



**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 2011

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

## TABLE OF CONTENTS

Directors' report .....	1 - 7
Auditor's independence declaration .....	8
Financial report	
Statement of comprehensive income .....	9
Statement of financial position .....	10
Statement of changes in equity .....	11
Statement of cash flows .....	12
Notes to financial statements .....	13 - 23
Directors' declaration .....	24
Independent auditor's report .....	25 - 26
Compilation report and Disclaimer .....	27
Additional information for the members .....	28

**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 2011 and auditor's report thereon.

**Directors names**

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

Jacqueline Birt	Appointed on 1 August 2011
Keryn Chalmers	Retired on 1 August 2011
Mandy Cheng	Appointed on 1 August 2011
Raymond da Silva Rosa	Appointed on 1 August 2011
Paul de Lange	
Robert Faff	Retired on 1 August 2011
David Hay	Retired on 1 August 2011
Christine Jubb	
David Lont	
Robyn Moroney	
Deryl Northcott	Retired on 1 August 2011
Brad Potter	
Cheryl Umoh	Resigned on 1 August 2011
Sue Wright	
Norman Wong	Appointed on 1 August 2011

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 \$70,472 (2010: \$95,700).

**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.

**Principal activities**

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

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

**Company performance**

During 2011, 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 approximately \$150,000 in research grants to eligible employees of institutional members to 26 successful applicants;
- Funding five PhD scholarships;
- Funding two 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 Auditing and Assurance Special Interest Group.

Additionally, AFAANZ continued to build on relationships 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.

**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.

**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.

**Information on directors and company secretary**

**Jacqueline Birt**

Qualifications - BEd, BBus, MBus, PhD, CPA  
Experience - Senior Lecturer, Monash University  
Special responsibilities - AFAANZ Board Member - Co-chair Conference Technical Committee from 1 August 2011  
(Appointed 1 August 2011)

**Keryn Chalmers**

Qualifications - BCom, Post Grad Dip (Applied Finance), PhD, 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  
(Retired on 1 August 2011)

**Mandy Cheng**

Qualifications - PhD, CPA, Grad Dip (Applied Finance), SIA  
Experience - Associate Professor, The University of New South Wales  
Special responsibilities - AFAANZ Board Member - Professions Portfolio  
(Appointed 1 August 2011)

**Raymond Da Silva Rosa**

Qualifications - BCom, PhD  
Experience - Head of Department, Department of Accounting and Finance, The University of Western Australia  
Special Responsibilities - AFAANZ Board Member- Membership/SIGS Portfolio  
(Appointed 1 August 2011)

**DIRECTORS' REPORT**

**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 to 31 July 2011, Education and Research Portfolios

**Robert Faff**

Qualifications - BEc (Hons), MEc, PhD  
Experience - Professor of Finance at the University of Queensland  
Special responsibilities - Editor of AFAANZ journal (Accounting and Finance)  
(Retired on 1 August 2011)

**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 Manager (New Zealand) and Professions Portfolio and President (New Zealand) from 1 August 2009  
(Retired on 1 August 2011)

**Christine Jubb**

Qualifications - BBus (Accounting), Grad Dip Ed, MBA, Grad Dip Sc in App Statistics, PhD (Melb), CPA, CA  
Experience - Research Fellow and Director, 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 - Professor, Department of Accountancy and Finance, University of Otago  
Special responsibilities - AFAANZ Board Member - Research, Professions and External Relationships Portfolios and President (New Zealand) from 1 August 2011

**Robyn Moroney**

Qualifications - BEc Hons, MCom, PhD, CA, CPA  
Experience - 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  
(Retired on 1 August 2011)

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

**DIRECTORS' REPORT**

**Brad Potter**

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

**Cheryl Umoh**

- Qualifications - BA  
Experience - Executive Director and Company Secretary, AFAANZ  
Special responsibilities - AFAANZ Board Member- Executive Director from 15 May 2006  
- Resigned as Board Director from 1 August 2011

**Sue Wright**

- Qualifications - BA (Hons), PhD  
Experience - Associate Professor in the Department of Accounting and Corporate Governance, Macquarie University  
Special responsibilities - AFAANZ Board Member- Research, Professions and External Relationships Portfolio and President (Australia) from 1 August 2011

**Norman Wong**

- Qualifications - BCom, MCom, PhD, CA  
Experience - Associate Professor, The University of Auckland  
Special responsibilities - AFAANZ Board Member- Research Portfolio (Appointed 1 August 2011)

**DIRECTORS' REPORT**

**Meetings of directors**

Note that the five meetings held include two teleconference meetings.

