



**AUSTRALIAN  
INVESTORS  
ASSOCIATION**

**ABN 75 052 411 999**

**ANNUAL REPORT  
FOR THE YEAR ENDED  
30 JUNE 2011**

**AND NOTICE OF AGM**

Notice is hereby given that the Annual General Meeting of the  
AUSTRALIAN INVESTORS ASSOCIATION LTD  
will be held at the BRONCOS LEAGUES CLUB  
Fulcher Road, Red Hill, Queensland  
**at 8.00pm on Wednesday, 2 November 2011.**  
Please note that proxies are to be received by the Secretary  
by 5pm, Monday, 31 October 2011.

Refreshments and savouries will be served from 8.45pm.

The AGM will be preceded by a presentation on  
"Profiting from seasonal patterns in the Australian market"  
by Jody Elliss of Investor Centre, commencing at 7pm.

## **AGM AGENDA**

1. PRESENT

2. APOLOGIES

3. PROXIES

4. ANNUAL REPORT & FINANCIAL STATEMENTS

To receive, consider and adopt the Annual Report of the Association together with the Financial Statements of the Association for the 12 month period ended 30 June 2011 and the Reports by Directors and Auditors thereon.

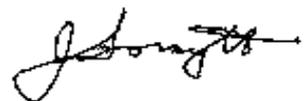
5. ELECTION OF DIRECTORS

To elect the Directors for the ensuing year.

6. OTHER BUSINESS

To transact any other business which may be legally brought forward.

By Order of the Board.



Jolyon Forsyth  
AIA Secretary  
03 October 2011

## PRESIDENT'S REPORT

It is my pleasure to present to members the Annual Report of the Australian Investors Association Limited for the year ended 30<sup>th</sup> June 2011.

### Membership

Membership is rising as we have been more proactive with initiatives to engage with the wider public. The Trading & Investing Expos held in Melbourne, Sydney and Perth have generated great interest in the AIA. In addition, some very positive media coverage, and presenting "The Sharemarket Course" has generated exposure. Our aim as a Board is to increase the quality of support for all members, whether they be rural or urban based.

Our first area of work has been to develop a new website and you will see this operational by early 2012. The Board also employed a new contracted member of staff, Joanne Stuhmcke, to produce the educational section of the website. The IT Chair, Graeme Bottrill, has been working hard to bring this to fruition and I would like to acknowledge the Board's appreciation.

I would also like to acknowledge the contribution of the directors who have resigned during the past year – Bruce McBryde, a long-standing director who contributed to the delivery of services in Brisbane; Bill Murphy who established the Canberra Group and Jenni Eason, particularly for her contribution to the set up of the new office and ably managing the accounts of the organisation.

### Activities

The State Chairs continue to coordinate a wide range of face to face events in most of the capital cities. Thank you to all the State Chairs and their committees for working so hard to keep their events so worthwhile. Thank you also to the Chairs and members of the National Committees who work equally hard to make the AIA the successful organisation it is. We are indebted to the members and outside professionals who write for our publications.

AIA is a not for profit organisation of "Investors Helping Investors". As such it relies on a large team of volunteers to keep it active. Volunteers from those who just give a couple of hours here and there to, those who commit much time and heart to the organisation - are AIA's life blood. We thank each and every one of them.

AIA does not achieve its objectives if it does not continue to provide a service which improves the investing skills of its members. Each year we attempt to do better and in the next year we are working on increasing our services. However constant feedback from you, our members, is essential to ensure we are providing you the information you need.

The AIA is an independent organisation. We work hard to remain so while appreciating the important input of so many in the professional investing world. We thank them for their support, both practically and financially. The time external experts give to our members really increases the quality of the information base available to AIA members.



A handwritten signature in black ink that reads "Alison Harrington". The signature is written in a cursive, flowing style.

