



PITCHER PARTNERS

**Accounting and Finance
Association of Australia
and New Zealand Limited**
ABN 67 091 255 908

Financial report
For the year ended 31 December 2010

Pitcher Partners
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ACCOUNTING AND FINANCE ASSOCIATION OF AUSTRALIA AND NEW ZEALAND LIMITED
ABN 67 091 255 908

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 2010 and auditor's report thereon.

Director's names

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

Keryn Chalmers

Paul de Lange

Robert Faff

David Hay

Christine Jubb

David Lont

Robyn Moroney

Deryl Northcott

Brad Potter

Cheryl Umoh

Sue Wright

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

Results

The surplus of the company for the year amounted to \$90,908.

Review of operations

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.

DIRECTORS' REPORT

Company objectives

The primary objects of AFAANZ, which is established to operate as a public educational institution by supporting and advancing the character, status and teaching and research in the accounting and finance and related disciplines through educational and other activities are:

- (a) To provide education programs and continuing professional development programs for the benefit of both members and non-members.
- (b) To prescribe, adopt, test and recognise by way of diploma, designation or otherwise standards and classifications of attainment and qualifications in accounting and finance and related disciplines.
- (c) To promote to the public, whether by way of publication or otherwise, information on accounting and finance and related disciplines and other subjects of interest or value to accountants, finance and related disciplines by lectures, discussions, books, journals and correspondence and other publications with the public and other bodies and individuals or otherwise.
- (d) To encourage the study of accounting finance and related disciplines within the general public, and, for that purpose to donate and to encourage the donation, on such terms and conditions as may from time to time be determined or prescribed, of a prize or prizes or other rewards or distinctions.
- (e) To consider all questions affecting the interests of the accounting finance and related disciplines and to initiate, promote, watch over, consider and, if necessary, to petition any organisation, any person or Parliament and to organise deputations in relation to those issues.

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.

Company performance

During 2010, AFAANZ continued to advance the character, status, teaching and research in the accounting and finance and related disciplines. Its success in doing so is reflected in the continued strength in the membership base. The advancement occurred by AFAANZ initiated and coordinated activities including:

- An annual conference with approximately 400 delegates attending from numerous countries;
- A Doctoral Symposium attended by 40 PhD candidates drawn from a wide range of institutions with international renowned faculty attending;
- Awarding of \$151,000 research grants to eligible employees of institutional members to 23 successful applicants;
- Funding five PhD scholarships;
- Funding five conference grants to attend the AFAANZ Conference;
- Supporting PhD students to attend the European Accounting Association's Colloquium and the American Accounting Association's Consortium; and
- Supporting the establishment of a new Qualitative Research Special Interest Group.

Additionally, AFAANZ continued its close alliance with various national and international associations including accounting professional bodies. Several co-badged events were conducted that assisted in bridging the gap between academia and practice. AFAANZ continued to be an advocate for its members engaging in dialogue on important matters such as accounting and finance education standard setting and resourcing, and assessing accounting and finance research quality.

DIRECTORS' REPORT

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.

During 2009 the Australian Taxation Office (ATO) examined the tax status of the entity and during 2010 advised that it is of the opinion that AFAANZ exists for the purpose of providing benefits to its members.

This result has been appealed and AFAANZ is engaged in negotiations with the ATO in relation to its tax exempt status.

Likely developments

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

Environmental regulation

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 and company secretary

Keryn Chalmers

Qualifications	- BCom, Post Grad Dip in Applied Fin and Invest (SIA), PhD, SF (Fin), CPA
Experience	- Professor and Head of Department of Accounting and Finance, Monash University
Special responsibilities	- AFAANZ Board Member - Relationship Management (Australia) and Professions Portfolio and President (Australia) from 1 August 2009

Paul de Lange

Qualifications	- B.Ed, Grad Dip Acc, M.Bus.Acc, PhD
Experience	- Professor in Accounting, RMIT University
Special responsibilities	- AFAANZ Board Member - Co-Chair Conference Technical Committee from 1 August 2008 and Education Portfolio

