



PITCHER PARTNERS

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

Financial Report
For the year ended 31 December
2005

Pitcher Partners
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ACCOUNTING AND FINANCE ASSOCIATION OF AUSTRALIA AND NEW ZEALAND LTD
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 Ltd for the financial year ended 31 December 2005 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 financial year are:

Bruce Bennett (Resigned 31 May 2005)

Barry Cooper

Keitha Dunstan

Ian Eggleton

Robert Faff

Colin Ferguson (Resigned 31 May 2005)

Philip Gray

Bryan Howieson

Louise Kloot (Resigned 31 May 2005)

Effie Margiolis

Jennifer Stewart

Keryn Chalmers (Appointed 5 July 2005)

David Hay (Appointed 25 May 2005)

Sue Wright (Appointed 25 May 2005)

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

Results

The profit of the company for the financial year after providing for income tax amounted to \$93,039.

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.

Principal Activities

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

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

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 financial year. No recommendation for payment of dividends has been made.

Information on Directors

Bruce Bennett

- Qualifications - MCom, CA, FCCM/FCIS
- Experience - Head of School of Accountancy, Law and Finance at Unitec (New Zealand)
- Special Responsibilities - AFAANZ Board Member - President New Zealand, appointed 13 May 2003

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)

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 June 2005

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)

DIRECTORS' REPORT (cont'd)

INFORMATION ON DIRECTORS (Continued)

Robert Faff

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

Colin Ferguson

- Qualifications - DipBus, DipEd, BBus, MEc, GradDipComp, PhD FCPA, MACS, AAIM, CA
Experience - Professor in the Department of Accounting and Business Information Systems, The University of Melbourne
Special Responsibilities - AFAANZ Board Member - President Australia from 13 May 2004

Philip Gray

- Qualifications - BCom, MBus, PhD
Experience - Associate Professor in School of Business at University of Queensland
Special Responsibilities - AFAANZ Board Member - Chairman, 2005 AFAANZ Conference Technical Committee

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 June 2005

Louise Kloot

- Qualifications - BA, BBus, MCom, PhD, FCPA, FAIBF
Experience - Professor in Accounting at Swinburne University
Special Responsibilities - AFAANZ Board Member - Education Portfolio

Effie Margiolis

- Qualifications - BA, Grad,DipEd, MAICD
Experience - Executive Director AFAANZ
Special Responsibilities - AFAANZ Board Member - Executive Director from 13 May 2003

Jennifer Stewart

- Qualifications - BBS, MEc, PhD, CPA
Experience - Professor, Griffith University, Griffith Business School, Department of Accounting, Finance and Economics
Special Responsibilities - AFAANZ Board Member - Co-Chairman 2006 Conference Technical Committee

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

INFORMATION ON DIRECTORS (Continued)

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

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-Chairman 2006 Conference Technical Committee

Sue Wright

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

Meetings of Directors

DIRECTORS	DIRECTORS' MEETINGS	
	Number eligible to attend	Number attended
Bruce Bennett (Resigned 31 May 2005)	1	1
Barry Cooper	3	2
Keitha Dunstan	3	3
Ian Eggleton	3	3
Robert Faff	3	2
Colin Ferguson (Resigned 31 May 2005)	1	1
Philip Gray	3	2
Bryan Howieson	3	3
Louise Kloot (Resigned 31 May 2005)	1	1
Effie Margiolis	3	3
Jennifer Stewart	3	2
Keryn Chalmers (Appointed 5 July 2005)	2	2
David Hay (Appointed 25 May 2005)	2	2
Sue Wright (Appointed 25 May 2005)	2	2

Options

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

DIRECTORS' REPORT (cont'd)

No director has received or become entitled to receive during or since the financial year, an interest because of a contract made by the company or a related entity with the director, a firm of which the director is a member, or an entity in which the director has a substantial financial interest other than the interests as disclosed in the notes to and forming part of the accounts. This statement excludes an interest included in the aggregate amount of emoluments received or due and receivable by directors shown in the company's accounts, or the fixed salary of a full-time employee of the company or related entity.

Indemnification of Officer

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

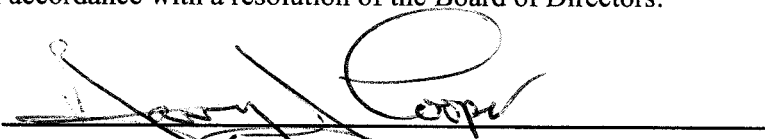
Proceedings on Behalf of the Company

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



Barry Cooper

Director



Keryn Chalmers

Dated this 10 day of April 2006

AUDITOR'S INDEPENDENCE DECLARATION

To the Directors of Accounting and Finance Association of Australia and New Zealand Ltd

In relation to the independent audit for the year ended 31 December 2005, 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.