Alison Harrington  
President  
03 October 2011

## TREASURER'S REPORT

The AIA has had a very successful year financially with an after tax profit of \$60,254 a significant turnaround from last year's loss of \$19,745. This is principally due to three factors. First the conference in 2010 showed an increased surplus from the 2009 conference surplus and secondly the Association sold multiple copies of Bill Dodd's "Sharemarket Investment Course" and thirdly the Association had a significant increase in membership due in no small measure to Marcus Padley, a speaker at the 2010 conference who wrote us up very favourably in his column published in Sydney, Melbourne and Perth.

The number of members of the Association as a result increased from 1966 at 30 June 2010 to 2168 at 30 June 2011. The membership revenue increased for two reasons, the increase in membership and the increase in the cost of subscriptions. Further efforts will be made in 2011/12 to increase our membership and I would ask all members to assist in this effort. The increase in our subscriptions was the first for many years and was needed to cover our administration and member servicing costs. The financial health of the Association is the best it has ever been.

In 2011 the annual conference was being held in Sydney and this resulted in a significant increase in the number of NSW members registering to attend compared to previous years.

To the date of this report no matters or circumstances have arisen which would have a material adverse effect on the financial health of the company.



A handwritten signature in black ink, appearing to read "Jolyon Forsyth". The signature is written in a cursive, flowing style.

Jolyon Forsyth  
Treasurer and Secretary  
03 October 2011

## EXECUTIVE OFFICER'S REPORT

The first full financial year with the dedicated AIA office has seen growth in member numbers, some changes in the delivery of services, continued promotion of the AIA's "Sharemarket Investment Course" and success with its annual Investors Conference held in July 2010.

As with most non-profit associations the AIA is volunteer reliant, particularly with regard to the delivery of information meetings, discussion groups, seminars and courses. It is with thanks to these volunteers that during the financial year the AIA delivered 66 information meetings, 103 discussion groups, 10 seminars and courses in most capital cities. On behalf of the staff we wish to express our appreciation to all who have assisted.

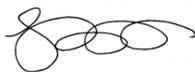
In cooperation with the ASA, the AIA has fostered the establishment of a group in Toowoomba which we hope will continue in the year ahead. The office is keen to support any member who would like to establish a group in their area.

This past year has seen changes to the delivery of the AIA's email bulletins. Based on member feedback of "too many emails," the email bulletins have been replaced with the twice monthly *AIA Investor Update*. These are to regularly include links to global and Australian economies and markets; articles on equities, property, SMSF, managed investments; newly posted material to the AIA website and other information of relevance and interest to investors.

In August 2009 the AIA Members' Online Forum was established. With only 595 members registered, the take up rate has been slower than hoped. The Forum has 383 threads and 2000 posts and provides a range of in-depth content on many topics of interest to members. We encourage members to access this resource as it offers the opportunity to interact with other investors. Our Office Manager Christine Kesting is always able to assist those experiencing difficulty.

The AIA website [www.investors.asn.au](http://www.investors.asn.au) has an extensive range of resources available to members and new material is posted regularly. Some of the content featured includes papers from most seminars, book reviews, articles for SMSF trustees, data on top performing managed funds and more.

Finally, I would like to acknowledge the dedicated support of the AIA's Office Manager, Christine Kesting, who is always happy to assist with current and potential member queries. The office exists to serve all members and we aim to continue to enhance the delivery of benefits to help all investors become better investors.

A handwritten signature in black ink, appearing to read 'Silvana Eccles', written in a cursive style.

Silvana Eccles  
Executive Officer  
03 October 2011

## MEMBERS SEEKING ELECTION

### ***Graeme Bottrill (Sydney, NSW) NSW & Internet Committee Chair***



Graeme trained in building and quantity surveying and for the last 25 years has been involved in construction industry computer systems. Graeme retired from full-time work early in 2008, and is currently working as a consultant to many construction companies. He has been a member of AIA since 2006, and manages the family superannuation fund and other family investments. He coordinates AIA activities in NSW. Graeme joined the Board in April 2009.

### ***Jolyon Forsyth FCIS (Mackay, Qld) Treasurer & Secretary***



Jolyon qualified as a Company Secretary in 1953 and migrated from South Africa to Australia in 1959. His career has covered being an actuarial student, company secretary, accountant, management consultant, internal auditor, and business manager. He has been an investor for the last 25 years. He left full time employment in 1995 to work as a consultant but is still not fully retired. Jolyon joined the AIA in 1999 and became a member of the Board in 2005.