<b>Directors</b>	<b>Directors' meetings</b>	
	Number eligible to attend	Number attended
Jacqueline Birt	2	2
Keryn Chalmers	3	3
Mandy Cheng	2	2
Raymond da Silva Rosa	2	2
Paul de Lange	5	5
Robert Faff	3	2
David Hay	3	3
Christine Jubb	5	5
David Lont	5	4
Robyn Moroney	5	5
Deryl Northcott	3	1
Brad Potter	5	5
Cheryl Umoh	3	3
Sue Wright	5	4
Norman Wong	2	1

**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 2011 the number of members was 823. The combined total amount that members of the company are liable to contribute if the company is wound up is \$8,230.

**Indemnification of officers**

During or since the end of the year, the company has given indemnity or entered an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

Further disclosure required under section 300(9) of the corporations law is prohibited under the terms of the contract.

**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.

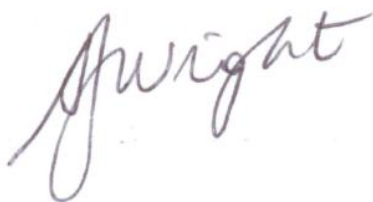


**DIRECTORS' REPORT**

**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



Director: \_\_\_\_\_

Sue Wright



Director: \_\_\_\_\_

Christine Jubb

Dated this 7<sup>th</sup> day of October 2012



**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 2011, 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  
Melbourne

PITCHER PARTNERS

Date: 11 April 2012

**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 2011**

	Note	2011 \$	2010 \$
<b>Revenue</b>			
Service revenue	5	842,110	805,581
Other revenue	5	<u>105,786</u>	<u>108,827</u>
		<u>947,896</u>	<u>914,408</u>
<b>Less: expenses</b>			
Conference expenses		(311,516)	(249,732)
Depreciation and amortisation	6	(1,882)	(8,689)
Employee benefits	6	(111,611)	(98,515)
Research Grants	6	(144,767)	(154,534)
PhD scholarships		(75,000)	(45,000)
Doctoral symposium expenses		(59,634)	(42,814)
Meeting expenses		(17,035)	(15,589)
Administration expenses		(17,331)	(26,170)
Accounting and Finance journal expenses		(43,421)	(57,861)
AFAANZ Reps		(4,045)	(3,310)
Rent expense		(31,198)	(31,198)
Award expenses		(5,500)	(11,841)
Other expenses		<u>(54,484)</u>	<u>(73,455)</u>
		<u>(877,424)</u>	<u>(818,708)</u>
<b>Net surplus from continuing operations</b>		<u>70,472</u>	<u>95,700</u>
<b>Surplus for the year</b>		<u>70,472</u>	<u>95,700</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 2011**

	Note	2011 \$	2010 \$	2009 \$
<b>Current assets</b>				
Cash and cash equivalents	8	1,089,450	1,136,271	904,915
Trade and other receivables	9	9,610	2,440	3,500
Other assets	11	<u>38,921</u>	<u>21,062</u>	<u>8,520</u>
<b>Total current assets</b>		<u>1,137,981</u>	<u>1,159,773</u>	<u>916,935</u>
<b>Non-current assets</b>				
Plant and equipment	10	<u>5,770</u>	<u>4,821</u>	<u>13,510</u>
<b>Total non-current assets</b>		<u>5,770</u>	<u>4,821</u>	<u>13,510</u>
<b>Total assets</b>		<u>1,143,751</u>	<u>1,164,594</u>	<u>930,445</u>
<b>Current liabilities</b>				
Trade and other payables	12	313,627	412,959	276,073
Provisions	13	175,496	171,115	175,592
Other liabilities	14	<u>4,225</u>	<u>4,225</u>	<u>4,225</u>
<b>Total current liabilities</b>		<u>493,348</u>	<u>588,299</u>	<u>455,890</u>
<b>Non-current liabilities</b>				
Provisions	13	<u>9,676</u>	<u>6,040</u>	<u>-</u>
<b>Total non-current liabilities</b>		<u>9,676</u>	<u>6,040</u>	<u>-</u>
<b>Total liabilities</b>		<u>503,024</u>	<u>594,339</u>	<u>455,890</u>
<b>Net assets</b>		<u>640,727</u>	<u>570,255</u>	<u>474,555</u>
<b>Equity</b>				
Accumulated surplus	15	<u>640,727</u>	<u>570,255</u>	<u>474,555</u>
<b>Total equity</b>		<u>640,727</u>	<u>570,255</u>	<u>474,555</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 2011