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ABN 67 091 255 908

DIRECTORS' REPORT

Robert Faff

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

David Hay

- Qualifications - PhD, FCA
Experience - Professor and Head of Department of Accounting and Finance, The University of Auckland
Special responsibilities - AFAANZ Board Member - Relationship Management (New Zealand) and Professions Portfolio and President (New Zealand) from 1 August 2009

Christine Jubb

- Qualifications - Grad Dip Ed, BBus (Accounting), MBA, Grad Dip Sc in App Statistics, PhD, CPA, CA
Experience - Research Fellow, Australian National Centre for Audit and Assurance Research, Australian National University.
Special responsibilities - AFAANZ Board Member - Treasurer and Research Portfolio

David Lont

- Qualifications - BCom (Hons), PhD (Otago), CA
Experience - Associate Professor, Department of Accountancy And Finance, University of Otago
Special responsibilities - AFAANZ Board Member - Research, Professions and Membership/ SIGs Portfolios

Robyn Moroney

- Qualifications - BEc Hons, MCom, PhD, CA, CPA
Experience - Associate Professor, Monash University
Special responsibilities - AFAANZ Board Member - Research Portfolio

Deryl Northcott

- Qualifications - Bachelor of Management Studies (Hons), PhD, CA
Experience - Professor, Discipline of Accounting, Auckland University of Technology
Special responsibilities - AFAANZ Board Member and Memberships/ SIGs Portfolio

Brad Potter

- Qualifications - BCom (Hons), PhD, CPA
Experience - Associate Professor, Department of Accounting and Business Information Systems, The University of Melbourne
Special responsibilities - AFAANZ Board Member - Education Portfolio and co-chair Conference Technical Committee from 1 August 2010

ACCOUNTING AND FINANCE ASSOCIATION OF AUSTRALIA AND NEW ZEALAND LIMITED
ABN 67 091 255 908

DIRECTORS' REPORT

Cheryl Umoh

Qualifications - BA
 Experience - Executive Director and Company Secretary, AFAANZ
 Special responsibilities - AFAANZ Board Member - Executive Director from 15 May 2006

Sue Wright

Qualifications - BA (Hons), PhD
 Experience - Associate Professor in the Department of Accounting and Finance, Macquarie University
 Special responsibilities - AFAANZ Board Member - Research and Professions Portfolios

Meetings of directors

Note that the seven meetings held include four teleconference meetings.

Directors	Directors' meetings	
	Number eligible to attend	Number attended
Keryn Chalmers	7	7
Paul de Lange	7	4
Robert Faff	7	2
David Hay	7	5
Christine Jubb	7	7
David Lont	7	6
Robyn Moroney	7	7
Deryl Northcott	7	6
Brad Potter	7	6
Cheryl Umoh	7	7
Sue Wright	7	7

Members guarantee

The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the Constitution states that each member is required to contribute to a maximum of \$10 each towards meeting any outstandings and obligations of the group. At 31 December 2010 the number of members was 850. The combined total amount that members of the company are liable to contribute if the company is wound up is \$8,500.

Indemnification of officers

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.

DIRECTORS' REPORT

Auditor's independence declaration

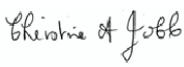
A copy of the auditor's declaration under section 307C in relation to the audit for the financial year is provided with this report.

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.

Signed on behalf of the board of directors.