### ***Ron Gibson BDBSc (Brisbane, Qld) Queensland Committee Chair***



Ron's life centred on being a Brisbane dentist and he ran a large practice until arthritis forced his retirement in 1998. His community interests involved several election campaigns and being an office bearer for Kindergarten and Toastmasters. Ron joined the AIA in 1999 and manages an extensive share portfolio. He became a member of the Board in 2005.

### ***Alison Harrington (Brisbane, QLD) President***



Alison, as a podiatrist, managed her own practice and lectured in WA and Queensland. She was WA State President and on the National Australian Podiatry Council for many years. Alison has a long history of leadership roles in many not for profit organisations throughout Australia. Alison has been an active member for 30 years. Having joined the AIA in 2000 Alison joined the Board in October 2008. Alison was elected President in November 2010.

### ***Scott McKenzie (Brisbane, QLD) Vice-President***



Scott has been an investor for over 15 years having taken early retirement from the Queensland public sector in 1996. Since then he has retrained and practiced as a fee for service financial planner. He is now retired. Scott joined the AIA in 1996 and became a member of the Board in 2000. Scott was nominated Vice-President in October 2008 and is an active participant in a number of committees.

## MEMBERS SEEKING ELECTION (continued)

### ***William Shirley (Melbourne, Vic) Victoria Chair***



Prior to retirement Bill worked in the business equipment and IT industries. During this period he has held positions in sales, marketing, sales management and senior executive roles. Bill joined the AIA in 2000 and has been a Director since 2002, with previous roles including Membership & Marketing Chair and Vice President, and is Coordinator of the Frankston Discussion Group.

### ***Brian Spies (Sydney, NSW)***



Brian Spies has been a member of the AIA since 2004 and serves on the NSW Committee. His professional career spans research in geology, nuclear physics, climate change and water policy. Brian has served in executive positions in a number of non-profit organisations in Australia and the USA. Recently retired, Brian takes an active role in managing his investments and is a passionate advocate for investor education.

### ***John Venn (Perth, WA) WA Chair***



John was trained as an electrical/mechanical engineer in the UK and migrated to Australia in 1963 to take up position as design engineer for power generation systems. John has taken an active role in the community for over 30 years having volunteered in the local parish, WA soccer, Apex and the local tennis. John has been an active AIA member since 1997 and is responsible for coordinating the AIA activities in Perth. John joined the Board in 2001.

### ***Adrian Vorbach (Adelaide, SA) SA Chair***



After completing his medical degree and registrarship, Adrian joined the Royal Australian Navy with whom he served for over forty years. During this period Adrian took leave to further his surgical skills at hospitals in London and Birmingham in the UK & Newport, Rhode Island; Boston, Massachusetts & Seattle and Washington. Adrian has been a member of the AIA since 2001, a member of Board since 2003 and coordinates the AIA activities in Adelaide.

### ***Bill Dodd (Brisbane, Qld) Education & Research Committee Chair***



Bill was an academic in science for 25 years. His discipline was the plant biotechnology of tropical plant species, working mainly with plantation crops in southern and south-eastern Asia. He resigned from university life 15 years ago to become a private investor/ trader and manages the family self managed super fund. Bill has been a member since 1999 and joined the Board in October 2008. He is the creator and presenter of "The Sharemarket Investment Course."

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

**DIRECTOR'S REPORT**

Your Directors present their report on the company for the financial year ending 30 June 2011.