PITCHER PARTNERS



M J LANGHAMMER

Partner

Melbourne 15/12/2005 2006

ACCOUNTING AND FINANCE ASSOCIATION OF AUSTRALIA AND NEW ZEALAND LTD
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INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2005

	Notes	2005	2004
		\$	\$
Revenue		846,829	652,316
Employee benefits expense		(61,200)	(83,539)
Depreciation and amortisation expenses	3	(4,426)	(2,103)
Conference expenses		(311,471)	(212,093)
Research Grants		(123,500)	(110,150)
Newsletter expenses		(5,110)	(8,765)
Accounting history journal expenses		(27,366)	(28,909)
PhD scholarships		(30,000)	(30,000)
Doctoral colloquium (consortium) expenses		(45,254)	(31,378)
Executive meetings		(22,819)	(18,619)
Printing and stationery		(17,934)	(16,504)
Accounting and Finance journal expenses		(31,100)	(36,219)
Other expenses from ordinary activities		<u>(73,610)</u>	<u>(33,147)</u>
		<u>(753,790)</u>	<u>(611,426)</u>
Profit before income tax expense (income tax benefit)		93,039	40,890
Income tax benefit (income tax expense)	1(e)	<u>-</u>	<u>-</u>
Profit from continuing operations		<u><u>93,039</u></u>	<u><u>40,890</u></u>

The accompanying notes form part of these financial statements.

ACCOUNTING AND FINANCE ASSOCIATION OF AUSTRALIA AND NEW ZEALAND LTD
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BALANCE SHEET
AS AT 31 DECEMBER 2005

	Notes	2005	2004
		\$	\$
CURRENT ASSETS			
Cash assets	5	444,044	412,157
Receivables	6	10,323	3,766
Other	7	<u>9,605</u>	<u>32,602</u>
TOTAL CURRENT ASSETS		<u>463,972</u>	<u>448,525</u>
NON-CURRENT ASSETS			
Property, plant and equipment	8	<u>50,596</u>	<u>3,257</u>
TOTAL NON-CURRENT ASSETS		<u>50,596</u>	<u>3,257</u>
TOTAL ASSETS		<u>514,568</u>	<u>451,782</u>
CURRENT LIABILITIES			
Payables	9	190,124	233,387
Provisions	10	141,770	129,922
Other	11	<u>1,162</u>	<u>-</u>
TOTAL CURRENT LIABILITIES		<u>333,056</u>	<u>363,309</u>
TOTAL LIABILITIES		<u>333,056</u>	<u>363,309</u>
NET ASSETS		<u>181,512</u>	<u>88,473</u>
EQUITY			
Retained profits		<u>181,512</u>	<u>88,473</u>
TOTAL EQUITY	12	<u>181,512</u>	<u>88,473</u>

The accompanying notes form part of these financial statements.

ACCOUNTING AND FINANCE ASSOCIATION OF AUSTRALIA AND NEW ZEALAND LTD
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2005

	Notes	2005	2004
		\$	\$
Total equity at the beginning of the financial year		<u>88,473</u>	<u>47,583</u>
Profit for the year		<u>93,039</u>	<u>40,890</u>
Total recognised income and expense for the year		<u>93,039</u>	<u>40,890</u>
Total equity at the end of the financial year		<u><u>181,512</u></u>	<u><u>88,473</u></u>

The accompanying notes form part of these financial statements.

ACCOUNTING AND FINANCE ASSOCIATION OF AUSTRALIA AND NEW ZEALAND LTD
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2005

	Notes	2005	2004
		\$	\$
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts in the course of operations		185,004	257,900
Cash payments in the course of operations		(659,747)	(510,283)
Sponsorship by accounting professional bodies		122,573	119,700
Other cash inflows		464,988	314,590
Payments to memberships - PhD scholarships & AAA consortium		(30,000)	(30,000)
Payments for executive expenses		(22,819)	(21,293)
Interest received		23,653	12,546
Payments to special interest groups		<u>-</u>	<u>(7,653)</u>
Net cash provided by operating activities	15 (b)	<u>83,652</u>	<u>135,507</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		<u>(51,765)</u>	<u>-</u>
Net cash used in investing activities		<u>(51,765)</u>	<u>-</u>
Net increase in cash held		31,887	135,507
Cash at beginning of financial year		<u>412,157</u>	<u>276,650</u>
Cash at end of financial year	15 (a)	<u>444,044</u>	<u>412,157</u>

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005

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 Consensus Views 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 Ltd as an individual entity. Accounting and Finance Association of Australia and New Zealand Ltd is a company limited by shares, incorporated and domiciled in Australia.