Director: 
Keryn Chalmers

Director: 
Christine Jubb

Dated this 30th day of March 2011

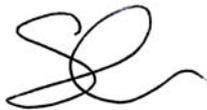
**ACCOUNTING AND FINANCE ASSOCIATION OF AUSTRALIA AND NEW ZEALAND
LIMITED
ABN 67 091 255 908**

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF ACCOUNTING AND FINANCE ASSOCIATION OF AUSTRALIA AND
NEW ZEALAND LIMITED**

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 2010, to the best of my knowledge and belief there have been:

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



S D WHITCHURCH
Partner



PITCHER PARTNERS
Melbourne

Date: 30 March 2011

ACCOUNTING AND FINANCE ASSOCIATION OF AUSTRALIA AND NEW ZEALAND LIMITED
ABN 67 091 255 908

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2010

		2010	2009
		\$	\$
Revenue			
Service revenue	4	790,824	807,045
Other revenue	4	<u>108,827</u>	<u>77,098</u>
	4	<u>899,651</u>	<u>884,143</u>
Less: expenses			
Conference expenses		(249,732)	(273,772)
Depreciation and amortisation	5	(8,689)	(10,035)
Employee benefits	5	(98,515)	(103,841)
Occupancy expenses		(2,500)	(2,500)
Research Grants	5	(154,534)	(138,208)
PhD scholarships		(45,000)	(30,000)
Doctoral symposium expenses		(42,814)	(44,063)
Meeting expenses		(15,589)	(14,684)
Administration expenses		(26,170)	(16,221)
Accounting and Finance journal expenses		(57,861)	(45,000)
AFAANZ Reps		(3,310)	(9,023)
Rent expense	5	(31,198)	(30,787)
Award expenses		(9,341)	(15,123)
Other expenses		<u>(63,490)</u>	<u>(53,911)</u>
		<u>(808,743)</u>	<u>(787,168)</u>
Surplus before income tax expense		90,908	96,975
Net surplus from continuing operations		<u>90,908</u>	<u>96,975</u>
Surplus for the year		<u>90,908</u>	<u>96,975</u>

The accompanying notes form part of these financial statements.

ACCOUNTING AND FINANCE ASSOCIATION OF AUSTRALIA AND NEW ZEALAND LIMITED
ABN 67 091 255 908

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2010

		2010	2009
		\$	\$
Current assets			
Cash and cash equivalents	7	1,136,271	904,915
Trade and other receivables	8	2,440	3,500
Other assets	10	<u>21,062</u>	<u>8,520</u>
Total current assets		<u>1,159,773</u>	<u>916,935</u>
Non-current assets			
Plant and equipment	9	<u>4,821</u>	<u>13,510</u>
Total non-current assets		<u>4,821</u>	<u>13,510</u>
Total assets		<u>1,164,594</u>	<u>930,445</u>
Current liabilities			
Trade and other payables	11	466,376	324,698
Provisions	12	171,115	175,592
Other liabilities	13	<u>4,225</u>	<u>4,225</u>
Total current liabilities		<u>641,716</u>	<u>504,515</u>
Non-current liabilities			
Provisions	12	<u>6,040</u>	-
Total non-current liabilities		<u>6,040</u>	-
Total liabilities		<u>647,756</u>	<u>504,515</u>
Net assets		<u>516,838</u>	<u>425,930</u>
Equity			
Accumulated surplus	14	<u>516,838</u>	<u>425,930</u>
Total equity		<u>516,838</u>	<u>425,930</u>

The accompanying notes form part of these financial statements.

ACCOUNTING AND FINANCE ASSOCIATION OF AUSTRALIA AND NEW ZEALAND LIMITED
ABN 67 091 255 908

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2010

	Retained earnings \$	Total equity \$
Balance as at 1 January 2009	328,955	328,955
Surplus for the year	<u>96,975</u>	<u>96,975</u>
Total comprehensive income for the year	<u>96,975</u>	<u>96,975</u>
Balance as at 31 December 2009	<u>425,930</u>	<u>425,930</u>
Balance as at 1 January 2010	425,930	425,930
Surplus for the year	<u>90,908</u>	<u>90,908</u>
Total comprehensive income for the year	<u>90,908</u>	<u>90,908</u>
Balance as at 31 December 2010	<u>516,838</u>	<u>516,838</u>

The accompanying notes form part of these financial statements.