The names of the Directors in office at any time during or since the end of the period are:

Mr. J Forsyth	Mrs. A Harrington
Mr. S McKenzie	Mr. G Bottrill
Mr. R Gibson	Ms. K Vickery (resigned 04 August 2011)
Mr. W Shirley	Ms. J Eason (Resigned 04 November 2010)
Mr. W Dodd	Mr. B McBryde (Retired 06 October 2010)
Mr. J Venn	Mr. W Murphy (Retired 06 October 2010)
Mr. A Vorbach	

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

**Short and Long Term Objectives**

The objectives of the Australian Investors Association Ltd are as follows:

- To provide opportunities for all investors to enhance their knowledge and understanding about investing via face-to-face training, written materials and other technologies;
- To identify and respond appropriately to emerging issues and developments of relevance to investors, including advocacy with regulators and the development of policies; and
- To create a network of members who are mutually supportive.

These objectives are achieved by:

- Holding educational events such as an annual conference, regular seminars and information meetings, maintaining a website & forum and publishing information;
- Identifying issues of concern to investors and developing policy positions and advocacy with regulators on behalf of investors; and
- Retention of existing and recruitment of new members.

**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.

The activities of the company are primarily educational in nature with some advocacy with the regulators.

The company held over 180 events during 2010-2011 which were attended by over 5500 members.

# AUSTRALIAN INVESTORS ASSOCIATION LTD

ABN 75 052 411 999

## DIRECTOR'S REPORT

### Operating Results

The operating profit of the company for the financial year after providing for income tax amounted to \$60,254 (2010:Loss \$19,745).

Performance is primarily measured by attendance at events, membership levels and members' assessments of the value of the activities.

### 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

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

### After Balance Date Events

No matters or circumstances have arisen since the end of the financial year which significantly affect 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.

### Information on Directors

<b>Name</b>	<b>Occupation / Special Responsibilities</b>	<b>Number of Meetings Attended</b>	<b>Number of Meetings held during Directorship</b>
Mrs. Alison Harrington	Retired / President	5	5
Mr. Scott McKenzie	Financial Planner / Vice President	4	5
Mr. Jolyon Forsyth	Retired / Honorary Treasurer & Secretary from 7 December 2010	5	5
Ms. Jenni Eason	Retired / Honorary Treasurer & Secretary to 4 November 2010	3	3
Mr. William Shirley	Retired	4	5
Mr. Bruce McBryde	Retired	2	2
Mr. John Venn	Retired	3	5
Mr. Adrian Vorbach	Retired	3	5
Mr. Ronald Gibson	Retired	3	5
Mr. William Murphy	Retired	1	1
Ms. Kymberley Vickery	Patent Attorney	4	5
Mr. William Dodd	Retired	3	5
Mr. Graeme Bottrill	Retired	3	5

During the financial year, 5 meetings of Directors were held. The number of meetings attended and the number of meetings held during the Directorships are stated above.

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

**DIRECTOR'S REPORT**

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.

**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 \$2 towards meeting any outstanding obligations of the company. At 30 June 2011, the number of members was 2,168 (2010: 1,966).

**Future Developments**

The Directors have no plans to deviate from 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 a State.

**Auditor's Independence Declaration**

A copy of the Auditor's Independence Declaration as required under Section 307C of the Corporations Act 2001 is set out on the following page.

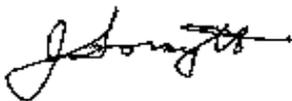
Signed in accordance with a resolution of the Board of Directors:

Director



**Mrs. A Harrington**

Director



**Mr. J. Forsyth**

**Dated this 3rd day of September 2011**

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**CAAAS**  
ABN 41 109 663 489

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

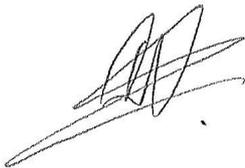
**AUDITOR'S INDEPENDENCE DECLARATION**  
**UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**  
**TO THE DIRECTORS OF AUSTRALIAN INVESTORS ASSOCIATION LTD**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2011 there have been:

- i. no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Australian Investors Association Ltd.

