a)	34,099	18,469
- other revenue		<u>29,010</u>	<u>38,792</u>
Total revenue		<u>788,582</u>	<u>695,190</u>

(a) Interest from:

- other persons		<u>34,099</u>	<u>18,469</u>
		<u>34,099</u>	<u>18,469</u>



**ACCOUNTING AND FINANCE ASSOCIATION OF AUSTRALIA AND NEW ZEALAND  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2007**

	Note	2007 \$	2006 \$
<b>NOTE 3: PROFIT FROM CONTINUING ACTIVITIES</b>			
Profit / (losses) before income tax has been determined after:			
Expenses:			
Depreciation of non-current assets			
- Plant and equipment		10,878	13,895
Remuneration of the auditors for:			
- audit services		4,266	4,606
Rental expense on operating leases		28,296	27,339

**NOTE 4: KEY MANAGEMENT PERSONNEL COMPENSATION**

Compensation received by key management personnel of the company

- short-term employee benefits		74,120	87,242
- other benefits		<u>15,000</u>	<u>15,000</u>
		89,120	102,242

The names of directors who have held office during the year are:

Keryn Chalmers  
Barry Cooper  
Paul de Lange  
Keitha Dunstan  
Ian Eggleton  
Robert Faff  
David Hay  
Bryan Howieson  
Christine Jubb  
Robyn Moroney  
Jennifer Stewart  
Cheryl Umoh  
Sue Wright

**ACCOUNTING AND FINANCE ASSOCIATION OF AUSTRALIA AND NEW ZEALAND  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2007**

	Note	2007 \$	2006 \$
<b>NOTE 5: CASH AND CASH EQUIVALENTS</b>			
Cash at bank		170,309	35,638
Cash on deposit		<u>408,587</u>	<u>387,021</u>
		<u><u>578,896</u></u>	<u><u>422,659</u></u>
<b>NOTE 6: RECEIVABLES</b>			
<b>CURRENT</b>			
Trade debtors		2,773	5,880
GST receivable		2,949	165
Deposits paid		<u>2,220</u>	<u>2,220</u>
		<u><u>7,942</u></u>	<u><u>8,265</u></u>
<b>NOTE 7: OTHER ASSETS</b>			
<b>CURRENT</b>			
Prepayments		25,853	13,453
Other current assets		<u>5,709</u>	<u>3,713</u>
		<u><u>31,562</u></u>	<u><u>17,166</u></u>
<b>NOTE 8: PLANT AND EQUIPMENT</b>			
<b>Plant and Equipment</b>			
Plant and equipment			
At cost		69,838	69,838
Less accumulated depreciation		<u>(41,736)</u>	<u>(30,858)</u>
		<u><u>28,102</u></u>	<u><u>38,980</u></u>

**ACCOUNTING AND FINANCE ASSOCIATION OF AUSTRALIA AND NEW ZEALAND  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2007**

	Note	2007 \$	2006 \$
<b>NOTE 8: PLANT AND EQUIPMENT (Continued)</b>			
<b>(a) Movements in Carrying Amounts</b>			
Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year			
			<b>Plant &amp; equipment \$</b>
<b>2007</b>			
Balance at the beginning of the year			38,980
Depreciation expense			<u>(10,878)</u>
Carrying amount at end of year			<u>28,102</u>
<b>2006</b>			
Balance at the beginning of the year			50,596
Additions			2,279
Depreciation expense			<u>(13,895)</u>
Carrying amount at the end of the year			<u>38,980</u>

**NOTE 9: PAYABLES**

**CURRENT**

*Unsecured liabilities*

Trade creditors	36,508	970
Fees owed to SIG's	51,135	44,074
Accruals	55,584	43,683
Sponsorships in advance	-	61,287
Fees in advance	69,365	43,235
Credit card	<u>4,705</u>	<u>7,021</u>
	<u>217,297</u>	<u>200,270</u>

**ACCOUNTING AND FINANCE ASSOCIATION OF AUSTRALIA AND NEW ZEALAND  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2007**

	Note	2007 \$	2006 \$
<b>NOTE 10: PROVISIONS</b>			
<b>CURRENT</b>			
Employee benefits	(a)	7,909	3,159
Research grants		<u>150,000</u>	<u>100,000</u>
		<u>157,909</u>	<u>103,159</u>
<b>NON-CURRENT</b>			
Employee benefits	(a)	<u>3,013</u>	<u>1,026</u>
		<u>3,013</u>	<u>1,026</u>
(a) Aggregate employee benefits liability		<u>10,922</u>	<u>4,185</u>
<b>NOTE 11: OTHER LIABILITIES</b>			
<b>CURRENT</b>			
Deposits payable		<u>4,225</u>	<u>4,225</u>
		<u>4,225</u>	<u>4,225</u>
<b>NOTE 12: RETAINED PROFITS</b>			
Retained profits at the beginning of the financial year		178,390	181,513
Net profit (loss) attributable to members of the entity		<u>85,668</u>	<u>(3,123)</u>
Retained profits at the end of the financial year		<u>264,058</u>	<u>178,390</u>
<b>NOTE 13: CAPITAL AND LEASING COMMITMENTS</b>			
<b>(a) Operating lease commitments</b>			
Non-cancellable operating leases contracted for but not capitalised in the financial statements:			
Payable			
- not later than one year		29,489	28,216
- later than one year and not later than five years		<u>41,001</u>	<u>69,619</u>
		<u>70,490</u>	<u>97,835</u>