ACCOUNTING AND FINANCE ASSOCIATION OF AUSTRALIA AND NEW ZEALAND LIMITED
ABN 67 091 255 908

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2010

	2010	2009
	\$	\$
Cash flow from operating activities		
Cash receipts in the course of operations	331,204	263,021
Sponsorship by professional accounting bodies	190,450	156,000
Conference income	310,906	352,551
Other cash inflows	103,651	86,958
Interest received	52,286	34,656
Cash payments in the course of operations	(696,552)	(667,260)
Payments to memberships - PhD scholarships	(45,000)	(30,000)
Payments for executive expenses	<u>(15,589)</u>	<u>(14,684)</u>
Net cash provided by operating activities	15(b) <u>231,356</u>	<u>181,242</u>
 Cash flow from investing activities		
Payment for plant and equipment	<u>-</u>	<u>(3,020)</u>
Net cash used in investing activities	<u>-</u>	<u>(3,020)</u>
 Reconciliation of cash		
Cash at beginning of the financial year	904,915	726,693
Net increase in cash held	<u>231,356</u>	<u>178,222</u>
Cash at end of financial year	15(a) <u>1,136,271</u>	<u>904,915</u>

The accompanying notes form part of these financial statements.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

The financial report was approved by the directors as at the date of the directors' report.

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. Compliance with Australian equivalents to International Financial Reporting Standards 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 members.

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

Sponsorship and membership revenue income received is recognised as income in the period to which the sponsorship or membership relates. As a result, at balance date deferred income may be recognised within the balance sheet.

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

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).

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Borrowing costs

Borrowing 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.

Borrowing costs are expensed as incurred.

(d) Income tax

In prior years the directors have applied the exemption provisions of the Income Tax Assessment Act.

During 2009 the Australian Taxation Office (ATO) examined the tax status of the entity and advised that it is of the opinion that AFAANZ exists for the purpose of providing benefits to its members. This result has been appealed and AFAANZ is engaged in negotiations with the ATO in relation to its tax exempt status.

(e) Financial instruments

Classification

The company classifies its financial assets into 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.

Held-to-maturity investments

Fixed term investments intended 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 measured at fair value at inception and subsequently at amortised cost using the effective interest rate method.

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.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Plant and equipment

Each class of plant and equipment is carried at cost or fair value 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 amounts 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.

Class of fixed asset	Depreciation rates	Depreciation basis
Plant and equipment at cost	20 - 33.33%	Diminishing value

(g) 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.

Lease incentives received under operating leases are recognised as a liability. Lease payments received reduce the liability.

(h) Employee benefits

Liabilities arising in respect of wages and salaries, annual leave, accumulated 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 made by the company to an employee superannuation fund. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payment is available.

(i) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

NOTE 2: NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

A number of accounting standards and interpretations have been issued at the reporting date but are not yet effective. The directors have not yet assessed the impact of these standards or interpretations.

NOTE 3: FINANCIAL RISK MANAGEMENT

The company is exposed to a variety of financial risks comprising:

- (a) Interest rate risk
- (b) Credit risk

The board of directors has overall responsibility for identifying and managing operational and financial risks.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates.

The company's exposure to interest rate risk in relation to future cashflows and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2010

NOTE 3: FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Interest rate risk (Continued)

2010

Financial instruments	Interest bearing	Non-interest bearing	Total carrying amount	Weighted average effective interest rate
	\$	\$	\$	
<i>Financial assets</i>				
Cash	1,136,271	-	1,136,271	5.9 %
Debtors	-	2,440	2,440	0.0 %
Other receivables	-	21,062	21,062	0.0 %
	<u>1,136,271</u>	<u>23,502</u>	<u>1,159,773</u>	
<i>Financial liabilities</i>				
Creditors	-	4,089	4,089	0.0 %
Related party payables	-	53,417	53,417	0.0 %
Other payables	-	408,870	408,870	0.0 %
	<u>-</u>	<u>466,376</u>	<u>466,376</u>	