**CORPORATE AUDIT AND ASSURANCE SERVICES**



**IAN W BARFOOT**  
**REGISTERED COMPANY AUDITOR**

**Dated this 3rd day of September 2011**  
**Ashmore, Queensland**

**AUSTRALIAN INVESTORS ASSOCIATION LTD**  
**ABN 75 052 411 999**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2011**

	Note	2011 \$	2010 \$
<b>INCOME AND EXPENSES</b>			
Services revenue	2	297,391	284,577
Other revenue	2	272,974	194,418
Depreciation	3	(5,481)	(8,853)
Other expenses	3	(502,036)	(485,726)
<b>Surplus(Deficit) before income tax expense</b>		<b>62,848</b>	<b>(15,584)</b>
Income tax expense	1c, 4	(2,594)	(4,161)
<b>Surplus(Deficit) after income tax</b>		<b>60,254</b>	<b>(19,745)</b>
Other comprehensive income		0	0
<b>Total comprehensive income</b>		<b>60,254</b>	<b>(19,745)</b>

**AUSTRALIAN INVESTORS ASSOCIATION LTD**  
**ABN 75 052 411 999**  
**STATEMENT OF CHANGES IN MEMBERS' FUNDS**  
**FOR THE YEAR ENDED 30 JUNE 2011**

	Note	2011 \$	2010 \$
<b>RETAINED EARNINGS</b>			
Balance at the beginning of the financial year		168,668	188,413
Profit/(Loss) attributable to the company		60,254	(19,745)
<b>Balance at the end of the financial year</b>		<b>228,922</b>	<b>168,668</b>

The accompanying notes form part of these financial statements.

**AUSTRALIAN INVESTORS ASSOCIATION LTD**  
**ABN 75 052 411 999**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2011**

	Note	2011 \$	2010 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	5	590,756	433,464
Trade and Other Receivables	6	6,600	5,994
Other Current Assets	7	69,526	97,382
<b>Total Current Assets</b>		<b>666,882</b>	<b>536,840</b>
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	8	13,293	16,758
<b>Total Non-Current Assets</b>		<b>13,293</b>	<b>16,758</b>
<b>TOTAL ASSETS</b>		<b>680,175</b>	<b>553,598</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	9	451,253	384,930
<b>Total Current Liabilities</b>		<b>451,253</b>	<b>384,930</b>
<b>TOTAL LIABILITIES</b>		<b>451,253</b>	<b>384,930</b>
<b>NET ASSETS</b>		<b>228,922</b>	<b>168,668</b>
<b>MEMBERS' FUNDS</b>			
Retained Earnings		228,922	168,668
<b>TOTAL MEMBERS' FUNDS</b>		<b>228,922</b>	<b>168,668</b>

The accompanying notes form part of these financial statements.

**AUSTRALIAN INVESTORS ASSOCIATION LTD**  
**ABN 75 052 411 999**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2011**

	Note	2011 \$	2010 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipts from members and event attendees		626,735	517,261
Payments to suppliers & employees		(488,589)	(520,898)
Interest received		24,270	14,378
Income tax refund / (paid)		(3,108)	229
<b>Net cash generated from (used in) operating activities</b>	17b	<b>159,308</b>	<b>10,970</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Payment for property, plant and equipment		(2,016)	(15,554)
<b>Net cash generated from (used in) investing activities</b>		<b>(2,016)</b>	<b>(15,554)</b>
Net increase (decrease) in cash held		157,292	(4,584)
Cash at the beginning of the financial year		433,464	438,048
<b>Cash at the end of the financial year</b>	17a	<b>590,756</b>	<b>433,464</b>

The accompanying notes form part of these financial statements.

**AUSTRALIAN INVESTORS ASSOCIATION LTD**  
**ABN 75 052 411 999**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2011**

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

The financial report is for Australian Investors Association Ltd as an individual entity, incorporated under the Corporations Act 2001 and domiciled in Australia. Australian Investors Association Ltd is a company limited by guarantee.

**Basis of Preparation**

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

Australian Accounting Standards set out accounting policies that the Australian Accounting Standards Board (AASB) has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

**Statement of Compliance**

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS) applicable for not-for-profit entities. A statement of compliance with International Financial Reporting Standards cannot be made due to Australian Investors Association Ltd applying the not-for-profit sector specific requirements contained in AIFRS.

