

AUSTRALIAN INVESTOR'S ASSOCIATION LTD

ABN 75 052 411 999

**FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2001**

AUSTRALIAN INVESTOR'S ASSOCIATION LTD
ABN 75 052 411 999

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AUSTRALIAN INVESTOR'S ASSOCIATION LTD
ABN 75 052 411 999

DIRECTORS' REPORT

Your directors present their report on the company for the financial year ended 30 June 2001.

Directors

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

Mr R Andrew	Mr B McBryde
Mr A Cloonan	Mr S McKenzie
Mr A Crawford	Mr J Petty (ceased 06/11/00)
Mr T Ord (ceased 25/10/00)	Mr J Holmes
M J Lance	Ms J Eason
Mr B McNiven (ceased 15/08/00)	Mr D Child
Mr G Gray (appointed 25/10/00)	Mr C Baker (25/10/00 – 25/01/01)
Mr R Bricknell (ceased 18/02/01)	

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

Principal Activities

The principal activities of the company during the financial year were to further the interests of investors. No significant change in the nature of these activities occurred during the financial year.

Operating Results

The operating surplus of the company for the financial year after providing for income tax amounted to \$33,682.

Dividends paid or Recommended

No dividends were paid during the year and no recommendation is made as to the payment of dividends.

Review of Operations

A review of the operations of the company during the financial year and the results of those operations are as follows:

No significant changes in the company's state of affairs occurred during the financial year.

AUSTRALIAN INVESTOR'S ASSOCIATION LTD
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DIRECTORS' REPORT (cont.)

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.

Future Developments

The directors have no plans to deviate or add to the existing operations of the company.

Environmental Issues

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

Information on Directors to be UPDATED FOR 2001

<i>Name</i>	<i>No. of Meetings Attended</i>	<i>No of meetings held during Directorship</i>	<i>Occupation</i>
Raymond Bricknell	5	5	Retired
Bruce McBryde	8	9	Retired
Bob Andrew	9	9	Retired
Scott McKenzie	9	9	Financial Planner
Adrian Cloonan (a)	2	9	University Lecturer
Jim Petty (a)	0	3	Retired
Andrew Crawford (a)	1	9	Retired
John Holmes (a)	0	9	Consultant
Terry Ord (a)	0	3	University Lecturer
Jennifer Eason (a)	2	9	Accountant
John Lance (a)	1	9	Retired
David Child	8	9	Company Director
Brian McNiven	1	1	Director
Gordon Gray	5	6	Director
Charles Baker	2	2	Financial Planner

During the financial year, meetings of directors were held. The number of meetings attended and the number of meetings held during the directorships are stated above.

(a) These directors have leave of absence not to attend directors' meetings.

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DIRECTORS' REPORT (cont.)

Options

No options over issued 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 date of this report.

Indemnifying Officers or Auditor

During or since the year ended 30 June 2001, the company has given an indemnity or entered an agreement to indemnify, or paid or agreed to pay, insurance premiums as follows:

The company has paid premiums to insure all of its directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the company, other than conduct involving a willful breach of duty in relation to the company. The amount of the premium was \$4,497.

Proceedings on Behalf of 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 part of these 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

R ANDREW

Director

D CHILD

Brisbane:

day of October 2001

AUSTRALIAN INVESTOR'S ASSOCIATION LTD
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STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2001

	Note	12 mths to 30/6/2001 \$	6 mths to 30/6/2000 \$
Revenue from ordinary activities	2	332,005	240,562
Distribution expenses		(3,298)	-
Marketing expenses		(11,634)	(19,272)
Administrative expenses		(64,947)	(33,312)
Other expenses from ordinary activities		(212,577)	(171,139)
		<hr/>	<hr/>
Profit from ordinary Activities before income tax expense	3	39,549	16,839
Income tax expense relating to ordinary activities	4	(5,867)	-
		<hr/>	<hr/>
Net Profit from ordinary activities after income tax expense attributable to members		\$ 33,682	\$ 16,839
		<hr/> <hr/>	<hr/> <hr/>

The accompanying notes form part of these financial statements.