2009

<i>Financial assets</i>				
Cash	904,915	-	904,915	4.6 %
Debtors	-	3,500	3,500	0.0 %
Other receivables	-	8,520	8,520	0.0 %
	<u>904,915</u>	<u>12,020</u>	<u>916,935</u>	
<i>Financial liabilities</i>				
Creditors	-	6,104	6,104	0.0 %
Related party payables	-	49,924	49,924	0.0 %
Other payables	-	267,472	267,472	0.0 %
	<u>-</u>	<u>323,500</u>	<u>323,500</u>	

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

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

ACCOUNTING AND FINANCE ASSOCIATION OF AUSTRALIA AND NEW ZEALAND LIMITED
ABN 67 091 255 908

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

	2010	2009
	\$	\$
NOTE 4: REVENUE		
Rendering of services	790,824	807,045
Other revenue		
Interest income	52,286	34,656
Other revenue	<u>56,541</u>	<u>42,442</u>
	<u>108,827</u>	<u>77,098</u>

NOTE 5: OPERATING PROFIT

Profit / (losses) before income tax has been determined after:

Expenses:		
Depreciation	8,689	10,035
Remuneration of auditors for:		
Auditor's remuneration - audit fees	8,500	8,000
Auditor's remuneration - other services	<u>-</u>	<u>7,420</u>
	8,500	15,420
Research grant expenditure	154,534	138,208
Employee benefits	98,515	103,841
Rental expense on operating leases	31,198	30,787

NOTE 6: KEY MANAGEMENT PERSONNEL COMPENSATION

- short-term employee benefits	86,347	85,406
- other	<u>15,000</u>	<u>15,000</u>
	<u>101,347</u>	<u>100,406</u>

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

Name	Appointment / resignation details
Keryn Chalmers	
Paul de Lange	
Robert Faff	
David Hay	
Christine Jubb	
David Lont	
Robyn Moroney	
Deryl Northcott	
Brad Potter	
Cheryl Umoh	
Sue Wright	

ACCOUNTING AND FINANCE ASSOCIATION OF AUSTRALIA AND NEW ZEALAND LIMITED
ABN 67 091 255 908

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

	2010	2009
	\$	\$
NOTE 7: CASH AND CASH EQUIVALENTS		
Cash on hand	350	350
Cash at bank	644,081	440,706
Cash on deposit	<u>491,840</u>	<u>463,859</u>
	<u>1,136,271</u>	<u>904,915</u>

NOTE 8: RECEIVABLES

CURRENT

Trade debtors	220	1,280
Other receivables	<u>2,220</u>	<u>2,220</u>
	<u>2,440</u>	<u>3,500</u>

NOTE 9: PLANT AND EQUIPMENT

Plant and equipment

Plant and equipment at cost	65,605	65,605
Accumulated depreciation	<u>(60,784)</u>	<u>(52,095)</u>
	<u>4,821</u>	<u>13,510</u>
Total property, plant and equipment	<u>4,821</u>	<u>13,510</u>

(a) Reconciliations

Reconciliation of the carrying amounts of property, plant and equipment at the beginning and end of the current financial year

Plant and equipment

Opening carrying amount	13,510	20,525
Additions	-	3,020
Depreciation expense	<u>(8,689)</u>	<u>(10,035)</u>
Closing carrying amount	<u>4,821</u>	<u>13,510</u>

NOTE 10: OTHER ASSETS

CURRENT

Prepayments	18,232	4,374
Accrued income	<u>2,830</u>	<u>4,146</u>
	<u>21,062</u>	<u>8,520</u>