The following amendments to the Australian Accounting Standards have been recently issued or amended that would have had an impact on the company's disclosures and are available for early adoption by the company:

- ★ AASB 1053 Application of Tiers of Australian Accounting Standards
- ★ AASB 2010 - 2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements

These standards and amendments have not been adopted.

All other amendments or Australian Accounting Standards available for early adoption will have no impact on the company and hence have not been adopted early.

**Accounting Policies**

**a. Critical Accounting Estimates and Judgments**

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

**b. Comparative Figures**

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

**AUSTRALIAN INVESTORS ASSOCIATION LTD**  
**ABN 75 052 411 999**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2011**

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

**c. Income Tax**

The charge for current income tax expense is based on the profit for the period adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance sheet date.

The mutuality principle provides that where the principal aim of a company is to provide services to its members then any revenues or expenses generated as a result of transactions with members are excluded from the company's assessable income or allowable deductions for income tax purposes.

**d. Goods and Services Tax (GST)**

Revenues, expenses, assets and liabilities are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

Cash flows are presented in the Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

**e. Revenue**

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

Donations and bequests are recognised as revenue when received unless they are designated for a specific purpose, where they are carried forward as prepaid income on the Statement of Financial Position.

Interest revenue and distribution income from investments is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividend revenue is recognised when the right to receive a dividend has been established.

All revenue is stated net of the amount of goods and services tax (GST).

**f. Leases**

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the lease term.

**g. Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

**h. Property, Plant and Equipment**

Each class of property, plant and equipment is carried at cost or their deemed cost, less, where applicable, accumulated depreciation and impairment losses.

**Plant & equipment**

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

**AUSTRALIAN INVESTORS ASSOCIATION LTD**  
**ABN 75 052 411 999**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2011**

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

**Revaluations**

Increases in the carrying amount arising on revaluation of plant and equipment are credited to a revaluation reserve in members' funds. Decreases that offset previous increases of the same classes of asset's are charged against fair value reserves directly in members' funds; all other decreases are charged to the Statement of Comprehensive Income. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the Statement of Comprehensive Income and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and equipment that have been contributed at no cost, or for nominal cost are valued at the fair value of the asset at the date it is acquired.

**Depreciation**

The depreciable amount of all fixed assets is depreciated on the basis shown below over their useful lives to the company commencing from the time the asset is held ready for use, unless otherwise shown. The depreciation rates used for each class of depreciable assets are:

<u>Class of Fixed Asset</u>	<u>Depreciation Rate</u>
Office Equipment	10.00% - 33.33%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the Statement of Comprehensive Income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

**i. Impairment of Assets**

At each reporting date, the company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Comprehensive Income.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the company would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an assets class, the company estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

Where an impairment loss on a revalued asset is identified, this is debited against the revaluation reserve in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation reserve for that same class of asset.

**AUSTRALIAN INVESTORS ASSOCIATION LTD**  
**ABN 75 052 411 999**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2011**

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

**j. Financial Instruments**

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

***Loans and receivables***

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

***Financial liabilities***

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

***Impairment***

At each reporting date, the company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the Statement of Comprehensive Income.

**k. Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the Statement of Comprehensive Income in the period in which they are incurred.