**ACCOUNTING AND FINANCE ASSOCIATION OF AUSTRALIA AND NEW ZEALAND  
LIMITED  
ACN 091 255 908**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2007**

	Note	2007 \$	2006 \$
<b>NOTE 14: CONTINGENT LIABILITIES</b>			
Estimates of the maximum amounts of contingent liabilities that may become payable:			
Guarantee by bank facility		<u>9,768</u>	<u>9,768</u>

**NOTE 15: MEMBERS GUARANTEE**

The company is limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the company. At 31 December 2007 the number of members was 624 (2006: 646).

**NOTE 16: SEGMENT REPORTING**

The Association operates predominantly in one industry being the accounting and finance sector. The principle activities of the Association is to provide a non-profit association for the accounting and finance industry.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2007**

	Note	2007 \$	2006 \$
<b>NOTE 17: CASH FLOW INFORMATION</b>			
<b>(a) Reconciliation of cash</b>			
For the purposes of the statement of cash flows, cash includes cash on hand and at call deposits with banks or financial institutions, investments in money market instruments maturing within less than two months and net of bank overdrafts.			
Cash at the end of the financial year as shown in the statements of cash flows is reconciled to the related items in the balance sheet as follows:			
Cash at bank		170,309	35,638
Deposits at call		<u>408,587</u>	<u>387,021</u>
		578,896	422,659
<b>(b) Reconciliation of cash flow from operations with profit after income tax</b>			
Profit from ordinary activities after income tax		85,668	(3,123)
Non-cash flows in profit from ordinary activities			
Depreciation		10,878	13,895
Changes in assets and liabilities			
(Increase) / decrease in receivables		1,111	(7,143)
Increase / (decrease) in unearned income		26,130	(19,235)
Decrease in sponsorships received in advance		(61,287)	-
Increase in payables		52,184	32,444
Increase in prepayments		(12,400)	(6,298)
(Increase) / decrease in GST receivable		(2,784)	7,938
Increase / (decrease) in provisions		<u>56,737</u>	<u>(37,585)</u>
Cash flows from operations		<u>156,237</u>	<u>(19,107)</u>
<b>(c) Credit Standby Arrangements with Banks</b>			
Credit facility		10,000	10,000
Amount utilised		<u>(4,705)</u>	<u>(7,021)</u>
Unused credit facility		<u>5,295</u>	<u>2,979</u>

**ACCOUNTING AND FINANCE ASSOCIATION OF AUSTRALIA AND NEW ZEALAND  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2007**

**NOTE 18: FINANCIAL INSTRUMENTS**

**(a) Interest rate risk**

The company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

2007				
Financial Instruments	Floating interest rate	Non-interest bearing	Total carrying amount as per the balance sheet	Weighted average effective interest rate
	\$	\$	\$	%
<i>(i) Financial assets</i>				
Cash	578,896	-	578,896	3.7
Trade and other receivables	-	7,942	7,942	-
<b>Total financial assets</b>	<b>578,896</b>	<b>7,942</b>	<b>586,838</b>	

2007				
Financial Instruments	Floating interest rate	Non-interest bearing	Total carrying amount as per the balance sheet	Weighted average effective interest rate
	\$	\$	\$	%
<i>(ii) Financial liabilities</i>				
Trade creditors and accruals	-	87,643	87,643	-
<b>Total financial liabilities</b>	<b>-</b>	<b>87,643</b>	<b>87,643</b>	

2006				
Financial Instruments	Floating interest rate	Non-interest bearing	Total carrying amount as per the balance sheet	Weighted average effective interest rate
	\$	\$	\$	%
<i>(iii) Financial assets</i>				
Cash	422,659	-	422,659	3.4
Trade and other receivables	-	8,265	8,265	-
<b>Total financial assets</b>	<b>422,659</b>	<b>8,265</b>	<b>430,924</b>	

**ACCOUNTING AND FINANCE ASSOCIATION OF AUSTRALIA AND NEW ZEALAND LIMITED**  
**ACN 091 255 908**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2007**

**NOTE 18: FINANCIAL INSTRUMENTS (Continued)**

2006	Floating interest rate	Non-interest bearing	Total carrying amount as per the balance sheet	Weighted average effective interest rate
Financial Instruments	\$	\$	\$	%
<i>(iv) Financial liabilities</i>				
Trade creditors and accruals	-	45,044	45,044	-
Total financial liabilities	-	45,044	45,044	-

**(b) Credit Risk**

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provisions for doubtful debts, as disclosed in the balance sheet and notes to the financial statements.

The company does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the company.

**(c) Net Fair Values**

The net fair value of financial assets and financial liabilities approximates their carrying values as disclosed in the balance sheet and notes to the financial statements.