AUSTRALIAN INVESTOR'S ASSOCIATION LTD
ABN 75 052 411 999

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2001

	Note	30/6/2001 \$	30/6/2000 \$
CURRENT ASSETS			
Cash assets	5	200,298	98,576
Receivables	6	1,618	1,370
Other	7	10,584	384
		<hr/>	<hr/>
TOTAL CURRENT ASSETS		\$ 212,500	\$ 100,330
NON CURRENT ASSETS			
Property, plant and equipment	8	-	-
		<hr/>	<hr/>
TOTAL NON CURRENT ASSETS		\$ -	\$ -
		<hr/>	<hr/>
TOTAL ASSETS		\$ 212,500	\$ 100,330
CURRENT LIABILITIES			
Payables	9	150,185	77,563
Tax liabilities	10	5,866	-
		<hr/>	<hr/>
TOTAL CURRENT LIABILITIES		\$ 156,051	\$ 77,563
		<hr/>	<hr/>
TOTAL LIABILITIES		\$ 156,051	\$ 77,563
		<hr/>	<hr/>
NET ASSETS		\$ 56,449	\$ 22,767
EQUITY			
Retained Profits	11	56,449	22,767
		<hr/>	<hr/>
TOTAL EQUITY		\$ 56,449	\$ 22,767
		<hr/>	<hr/>

The accompanying notes form part of these financial statements.

AUSTRALIAN INVESTOR'S ASSOCIATION LTD
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2001

	Note	12 mths to 30/6/2001 \$	6 mths to 30/6/2000 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members		316,390	272,437
Payments to suppliers and employees		(219,272)	(217,599)
Interest received		4,604	1,658
		_____	_____
NET CASH PROVIDED BY /(USED IN) OPERATING ACTIVITIES		101,722	56,496
		_____	_____
CASH FLOWS FROM INVESTING ACTIVITIES			
NET CASH PROVIDED BY / (USED IN) INVESTING ACTIVITIES		_____	_____
		-	-
		_____	_____
CASH FLOWS FROM FINANCING ACTIVITIES			
NET CASH PROVIDED BY / (USED IN) FINANCING ACTIVITIES		_____	_____
		-	-
		_____	_____
NET INCREASE / (DECREASE) IN CASH HELD	13	101,722	56,496
Cash at the beginning of the financial year		98,576	42,080
		_____	_____
CASH AT THE END OF THE FINANCIAL YEAR	5	\$ 200,298	\$ 98,576

The accompanying notes form part of these financial statements.

AUSTRALIAN INVESTOR'S ASSOCIATION LTD
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2001

1. STATEMENT OF ACCOUNTING POLICIES

Basis of Accounting -

This financial report is a general purpose financial report that have been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board.

Australian Investors Association Ltd is an unlisted public company, incorporated and domiciled in Australia.

The financial report has been prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets. Cost is based on the fair values 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.

(a) Property, Plant & Equipment -

Amounts under \$300 are not capitalised

(b) Income Tax

The company adopts the liability method of tax-effect accounting whereby the income tax expense is based on the profit from ordinary activities adjusted for any permanent differences.

Timing differences which arise due to the different accounting periods in which items of revenue and expense are included in the determination of accounting profit and taxable income are brought to account as either a provision for deferred income tax or as a future income tax benefit at the rate of income tax applicable to the period in which the benefit will be received or the liability will become payable.

Future income tax benefits are not brought to account unless realisation of the asset is assured beyond any reasonable doubt. Future income tax benefits in relation to tax losses are not brought to account unless there is virtual certainty of realisation of the benefit.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

All members income is exempted from company tax.

AUSTRALIAN INVESTOR'S ASSOCIATION LTD
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2001

	Note	12 mths to 30/6/2001 \$	6 mths to 30/6/2000 \$
1. STATEMENT OF ACCOUNTING POLICIES (cont.)			
(c) Cash			
For the purpose of the statement of cash flows, cash includes:			
- cash on hand and at call deposits with banks or financial institutions, net of bank overdrafts; and			
- investments in money market instruments with less than 14 days to maturity.			
(d) Comparative Figures			
The Australian Securities and Investments Commission had provided relief under Section 340(2) of the Corporations Law (now Corporations Act 2001) to prepare financial statements for the period of six months ended 30 June 2000. Accordingly, this is the first full year being audited.			
2. REVENUE			
(a) Operating Activities			
- Retreat Registrations		116,348	107,337
- Subscriptions Income		100,842	37,248
- Conference Registration		46,280	45,764
- Information Meeting income		19,257	4,639
- Retreat Sponsorship fees		35,320	34,000
- Expo / Retreat Books Sales		1,653	1,222
- Retreat Workshops		7,642	3,827
- AIA Mailing List		-	4,700
- Investors Alert		58	67
- Other income		-	100
- Interest		4,605	1,658
		_____	_____
Total Revenue		\$ 332,005	\$ 240,562