**AUSTRALIAN INVESTORS ASSOCIATION LTD**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2011**

	Note	2011 \$	2010 \$
<b>NOTE 2: REVENUE</b>			
<b>Services revenue</b>			
Conferences		215,182	187,382
Seminars		57,082	57,872
Other events		25,127	39,323
<b>Total services revenue</b>		<b>297,391</b>	<b>284,577</b>
<b>Other revenue</b>			
Membership		190,742	164,077
Interest		24,270	14,378
Sale of books and DVD's		57,762	13,683
Advertising & sponsorship		200	2,280
<b>Total other revenue</b>		<b>272,974</b>	<b>194,418</b>
<b>Total Revenue</b>		<b>570,365</b>	<b>478,995</b>
<b>NOTE 3: EXPENSES</b>			
<b>Depreciation of property, plant and equipment</b>		<b>5,481</b>	<b>8,853</b>
<b>Other expenses</b>			
Conferences		162,911	148,217
Seminars		51,508	48,619
Other events		22,287	27,401
Membership		133,079	133,293
Sale of books and DVD's		35,759	10,792
Marketing		13,073	15,172
Administration		76,889	97,037
Insurance		6,530	5,195
<b>Total other expenses</b>		<b>502,036</b>	<b>485,726</b>
<b>Total Expenses</b>		<b>507,517</b>	<b>494,579</b>
<b>NOTE 4: INCOME TAX EXPENSE</b>			
The prima facie taxable profit/(loss) before income tax is reconciled to the income tax expense as follows:			
Prima facie taxable profit/(loss) before income tax		62,848	(15,584)
Income tax payable on taxable profit/(loss) at 30% (2010:30%)		18,854	(4,675)
Tax effect of:			
Principle of mutuality calculations		(15,019)	8,836
Less overstatement in prior year		(1,241)	0
<b>Total Income Tax Expense</b>		<b>2,594</b>	<b>4,161</b>
<b>NOTE 5: CASH AND CASH EQUIVALENTS</b>			
Cash at bank		590,456	433,164
Cash on hand		300	300
<b>Total Cash and Cash Equivalents</b>		<b>590,756</b>	<b>433,464</b>
<b>NOTE 6: TRADE AND OTHER RECEIVABLES</b>			
Trade receivables		6,600	5,994
<b>Total Trade and Other Receivables</b>		<b>6,600</b>	<b>5,994</b>
<b>NOTE 7: OTHER ASSETS</b>			
Prepayments		61,066	96,922
Deposits and bonds		8,460	460
<b>Total Other Current Assets</b>		<b>69,526</b>	<b>97,382</b>

**AUSTRALIAN INVESTORS ASSOCIATION LTD**  
**ABN 75 052 411 999**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2011**

	Note	2011 \$	2010 \$
<b>NOTE 8: PROPERTY, PLANT AND EQUIPMENT</b>			
Office equipment		29,748	27,732
Less accumulated depreciation		(16,455)	(10,974)
<b>Total Property, Plant and Equipment</b>		<b>13,293</b>	<b>16,758</b>

**Movements in Carrying Amounts**

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year, are presented as follows:

**Office equipment**

Balance at the beginning of year		16,758	10,057
Additions		2,016	15,554
Depreciation expense		(5,481)	(8,853)
<b>Carrying amount at the end of year</b>		<b>13,293</b>	<b>16,758</b>

**NOTE 9: TRADE AND OTHER PAYABLES**

Trade payables		18,009	18,356
Income tax payable		727	4,161
GST payable		13,897	11,961
Income in advance		262,727	201,330
Subscriptions in advance		151,493	135,962
Accrued expenses		4,400	13,160
<b>Total Trade and Other Payables</b>		<b>451,253</b>	<b>384,930</b>

**a. Financial Liabilities within Trade and Other Payables**

Trade and Other Payables		451,253	384,930
Less income in advance		(262,727)	(201,330)
Less subscriptions in advance		(151,493)	(135,962)
Less accrued expenses		(4,400)	(13,160)
<b>Financial liabilities as trade and other payables</b>		<b>32,633</b>	<b>34,478</b>

**NOTE 10: CAPITAL AND LEASING COMMITMENTS**

**Operating Lease Commitments**

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

Payable - minimum lease payments:			
Not later than 12 months		12,056	11,440
Later than 12 months but not later than 5 years		8,249	19,140
<b>Total Operating Lease Commitments</b>		<b>20,305</b>	<b>30,580</b>

The company has entered into a non-cancellable lease agreement over the leasing of its Gold Coast Office which increases by a minimum of CPI on each anniversary of the lease. The current lease expires on 28 February 2013.

**Capital expenditure commitments contracted for:**

The company has not entered into any contracts in relation to capital expenditure at the date of this report.