This is the first financial report of Accounting and Finance Association of Australia and New Zealand Ltd prepared in accordance with Australian Equivalents of International Financial Reporting Standards (AIFRS). The financial reports of Accounting and Finance Association of Australia and New Zealand Ltd were prepared in accordance with the previous Australian Generally Accepted Accounting Principles (AGAAP) until 31 December 2004. There are certain differences between the accounting policies under AIFRS and AGAAP and where applicable the comparative figures have been restated to reflect these adjustments. The significant accounting policies under AIFRS are provided below. Reconciliations of equity and operating profit/loss between AGAAP and AIFRS are provided under note 17.

The financial report has been prepared on an accruals basis and is based on historical costs. It does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair value of the consideration given in exchange for assets.

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

(a) Property, Plant and Equipment

Each class of property, 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 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 %	Diminishing Value
Furniture, Fixtures and Fittings	20 %	Straight Line

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at their nominal amount. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

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

(c) Comparative Figures

Due to the first-time adoption of AIFRS, comparatives have been reclassified and repositioned through retrospective application of AIFRS to the previous year results so as to achieve consistency with current year disclosure.

(d) Revenue

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.

(e) Income Tax

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005

	Note	2005 \$	2004 \$
NOTE 2: REVENUE			
Operating activities			
- rendering of services		797,540	622,707
- royalties		16,017	7,588
- interest	2(a)	21,398	14,444
- other revenue		<u>11,874</u>	<u>7,577</u>
Total Revenue		<u><u>846,829</u></u>	<u><u>652,316</u></u>
 (a) Interest from:			
- other persons		<u>21,398</u>	<u>14,444</u>
		<u><u>21,398</u></u>	<u><u>14,444</u></u>

NOTE 3: PROFIT FROM ORDINARY ACTIVITIES

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

Expenses:

Depreciation of non-current assets

- Plant & equipment

4,426 2,103

Remuneration of the auditors for:

- audit services

3,570 3,500

3,570 3,500

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005

	Note	2005 \$	2004 \$
NOTE 4: REMUNERATION AND RETIREMENT BENEFITS			
Income paid or payable to all directors of the company by the company and any related parties		54,075	56,835
Number of directors whose income from the company or any related parties was within the following bands:			
		No	No
\$0 - \$9,999		14	11
\$50,000 - \$59,999		1	1

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

Bruce Bennett
 Barry Cooper
 Keitha Dunstan
 Ian Eggleton
 Robert Faff
 Colin Ferguson
 Philip Gray
 Bryan Howieson
 Louise Kloot
 Effie Margiolis
 Jennifer Stewart
 Keryn Chalmers
 David Hay
 Sue Wright

NOTE 5: CASH ASSETS

Cash at bank		74,151	58,029
Cash on deposit		<u>369,893</u>	<u>354,128</u>
		<u>444,044</u>	<u>412,157</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005

	Note	2005 \$	2004 \$
NOTE 6: RECEIVABLES			
CURRENT			
Trade debtors		-	1,393
Deposits paid		2,220	-
Interest receivable		-	2,255
GST Receivable		<u>8,103</u>	<u>118</u>
		<u>10,323</u>	<u>3,766</u>

NOTE 7: OTHER ASSETS

CURRENT			
Prepayments		7,155	23,602
Other current assets		<u>2,450</u>	<u>9,000</u>
		<u>9,605</u>	<u>32,602</u>

NOTE 8: PLANT AND EQUIPMENT

Plant and Equipment

Plant and equipment			
At cost		67,558	15,793
Less accumulated depreciation		<u>(16,962)</u>	<u>(12,536)</u>
		<u>50,596</u>	<u>3,257</u>

(a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year

	Plant & equipment \$
2005	
Balance at the beginning of the year	3,257
Additions	51,765
Depreciation expense	<u>(4,426)</u>
Carrying amount at end of year	<u>50,596</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005