AUSTRALIAN INVESTOR'S ASSOCIATION LTD
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2001

	Note	12 mths to 30/6/2001 \$	6 mths to 30/6/2000 \$
3. PROFIT FROM ORDINARY ACTIVITIES			
Operating profit before abnormal items and income tax has been determined after:			
(a) Expenses:			
Remuneration of auditor			
- Audit or review		1,650	1,400
- other services		880	774
4. INCOME TAX EXPENSE			
The prima facie tax payable on profits from Ordinary activities before income tax is Reconciled to the income tax expenses As follows:			
Prima facies tax payable on operating profit before income tax at 34% (2000: 36%)		13,447	6,062
Less			
Tax effect of			
- Exempt income		8,878	4,949
- Recoupment of prior year tax losses not previously brought to account		-	1,113
Under provision for tax – prior year		1,298	-
		<hr/>	<hr/>
Income tax expense attributable to profit from ordinary activities		\$ 5,867	\$ -
		<hr/> <hr/>	<hr/> <hr/>
5. CASH ASSETS			
Cash at Bank		45,298	6,576
At Call Deposit		155,000	92,000
		<hr/>	<hr/>
		\$ 200,298	\$ 98,576
		<hr/> <hr/>	<hr/> <hr/>

AUSTRALIAN INVESTOR'S ASSOCIATION LTD
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2001

	Note	12 mths to 30/6/2001 \$	6 mths to 30/6/2000 \$
6. RECEIVABLES			
Current			
Sundry Debtors		\$ 1,618	\$ 1,370
		<u> </u>	<u> </u>
7. OTHER			
Current			
Prepayments		\$ 10,584	\$ 384
		<u> </u>	<u> </u>
8. PROPERTY PLANT AND EQUIPMENT			
Total Property, Plant and Equipment		\$ -	\$ -
		<u> </u>	<u> </u>
9. PAYABLES			
Current			
Trade Creditors		84,483	6,549
Subscriptions in advance		57,595	60,386
Other creditors		8,107	10,628
		<u> </u>	<u> </u>
		\$ 150,185	\$ 77,563
		<u> </u>	<u> </u>
10. TAX LIABILITIES			
Current			
Income tax		5,866	-
		<u> </u>	<u> </u>
		\$ 5,866	\$ -
		<u> </u>	<u> </u>

AUSTRALIAN INVESTOR'S ASSOCIATION LTD
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2001

	Note	12 mths to 30/6/2001 \$	6 mths to 30/6/2000 \$
11. RETAINED PROFITS			
Retained profits at the beginning of the financial year		22,767	5,929
Net profit attributable to the members of the company		33,682	16,838
		<hr/>	<hr/>
Retained profits at the end of the financial year		<u>\$ 56,449</u>	<u>\$ 22,767</u>
12. SEGMENT REPORTING			
<p>The Australian Investors Association Ltd provides Education service to members throughout Australia Through newsletter, website, information meetings and conferences. Revenue is derived by the company through members' subscriptions, entry fees and the sale of investment publications to members.</p>			
13. NET CASH PROVIDED BY OPERATING ACTIVITIES			
Reconciliation of net cash provided by operating activities to operating profit after income tax:			
Operating profit/(loss) after income tax		33,682	16,839
Changes in assets and liabilities:			
(Increase)/decrease in prepayments		(10,200)	813
(Increase)/decrease in receivables		(248)	(988)
Increase/(decrease) in accounts payable		75,413	5,311
Increase/(decrease) in subscriptions in advance		(2,791)	34,521
Increase in income tax payable		5,866	-
		<hr/>	<hr/>
CASH FLOWS IN/(OUT) FROM OPERATIONS		<u><u>\$ 101,722</u></u>	<u><u>\$ 56,496</u></u>