	<b>Accumulated Surplus \$</b>	<b>Total equity \$</b>
<b>Balance as at 1 January 2010</b>	474,555	474,555
Surplus for the year	<u>95,700</u>	<u>95,700</u>
<b>Total comprehensive income for the year</b>	<u>95,700</u>	<u>95,700</u>
<b>Balance as at 31 December 2010</b>	<u>570,255</u>	<u>570,255</u>
<b>Balance as at 1 January 2011</b>	570,255	570,255
Surplus for the year	<u>70,472</u>	<u>70,472</u>
<b>Total comprehensive income for the year</b>	<u>70,472</u>	<u>70,472</u>
<b>Balance as at 31 December 2011</b>	<u>640,727</u>	<u>640,727</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 2011**

	Note	2011 \$	2010 \$
<b>Cash flow from operating activities</b>			
Cash receipts in the course of operations		204,645	331,204
Sponsorship by professional accounting bodies		168,653	190,450
Conference income		360,658	310,906
Other cash inflows		174,477	103,651
Interest received		58,848	52,286
Cash payments in the course of operations		(949,236)	(696,552)
PhD scholarships		(45,000)	(45,000)
Payments for executive expenses		<u>(17,035)</u>	<u>(15,589)</u>
<b>Net cash provided by / (used in) operating activities</b>	16(b)	<u>(43,990)</u>	<u>231,356</u>
<b>Cash flow from investing activities</b>			
Payment for plant and equipment		<u>(2,831)</u>	<u>-</u>
<b>Net cash used in investing activities</b>		<u>(2,831)</u>	<u>-</u>
<b>Reconciliation of cash</b>			
Cash at beginning of the financial year		1,136,271	904,915
Net increase / (decrease) in cash held		<u>(46,821)</u>	<u>231,356</u>
<b>Cash at end of financial year</b>	16(a)	<u>1,089,450</u>	<u>1,136,271</u>

The accompanying notes form part of these financial statements.

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2011**

**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 authorised for issue by the directors on 5 April 2012.

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**

*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 services 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 2011

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**(c) Income tax**

During the year the Australian Taxation Office issued an endorsement for charity concessions, providing an exemption to income tax under subdivision 50-B of the *Income Tax Assessment Act 1997*. Thus, no provision for income tax has been raised by the company.

**(d) 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.

**(e) 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.



NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2011

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

**(e) Plant and equipment (Continued)**

*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.

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

**(f) 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.

**(g) 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.

**(h) Comparatives**

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

**(i) 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 out flow of economic benefits will result and that outflow can be reliably measured.

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2011**

**NOTE 2: CORRECTION OF ERROR**

During the year it was identified that the liability relating to the Fees owing to Special Interest Groups (current liability) had been incorrectly recorded. The income and expenditure relating to the Special Interest Groups was previously reallocated from the statement of comprehensive income to this liability. A Special Interest Group is not a separate legal entity and therefore the reallocation of the net surplus of these groups to a current liability account should not have been processed.

The correction of this error was made retrospectively by adjusting the liability balance as at 31 December 2010, noting a corresponding movement in accumulated surplus for the previously unrecognised surplus relating to the Special Interest Groups.