ACCOUNTING AND FINANCE ASSOCIATION OF AUSTRALIA AND NEW ZEALAND LIMITED
ABN 67 091 255 908

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

	2010	2009
	\$	\$
NOTE 11: PAYABLES		
CURRENT		
<i>Unsecured liabilities</i>		
Trade creditors	4,089	6,104
Sundry creditors and accruals	149,940	97,509
Fees owed to Special Interest Groups	53,417	48,625
Sponsorship income in advance	25,750	-
Fee income in advance	<u>233,180</u>	<u>172,460</u>
	<u><u>466,376</u></u>	<u><u>324,698</u></u>
 NOTE 12: PROVISIONS		
CURRENT		
Employee benefits	(a) 21,115	25,592
Research grants	<u>150,000</u>	<u>150,000</u>
	<u><u>171,115</u></u>	<u><u>175,592</u></u>
NON CURRENT		
Employee benefits	(a) <u>6,040</u>	<u>-</u>
(a) Aggregate employee benefits liability	27,155	25,592
 NOTE 13: OTHER LIABILITIES		
CURRENT		
Deposits payable	<u>4,225</u>	<u>4,225</u>
 NOTE 14: ACCUMULATED SURPLUS		
Retained earnings at the beginning of the financial year	425,930	328,955
Surplus	<u>90,908</u>	<u>96,975</u>
Retained earnings at the end of the financial year	<u><u>516,838</u></u>	<u><u>425,930</u></u>

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

	2010	2009
	\$	\$
NOTE 15: CASH FLOW INFORMATION		
(a) Reconciliation of cash		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position is as follows:		
Cash on hand	350	350
Cash at bank	644,081	440,706
At call deposits with financial institutions	<u>491,840</u>	<u>463,859</u>
	<u><u>1,136,271</u></u>	<u><u>904,915</u></u>
(b) Reconciliation of cash flow from operations with surplus after income tax		
Surplus from ordinary activities after income tax	90,908	96,975
Adjustments and non-cash items		
Depreciation	8,689	10,035
Changes in assets and liabilities		
(Increase) / decrease in receivables	2,376	16,521
Increase / (decrease) in fee income in advance	60,720	6,790
Increase / (decrease) in sponsorship income received in advance	25,750	(15,268)
Increase / (decrease) in payables	54,752	35,793
(Increase) / decrease in prepayments	(13,858)	16,481
(Increase) / decrease in GST receivable	456	4,651
Increase / (decrease) in provisions	<u>1,563</u>	<u>9,264</u>
	<u>140,448</u>	<u>84,267</u>
Cash flows from operating activities	<u><u>231,356</u></u>	<u><u>181,242</u></u>

NOTE 16: CAPITAL AND LEASING COMMITMENTS

(a) Operating lease commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements:

Payable		
- not later than one year	32,754	12,992
- later than one year and not later than five years	<u>121,234</u>	<u>-</u>
	<u><u>153,988</u></u>	<u><u>12,992</u></u>

General description of leasing arrangement

Lease of premises - Level 1, 156 Bouverie Street, CARLTON

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

	2010	2009
	\$	\$

NOTE 17: CONTINGENT LIABILITIES

A contingent liability exists relative to any future claims which may be made against the company.

Estimates of the maximum amounts of contingent liabilities that may become payable:

Guarantee by bank facility	<u>9,768</u>	<u>9,768</u>
	<u>9,768</u>	<u>9,768</u>

During 2009 the Australian Taxation Office (ATO) examined the tax status of the entity and during 2010 advised that it is of the opinion that AFAANZ exists for the purpose of providing benefits to its members.

This result has been appealed and AFAANZ is engaged in negotiations with the ATO in relation to tax exempt status.

Income tax has not been provided for within the financial statements due to the inability to reasonably quantify a taxation liability (if any) owing at the date of this report due to the ongoing negotiations.

NOTE 18: EVENTS SUBSEQUENT TO REPORTING DATE

There has been no matter or circumstance, which has arisen since 31 December 2010 that has significantly affected or may significantly affect:

- (a) the operations, in financial years subsequent to 31 December 2010, of the company, or
- (b) the results of those operations, or
- (c) the state of affairs, in financial years subsequent to 31 December 2010, of the company.

NOTE 19: MEMBERS' GUARANTEE

The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the Constitution states that each member is required to contribute to a maximum of \$10 each towards meeting any outstandings and obligations of the company. At 31 December 2010 the number of members was 850.