Aggregate net fair values and carrying amounts of financial assets and financial liabilities at balance date.

**NOTE 19: COMPANY DETAILS**

The registered office of the company is:  
 Accounting and Finance Association of Australia and New Zealand Limited  
 Level 1  
 156 Bouverie St  
 CARLTON VIC 3053



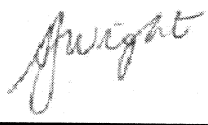
ACCOUNTING AND FINANCE ASSOCIATION OF AUSTRALIA AND NEW ZEALAND  
LIMITED  
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DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 7 to 22, are in accordance with the *Corporations Act 2001*:
  - (a) comply with Accounting Standards in Australia and the *Corporations Regulations 2001*; and
  - (b) give a true and fair view of the financial position as at 31 December 2007 and performance for the year ended on that date of the company.
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.

This declaration is made in accordance with a resolution of the Board of Directors.

Director \_\_\_\_\_  
  
Sue Wright

Director \_\_\_\_\_  
  
Barry Cooper

Dated this 3<sup>rd</sup> day of April 2008

**ACCOUNTING AND FINANCE ASSOCIATION OF AUSTRALIA AND NEW ZEALAND  
LIMITED  
ACN 091 255 908**

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
ACCOUNTING AND FINANCE ASSOCIATION OF AUSTRALIA AND NEW ZEALAND  
LIMITED**

We have audited the accompanying financial report of Accounting and Finance Association of Australia and New Zealand Limited, which comprises the Balance Sheet as at 31 December 2007, and the Income Statement, Statement of Changes in Equity and Cash Flow Statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

*Directors' Responsibility for the Financial Report*

The directors' of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

*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 in 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.

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

*Independence*

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

ACCOUNTING AND FINANCE ASSOCIATION OF AUSTRALIA AND NEW ZEALAND  
LIMITED  
ACN 091 255 908

INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
ACCOUNTING AND FINANCE ASSOCIATION OF AUSTRALIA AND NEW ZEALAND  
LIMITED

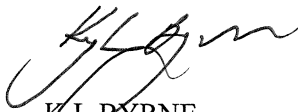
*Auditor's Opinion*

In our opinion,

(a) the financial report of Accounting and Finance Association of Australia and New Zealand 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 31 December 2007 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.



K L BYRNE

Partner

20<sup>th</sup> April 2008



PITCHER PARTNERS

Melbourne

**ACCOUNTING AND FINANCE ASSOCIATION OF AUSTRALIA AND NEW ZEALAND LIMITED  
ACN 091 255 908**

**DISCLAIMER  
TO THE MEMBERS OF  
ACCOUNTING AND FINANCE ASSOCIATION OF AUSTRALIA AND NEW ZEALAND LIMITED**

The additional financial data presented on pages 27 is in accordance with the books and records of the company which have been subjected to the auditing procedures applied in our statutory audit of the company for the year ended 31 December 2007. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and we give no warranty of accuracy or reliability in respect of the data provided. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than Accounting and Finance Association of Australia and New Zealand Limited) in respect of such data, including any errors of omissions therein however caused.



PITCHER PARTNERS



K L BYRNE  
Partner

Melbourne 3<sup>rd</sup> April 2008

**ACCOUNTING AND FINANCE ASSOCIATION OF AUSTRALIA AND NEW ZEALAND LIMITED**  
**ACN 091 255 908**

**ADDITIONAL INFORMATION FOR THE MEMBERS**  
**ON THE 2007 FINANCIAL STATEMENTS**

**TRADING AND PROFIT & LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2007**

	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>
<b>INCOME</b>		
Sponsorship by professional bodies	164,701	122,573
Conference income	343,049	303,542
Doctoral colloquium (consortium) income	30,259	34,941
Member & Institutional fees	187,464	176,873
Interest	34,099	18,469
Other income including royalties & rent	29,010	38,792
<b>TOTAL INCOME</b>	<u>788,582</u>	<u>695,190</u>
 <b>LESS EXPENSES</b>		
Administration costs	21,916	23,507
AFAANZ Reps	18,036	13,042
Audit fees	4,266	4,606
Bank charges	3,776	4,120
Conference expenses	227,443	240,172
Depreciation	10,878	13,895
Doctoral colloquium (consortium) expenses	45,597	54,418
Meeting expenses	25,858	24,404
Insurance	4,225	3,306
Journal expenses - Accounting and Finance	45,597	41,299
Manuscript award	160	860
Newsletter expenses	-	2,800
PhD Scholarships	30,000	30,000
Professional fees	2,288	3,413
Rent	28,296	27,339
Research grants	139,395	116,410
Salaries and wages	85,502	94,722
Superannuation	6,677	-
<b>TOTAL EXPENSES</b>	<u>702,914</u>	<u>698,313</u>
 <b>OPERATING PROFIT BEFORE INCOME TAX</b>	 <u>85,668</u>	 <u>(3,123)</u>

These financial statements should be read in conjunction with the attached Disclaimer.