The total impact on the financial statements of the correction of errors is detailed below:

	<b>Prior period 31 December 2010 \$</b>	<b>Impact of errors \$</b>	<b>Restated 31 December 2010 \$</b>
<b>Statement of Financial Position</b>			
Current assets			
Cash and cash equivalents	1,136,271	-	1,136,271
Trade and other receivables	2,440	-	2,440
Other assets	<u>21,062</u>	-	<u>21,062</u>
Total current assets	<u>1,159,773</u>	-	<u>1,159,773</u>
Non-current assets			
Plant and equipment	<u>4,821</u>	-	<u>4,821</u>
Total non-current assets	<u>4,821</u>	-	<u>4,821</u>
Total assets	<u>1,164,594</u>	-	<u>1,164,594</u>
Current liabilities			
Trade and other payables	466,376	(53,417)	412,959
Provisions	171,115	-	171,115
Other liabilities	<u>4,225</u>	-	<u>4,225</u>
Total current liabilities	<u>641,716</u>	<u>(53,417)</u>	<u>588,299</u>
Non-current liabilities			
Provisions	<u>6,040</u>	-	<u>6,040</u>
Total non-current liabilities	<u>6,040</u>	-	<u>6,040</u>
Total liabilities	<u>647,756</u>	-	<u>594,339</u>
Net assets	<u>516,838</u>	<u>53,417</u>	<u>570,255</u>
Accumulated surplus	<u>516,838</u>	<u>53,417</u>	<u>570,255</u>

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2011**

	<b>Prior period 31 December 2010 \$</b>	<b>Impact of errors \$</b>	<b>Restated 31 December 2010 \$</b>
<b>Statement of Comprehensive Income</b>			
Service revenue	790,824	14,757	805,581
Other expenses	<u>63,490</u>	<u>9,965</u>	<u>73,455</u>
Net surplus from continuing operations	<u>90,908</u>	<u>4,792</u>	<u>95,700</u>

**NOTE 3: 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 4: 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:

<b>2011 Financial instruments</b>	<b>Interest bearing \$</b>	<b>Non-interest bearing \$</b>	<b>Total carrying amount \$</b>	<b>Weighted average effective interest rate</b>
<i>Financial assets</i>				
Cash	1,070,077	19,373	1,089,450	5.6 %
Other receivables	<u>-</u>	<u>9,610</u>	<u>9,610</u>	0.0 %
	<u>1,070,077</u>	<u>28,983</u>	<u>1,099,060</u>	

NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 DECEMBER 2011

NOTE 4: FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Interest rate risk (Continued)

Financial instruments	Interest bearing	Non-interest bearing	Total carrying amount	Weighted average effective interest rate
	\$	\$	\$	
<i>Financial liabilities</i>				
Creditors	-	1,131	1,131	0.0 %
Other payables	-	312,496	312,496	0.0 %
	<u>-</u>	<u>313,627</u>	<u>313,627</u>	
<b>2010</b>				
<i>Financial assets</i>				
Cash	1,135,921	350	1,136,271	5.9 %
Debtors	-	220	220	0.0 %
Other receivables	-	2,220	2,220	0.0 %
	<u>1,135,921</u>	<u>2,790</u>	<u>1,138,711</u>	
<i>Financial liabilities</i>				
Creditors	-	4,089	4,089	0.0 %
Other payables	-	408,870	408,870	0.0 %
	<u>-</u>	<u>412,959</u>	<u>412,959</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.

	2011	2010
	\$	\$
<b>NOTE 5: REVENUE</b>		
Rendering of services	842,110	805,581
Other revenue		
Interest income	64,915	52,286
Other revenue	<u>40,871</u>	<u>56,541</u>
	<u>105,786</u>	<u>108,827</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 2011**

	<b>2011</b>	<b>2010</b>
	\$	\$

**NOTE 6: OPERATING SURPLUS**

Surplus / (deficit) has been determined after:

Depreciation	1,882	8,689
Research grant expenditure	144,767	154,534
Employee benefits	111,611	98,515
Auditor's remuneration - audit fees	8,500	8,500

**NOTE 7: KEY MANAGEMENT PERSONNEL COMPENSATION**

- short-term employee benefits	92,794	86,347
- other	<u>15,000</u>	<u>15,000</u>
	<u><u>107,794</u></u>	<u><u>101,347</u></u>