NOTE 20: 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

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 12 - 21, are in accordance with the *Corporations Act 2001*:
 - (a) comply with Accounting Standards in Australia and the *Corporations Regulations 2001*; and
 - (b) as stated in Note 1, the financial statements also comply with *International Financial Reporting Standards*; and
 - (c) give a true and fair view of the financial position as at 31 December 2010 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: 

Keryn Chalmers

Director: 

Christine Jubb

Dated this 30th day of March 2011

**ACCOUNTING AND FINANCE ASSOCIATION OF AUSTRALIA AND NEW ZEALAND
LIMITED
ABN 67 091 255 908**

**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 statement of financial position as at 31 December 2010, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply 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. Those 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*.

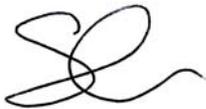
**ACCOUNTING AND FINANCE ASSOCIATION OF AUSTRALIA AND NEW ZEALAND
LIMITED
ABN 67 091 255 908**

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

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 2010 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.



S D WHITCHURCH
Partner



PITCHER PARTNERS
Melbourne

Date 30 March 2011

**ACCOUNTING AND FINANCE ASSOCIATION OF AUSTRALIA AND NEW ZEALAND
LIMITED
ABN 67 091 255 908**

**COMPILATION REPORT AND DISCLAIMER
TO ACCOUNTING AND FINANCE ASSOCIATION OF AUSTRALIA AND NEW ZEALAND
LIMITED**

We have compiled the accompanying additional financial information in accordance with the books and records of Accounting and Finance Association of Australia and New Zealand Limited, which have been subject to auditing procedures applied in our statutory audit of Accounting and Finance Association of Australia and New Zealand Limited for the year ended 31 December 2010.

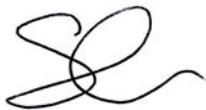
Our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and we give no warranty of accuracy or reliability in respect of the data provided. Neither the firm nor any member or employee of the firm undertakes responsibility 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 or omissions therein however caused.

The responsibility of the directors

The directors of Accounting and Finance Association of Australia and New Zealand Limited are solely responsible for the additional financial data and have determined that it is appropriate to meet their needs.

Our responsibility

Our procedures use accounting expertise to collect, classify and summarise the financial information provided to us, to compile the additional financial data in accordance with *APES 315 Compilation of Financial Information*. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.



S D WHITCHURCH

Partner

Melbourne

ACCOUNTING AND FINANCE ASSOCIATION OF AUSTRALIA AND NEW ZEALAND LIMITED
ABN 67 091 255 908

ADDITIONAL INFORMATION FOR THE MEMBERS
ON THE 2010 FINANCIAL STATEMENTS

TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDING 31 DECEMBER 2010

	2010	2009
	\$	\$
Income		
Sponsorship by professional bodies	164,700	171,268
Conference income	310,906	352,551
Doctoral symposium income	55,098	43,575
Member and institutional fees	260,120	239,651
Interest income	52,286	34,656
Other income including royalties and rent	<u>56,541</u>	<u>42,442</u>
Total income	<u>899,651</u>	<u>884,143</u>
Less expenses		
AFAANZ Representatives	5,810	11,523
Administration costs	26,170	16,221
Audit fees	8,500	15,420
Award expenses	9,341	15,123
Bank charges	13,100	6,214
Conference expenses	249,732	273,772
Depreciation	8,689	10,035
Doctoral symposium expenses	42,814	44,063
Education Project	30,222	10,000
Insurance	3,306	3,769
Journal expenses - accounting and finance	57,861	45,000
Meeting expenses	15,589	14,684
PhD scholarships	45,000	30,000
Professional fees	5,905	17,708
Rent	31,198	30,787
Research grants	154,534	138,208
Salaries and wages	90,510	95,576
Sundry expenses	2,457	800
Superannuation	<u>8,005</u>	<u>8,265</u>
Total expenses	<u>808,743</u>	<u>787,168</u>
Operating surplus before income tax	<u>90,908</u>	<u>96,975</u>

This statement should be read in conjunction with the attached disclaimer.