	Note	2005 \$	2004 \$
NOTE 9: PAYABLES			
CURRENT			
<i>Unsecured liabilities</i>			
Trade creditors		19,303	13,904
Fees owed to SIG's		36,605	5,562
PhD Scholarships		-	30,000
Accruals		10,459	10,657
Sponsorships in advance		61,287	59,850
Fees in advance		<u>62,470</u>	<u>113,414</u>
		<u>190,124</u>	<u>233,387</u>
 NOTE 10: PROVISIONS			
CURRENT			
Employee benefits	(a)	21,770	29,922
Research grants		<u>120,000</u>	<u>100,000</u>
		<u>141,770</u>	<u>129,922</u>
 (a) Aggregate employee benefits liability		<u>21,770</u>	<u>29,922</u>
 NOTE 11: OTHER LIABILITIES			
CURRENT			
Deposits payable		<u>1,162</u>	<u>-</u>
		<u>1,162</u>	<u>-</u>
 NOTE 12: EQUITY			
Total equity at the beginning of the financial year		88,473	47,583
Total changes in equity recognised in the Statement of Financial Performance		<u>93,039</u>	<u>40,890</u>
Total equity at the reporting date		<u>181,512</u>	<u>88,473</u>

ACCOUNTING AND FINANCE ASSOCIATION OF AUSTRALIA AND NEW ZEALAND LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005

	Note	2005 \$	2004 \$
NOTE 13: 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		27,261	-
- later than one year and not later than five years		<u>97,834</u>	<u>-</u>
		<u>125,095</u>	<u>-</u>
NOTE 14: CONTINGENT LIABILITIES			
Estimates of the maximum amounts of contingent liabilities that may become payable:			
Guarantee by bank facility		<u>9,768</u>	<u>-</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005

	Note	2005 \$	2004 \$
NOTE 15: CASH FLOW INFORMATION			
(a) Reconciliation of cash			
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 statement of financial position as follows:			
Cash at bank		74,151	58,029
Deposits at call		<u>369,893</u>	<u>354,128</u>
		444,044	412,157
(b) Reconciliation of cash flow from operations with profit from ordinary activities after income tax			
Profit from ordinary activities after income tax		93,039	40,890
Non-cash flows in profit from ordinary activities			
Depreciation		4,426	2,103
Changes in assets and liabilities			
(Increase)/decrease in receivables		7,978	6,230
(Increase)/decrease in prepayments		16,447	(17,701)
Increase/(decrease) in provisions		11,848	33,265
Increase/(decrease) in payables		37,406	(7,600)
Increase/(decrease) in unearned income		(49,507)	46,190
Increase/(decrease) in PhD scholarships payable		(30,000)	30,000
Increase/(decrease) in GST receivable		<u>(7,985)</u>	<u>2,130</u>
Cash flows from operations		<u><u>83,652</u></u>	<u><u>135,507</u></u>

NOTE 16: 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:

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005

NOTE 16: FINANCIAL INSTRUMENTS (Continued)

2005			
Financial Instruments	Non-interest bearing	Total carrying amount as per the balance sheet	Weighted average effective interest rate
	\$	\$	%
<i>(i) Financial assets</i>			
Cash	444,044	444,044	6.1
Total financial assets	<u>444,044</u>	<u>444,044</u>	

2005			
Financial Instruments	Non-interest bearing	Total carrying amount as per the balance sheet	Weighted average effective interest rate
	\$	\$	%
<i>(ii) Financial liabilities</i>			
Trade creditors	19,303	19,303	-
Total financial liabilities	<u>19,303</u>	<u>19,303</u>	

2004			
Financial Instruments	Non-interest bearing	Total carrying amount as per the balance sheet	Weighted average effective interest rate
	\$	\$	%
<i>(iii) Financial assets</i>			
Cash	412,157	412,157	5.0
Trade and other receivables	3,648	3,648	-
Total financial assets	<u>415,805</u>	<u>415,805</u>	

2004			
Financial Instruments	Non-interest bearing	Total carrying amount as per the balance sheet	Weighted average effective interest rate
	\$	\$	%
<i>(iv) Financial liabilities</i>			
Trade creditors	13,904	13,904	-
Total financial liabilities	<u>13,904</u>	<u>13,904</u>	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005

NOTE 16: FINANCIAL INSTRUMENTS (Continued)

(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 statement of financial position 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 statement of financial position and notes to the financial statements.

NOTE 17 RECONCILIATION OF REPORTED AMOUNTS UNDER AUSTRALIAN
ACCOUNTING STANDARDS TO AIFRS

(a) Reconciliation of Total Equity at 1 January 2004

Total equity at 1 January 2004:	Note	\$
As reported under Australian Accounting Standards		<u>47,583</u>
Total equity at 1 January 2004 as restated under AIFRSs		<u><u>47,583</u></u>

(b) Reconciliation of Operating Profit after Tax for the year ended 31 December 2004

Operating profit after tax for the financial year to 31 December 2004:	Note	\$
As reported under Australian Accounting Standards		<u>40,890</u>
Operating profit after tax as restated under AIFRS for the year ended 31 December 2004		<u><u>40,890</u></u>

(c) Reconciliation of Total Equity at 31 December 2004

Total equity at 31 December 2004:	Note	\$
As reported under Australian Accounting Standards		<u>88,473</u>
Total equity at 31 December 2004 as restated under AIFRS		<u><u>88,473</u></u>

(d) Explanation of changes in accounting policy arising on first-time adoption of AIFRS

There has no material impact resulting from the adoption of AIFRS.