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

<b>Name</b>	<b>Appointment / resignation details</b>
Jacqueline Birt	Appointed on 1 August 2011
Keryn Chalmers	Retired on 1 August 2011
Mandy Cheng	Appointed on 1 August 2011
Raymond da Silva Rosa	Appointed on 1 August 2011
Paul de Lange	
Robert Faff	Retired on 1 August 2011
David Hay	Retired on 1 August 2011
Christine Jubb	
David Lont	
Robyn Moroney	
Deryl Northcott	Retired on 1 August 2011
Brad Potter	
Cheryl Umoh	Resigned on 1 August 2011
Sue Wright	
Norman Wong	Appointed on 1 August 2011

**NOTE 8: CASH AND CASH EQUIVALENTS**

Cash on hand	350	350
Cash at bank	45,513	644,081
Cash on deposit	<u>1,043,587</u>	<u>491,840</u>
	<u><u>1,089,450</u></u>	<u><u>1,136,271</u></u>

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2011**

	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 9: RECEIVABLES</b>		
<b>CURRENT</b>		
Trade debtors	-	220
Other receivables	<u>9,610</u>	<u>2,220</u>
	<u><u>9,610</u></u>	<u><u>2,440</u></u>

**NOTE 10: PLANT AND EQUIPMENT**

<b>Plant and equipment</b>		
Plant and equipment at cost	68,435	65,605
Accumulated depreciation	<u>(62,665)</u>	<u>(60,784)</u>
	<u>5,770</u>	<u>4,821</u>
Total property, plant and equipment	<u><u>5,770</u></u>	<u><u>4,821</u></u>

**(a) Reconciliations**

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

<i>Plant and equipment</i>		
Opening carrying amount	4,821	13,510
Additions	2,831	-
Depreciation expense	<u>(1,882)</u>	<u>(8,689)</u>
Closing carrying amount	<u><u>5,770</u></u>	<u><u>4,821</u></u>

**NOTE 11: OTHER ASSETS**

<b>CURRENT</b>		
Prepayments	30,130	18,232
Accrued income	<u>8,791</u>	<u>2,830</u>
	<u><u>38,921</u></u>	<u><u>21,062</u></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 2011**

	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 12: PAYABLES</b>		
CURRENT		
<i>Unsecured liabilities</i>		
Trade creditors	1,131	4,089
GST credits	3,177	7,082
Accrued expenses	100,059	136,667
Other current liabilities	6,112	6,191
Sponsorship income in advance	7,798	25,750
Fee income in advance	<u>195,350</u>	<u>233,180</u>
	<u><u>313,627</u></u>	<u><u>412,959</u></u>
<b>NOTE 13: PROVISIONS</b>		
CURRENT		
Employee benefits	(a) 25,496	21,115
Research grants	<u>150,000</u>	<u>150,000</u>
	<u><u>175,496</u></u>	<u><u>171,115</u></u>
NON CURRENT		
Employee benefits	(a) <u>9,676</u>	<u>6,040</u>
(a) Aggregate employee benefits liability	35,172	27,155
<b>NOTE 14: OTHER LIABILITIES</b>		
CURRENT		
Deposits payable	<u>4,225</u>	<u>4,225</u>
<b>NOTE 15: ACCUMULATED SURPLUS</b>		
Accumulated surplus at the beginning of the financial year	570,255	474,555
Surplus for the year	<u>70,472</u>	<u>95,700</u>
Accumulated surplus at the end of the financial year	<u><u>640,727</u></u>	<u><u>570,255</u></u>

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2011**

	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 16: CASH FLOW INFORMATION</b>		
<b>(a) Reconciliation of cash</b>		
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	45,513	644,081
At call deposits with financial institutions	<u>1,043,587</u>	<u>491,840</u>
	<u><b>1,089,450</b></u>	<u><b>1,136,271</b></u>
<b>(b) Reconciliation of cash flow from operations with surplus</b>		
Surplus from ordinary activities	70,472	95,700
<b>Adjustments and non-cash items</b>		
Depreciation	1,882	8,689
<b>Changes in assets and liabilities</b>		
(Increase) / decrease in receivables	(13,131)	2,376
Increase / (decrease) in fee income in advance	(37,830)	60,720
Increase / (decrease) in sponsorship income received in advance	(17,952)	25,750
Increase / (decrease) in payables	(39,645)	49,960
(Increase) / decrease in prepayments	(11,898)	(13,858)
(Increase) / decrease in GST receivable	(3,905)	456
Increase / (decrease) in provisions	<u>8,017</u>	<u>1,563</u>
	<u>(114,462)</u>	<u>135,656</u>
Cash flows from operating activities	<u><b>(43,990)</b></u>	<u><b>231,356</b></u>