AUSTRALIAN INVESTOR'S ASSOCIATION LTD
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2001

	Note	12 mths to 30/6/2001 \$	6 mths to 30/6/2000 \$
14. REMUNERATION AND RETIREMENT BENEFITS			
(a) Directors' Remuneration			
Income received and due and receivable by all directors of the company		<u>\$ Nil</u>	<u>\$ Nil</u>
The names of the directors who have held office during the year were:			
Raymond Bricknell	(ceased on 18/02/01)		
Bruce McBryde			
Bob Andrew			
Scott McKenzie			
Adrian Cloonan			
Jim Petty	(ceased on 06/11/00)		
Andrew Crawford			
John Holmes			
Terry Ord	(ceased on 25/10/00)		
Jennifer Eason			
John Lance			
David Child			
Brian McNiven	(ceased on 15/08/00)		
Charles Baker	(25/10/00 to 25/01/01)		
Gordon Gray	(appointed on 25/10/00)		
(b) Retirement Benefits			
Amounts of a prescribed benefit given during the year by the company or a related party to a director, or a prescribed superannuation fund, in connection with the retirement from a prescribed office		<u>\$ Nil</u>	<u>\$ Nil</u>

AUSTRALIAN INVESTOR'S ASSOCIATION LTD
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2001

Note	12 mths to 30/6/2001 \$	6 mths to 30/6/2000 \$
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15. RELATED PARTY TRANSACTIONS

Adrian Cloonan, Victorian Councillor through his company Go West Pty Ltd received \$9,000 as editor of the newsletter "The Investors Voice".

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 those financial assets and financial liabilities is as follows:

	Weighted Average effective interest rate %		Floating interest rate \$		Fixed interest rate maturing			
					Within 1 year		1 to 5 years	
	30/6/01	30/6/00	\$ 30/6/01	\$ 30/6/00	\$ 30/6/01	\$ 30/6/00	\$ 30/6/01	\$ 30/6/00
Financial Assets								
Cash at Bank	0.00	0.00	45,298	6,576	-	-	-	-
Deposit at call	5.09	4.65	155,000	92,000	-	-	-	-
Total Financial Assets			200,298	98,576	-	-	-	-

(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 provision 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.

AUSTRALIAN INVESTOR'S ASSOCIATION LTD
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2001

Note	12 mths to 30/6/2001 \$	6 mths to 30/6/2000 \$
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16. FINANCIAL INSTRUMENTS (cont.)

(c) Net Fair Values

The net fair values of listed investments have been valued at the quoted market bid price at balance date, adjusted for transaction costs expected to be incurred. For other assets and other liabilities, the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments. Financial assets, where the carrying amount exceeds net fair values, have not been written down as the economic entity intends to hold these assets to maturity.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the Statement of Financial Position and in the Notes to the financial statements.

17. MEMBERS GUARANTEE

The company is limited by guarantee. If the Company is wound up, the Articles of Association state that each member is required to contribute a maximum of \$2 towards meeting any outstanding obligations of the company. At 30 June 2001, the number of members was 1,679.

18. COMPANY INFORMATION

The registered office of the company is

7 De Havilland Avenue
BENOWA QLD 4217

AUSTRALIAN INVESTOR'S ASSOCIATION LTD
ABN 75 052 411 999

DIRECTORS DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 3 to 16:
 - (a) Comply with Accounting Standards and the Corporations Act 2001; and
 - (b) give a true and view of the financial position as at 30 June 2001 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 _____
R ANDREW

Director _____
D CHILD

Dated this _____ day of October 2001

**INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF**

**AUSTRALIAN INVESTORS ASSOCIATION LTD
ABN 75 052 411 999**

Scope

We have audited the financial report of the Australian Investors Association Ltd comprising the Statement of Financial Position, the Statement of Financial Performance, the Directors' Declaration, the Statement of Cash Flows and the Note the Financial Statements for the year ended 30 June 2001. 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 and statutory requirements 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 its 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 Australian Investors Association 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 30 June 2001 and of their performance for the year ended on that date; and
 - (ii) complying with Accounting Standards and the Corporations Regulations; and
- (b) other mandatory professional reporting requirements.

GRANT THORNTON
Chartered Accountants

D S SKIRVING
Partner

BRISBANE
Date: October 2001