NOTE 18: 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 2005 the number of members was 558 (2004: 564).

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005

NOTE 19: COMPANY DETAILS

The registered office of the company is:

Accounting and Finance Association of Australia and New
Zealand Ltd

Level 1

156 Bouverie Street

CARLTON VIC 3053


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

DIRECTORS' DECLARATION


The directors of the company declare that:

1. The financial statements and notes, as set out on pages 7 to 21, 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 2005 and performance for the financial 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 

Barry Cooper

Director 

Keryn Chalmers

Dated this 10th day of April 2006

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

INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF
ACCOUNTING AND FINANCE ASSOCIATION OF AUSTRALIA AND NEW ZEALAND LTD

Scope

We have audited the financial report of Accounting and Finance Association of Australia and New Zealand Ltd for the financial year ended 31 December 2005 comprising the Directors' Declaration, Income Statement, Balance Sheet, Statement of Cash Flows and notes to the financial statements.

The company's directors are responsible for the financial report. We have conducted an independent audit of this financial report in order to express an opinion on it to the members of the company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia and Corporations Act 2001 so as to present a view which is consistent with our understanding of the company's financial position and performance as represented by the results of their operations and their cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion, the financial report of Accounting and Finance Association of Australia and New Zealand Ltd is in accordance with:

- (a) the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the company's financial position as at 31 December 2005 and of its performance for the financial year ended on that date; and
 - (ii) complying with Accounting Standards in Australia and the *Corporations Regulations 2001*; and
- (b) other mandatory professional requirements in Australia.


PITCHER PARTNERS


M J LANGHAMMER
Partner

Melbourne 10 April 2006

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

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

The additional financial data presented on pages 25 - 26 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 financial year ended 31 December 2005. 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 Ltd) in respect of such data, including any errors of omissions therein however caused.



PITCHER PARTNERS



M J LANGHAMMER
Partner

Melbourne *12 April* 2006

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

ADDITIONAL INFORMATION FOR THE MEMBERS
ON THE 2005 FINANCIAL STATEMENTS

TRADING AND PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2005

	2005	2004
	\$	\$
INCOME		
Sponsorship by professional bodies	121,136	116,850
Conference income	384,802	232,833
Journal - Accounting History income	35,582	30,833
Doctoral colloquium (consortium) income	36,089	35,219
Membership fees	219,931	206,972
Interest received	21,398	14,444
Royalty income	16,017	7,588
Other income	<u>11,874</u>	<u>7,577</u>
TOTAL INCOME	846,829	652,316
 LESS EXPENSES		
Advertising	410	-
Audit fees	3,570	3,500
Bank charges	3,971	3,056
Conference expenses	311,471	212,093
Computer expenses	17,586	1,286
Depreciation	4,426	2,103
Doctoral colloquium (consortium) expenses	45,254	31,378
Electricity	168	-
Executive meetings	22,819	18,619
Filing fees	850	2,868
Holiday pay	1,383	1,705
Insurance	2,810	7,919
Journal expenses - Accounting and Finance	31,100	36,219
Journal expenses - Accounting History	27,366	28,909
Long service leave	(9,535)	1,560
Manuscript award	1,000	1,000
Newsletter expenses	5,110	8,765
Office supplies	5,767	2,123
Payroll tax	-	311
PhD Scholarships	30,000	30,000
Postage	3,771	866
Practice award costs	1,840	-
Printing and stationery	17,934	16,504
Professional fees	5,678	5,735

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

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

ADDITIONAL INFORMATION FOR THE MEMBERS
ON THE 2005 FINANCIAL STATEMENTS

TRADING AND PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2005

	2005	2004
	\$	\$
Rent	17,760	-
Research grants	123,500	110,150
Salaries and wages	69,352	80,274
Security costs	275	-
Subscriptions	806	3,070
Sundry expenses	4,001	1,413
Telephone	1,700	-
Waste disposal	518	-
Water expenses	<u>1,129</u>	<u>-</u>
TOTAL EXPENSES	<u>753,790</u>	<u>611,426</u>
OPERATING PROFIT BEFORE INCOME TAX	<u>93,039</u>	<u>40,890</u>

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