**NOTE 17: CAPITAL AND LEASING COMMITMENTS**

Operating lease commitments

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

Payable		
- not later than one year	33,900	32,754
- later than one year and not later than five years	<u>86,749</u>	<u>121,234</u>
	<u><b>120,649</b></u>	<u><b>153,988</b></u>

Lease of premises - Level 1, 156 Bouverie Street, Carlton.



NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2011

	2011	2010
	\$	\$

**NOTE 18: 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>

**NOTE 19: EVENTS SUBSEQUENT TO REPORTING DATE**

There has been no matter or circumstance, which has arisen since 31 December 2011 that has significantly affected or may significantly affect:

- (a) the operations, in financial years subsequent to 31 December 2011, of the company, or
- (b) the results of those operations, or
- (c) the state of affairs, in financial years subsequent to 31 December 2011, of the company.

**NOTE 20: 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 2011 the number of members was 823.

**NOTE 21: COMPANY DETAILS**

The registered office of the company is:

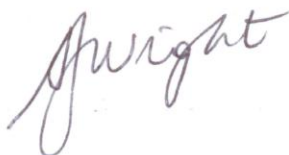
Accounting and Finance Association of Australia and New Zealand Limited  
Level 1  
156 Bouverie St  
CARLTON VIC 3053

**DIRECTORS' DECLARATION**

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 13 - 23, 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 2011 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: \_\_\_\_\_  
Christine Jubb

Dated this 7<sup>th</sup> day of February 2012



**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 2011, the statement of comprehensive income, statement of changes in equity and 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. 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 company's preparation of the financial report that gives a true and fair view 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 company'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, the financial report of Accounting and Finance Association of Australia and New Zealand Limited is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the company's financial position as at 31 December 2011 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.



S D WHITCHURCH

Partner

Date 11 April 2012



PITCHER PARTNERS

Melbourne

**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 2011.

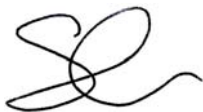
Our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and we give no warranty of accuracy or reliability in respect of the data provided. Neither the firm nor any member or employee of the firm undertakes responsibility 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 2011 FINANCIAL STATEMENTS**

**TRADING AND SURPLUS AND DEFICIT ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2011**

	<b>2011</b>	<b>2010</b>
	\$	\$
<b>Income</b>		
Sponsorship by professional bodies	169,641	164,700
Conference income	327,871	310,906
Doctoral symposium income	55,224	55,098
Member and institutional fees	267,000	260,120
SIG fees	22,374	14,757
Interest income	64,915	52,286
Other income including royalties and rent	<u>40,871</u>	<u>56,541</u>
<b>Total income</b>	<u><b>947,896</b></u>	<u><b>914,408</b></u>
<b>Less expenses</b>		
AFAANZ Representatives	4,045	3,310
Administration costs	17,331	26,170
Audit fees	8,500	8,500
Award expenses	5,500	11,841
Bank charges	12,688	13,098
Conference expenses	311,516	249,732
Depreciation	1,882	8,689
Doctoral symposium expenses	59,634	42,814
Education Project	-	30,222
Insurance	3,670	3,306
Journal expenses - accounting and finance	43,421	57,861
Meeting expenses	17,035	15,589
PhD scholarships	75,000	45,000
Professional fees	659	5,905
Rent	31,198	31,198
Research grants	144,767	154,534
Salaries and wages	103,105	90,510
SIG expenses	27,075	9,967
Sundry expenses	1,892	2,457
Superannuation	<u>8,506</u>	<u>8,005</u>
<b>Total expenses</b>	<u><b>877,424</b></u>	<u><b>818,708</b></u>
<b>Operating surplus</b>	<u><b>70,472</b></u>	<u><b>95,700</b></u>

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