**AUSTRALIAN INVESTORS ASSOCIATION LTD**  
**ABN 75 052 411 999**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2011**

	Note	2011 \$	2010 \$
<b>NOTE 11: EVENTS AFTER THE BALANCE DATE</b>			
No significant subsequent events have been discovered since balance sheet date which would make these financial statements for the year materially inaccurate or misleading, nor are any matters pending which might have such an effect.			
<b>NOTE 12: CONTINGENT LIABILITIES AND ASSETS</b>			
There are no contingent liabilities or assets that may become payable or receivable by Australian Investors Association Ltd requiring disclosure in the financial report.			
<b>NOTE 13: AUDITORS' REMUNERATION</b>			
Remuneration of the auditor of the company for:			
auditing or reviewing the financial reports		4,000	8,250
other advisory services		0	2,500
<b>Total Auditors' Remuneration</b>		<b>4,000</b>	<b>10,750</b>

**NOTE 14: COMPANY DETAILS**

The registered office and principal place of business of the company is:

Australian Investors Association Ltd  
Suite 7A  
53 Upton Street  
BUNDALL QLD 4217

**NOTE 15: RELATED PARTY TRANSACTIONS**

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other persons unless otherwise stated.

The company made payments to five (5) family members of key management personnel for services to the company.

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**Transactions with Key Management Personnel**

The totals of remuneration paid to key management personnel (KMP) of the company during the year are as follows:

Contractor payments	127,600
<b>Total Compensation</b>	<b>127,600</b>

**NOTE 16: SEGMENT REPORTING**

The company provides education services to members throughout Australia through newsletters, the website, information meetings and conferences. Revenue is derived by the company through members' subscriptions, entry fees and the sale of investment publications to members. It has no reportable business or geographic segments.

**AUSTRALIAN INVESTORS ASSOCIATION LTD**  
**ABN 75 052 411 999**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2011**

	Note	2011 \$	2010 \$
<b>NOTE 17: CASH FLOW INFORMATION</b>			
<b>a. Reconciliation of Cash</b>			
Cash at bank		590,456	433,164
Cash on hand		300	300
<b>Cash at the end of the financial year</b>		<b>590,756</b>	<b>433,464</b>
<b>b. Reconciliation of Cashflow from Operations with Profit after Income Tax</b>			
Profit/(Loss) after income tax		60,254	(19,745)
Non cash flows			
Depreciation		5,481	8,853
Changes in assets and liabilities:			
(Increase)/Decrease in trade and other receivables		(606)	5,486
(Increase)/Decrease in other assets		27,856	(2,346)
Increase/(Decrease) in trade and other payables		66,323	18,722
<b>Net cash generated from (used in) operating activities</b>		<b>159,308</b>	<b>10,970</b>

**c. Credit Stand-by Arrangement and Loan Facilities**  
Australian Investors Association Ltd has no credit stand-by arrangements or loan facilities.

**d. Non-Cash Financing and Investing Activities**  
There was no non-cash financing or investing activities during the year.

**NOTE 18: FINANCIAL RISK MANAGEMENT**  
The company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and accounts payable.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

<b>Financial Assets</b>			
Cash and cash equivalents	5	590,756	433,464
Trade and other receivables	6	6,600	5,994
<b>Total Financial Assets</b>		<b>597,356</b>	<b>439,458</b>
<b>Financial Liabilities</b>			
Trade and other payables	9a	32,633	34,478
<b>Total Financial Liabilities</b>		<b>32,633</b>	<b>34,478</b>

**Net Fair Values**  
(i) For listed available-for-sale financial assets and financial assets at fair value through profit or loss the fair values have been based on closing quoted bid prices at the end of the reporting period.

**AUSTRALIAN INVESTORS ASSOCIATION LTD**  
**ABN 75 052 411 999**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2011**

Note	2011	2010
	\$	\$

**NOTE 18: FINANCIAL RISK MANAGEMENT (continued)**

In determining the fair values of the unlisted available-for-sale financial assets, the committee members have used inputs that are observable either directly (as prices) or indirectly (derived from prices).

(ii) Fair values of held-to-maturity investments are based on quoted market prices at the ending of the reporting period.

(iii) The fair values of finance leases are determined using a discounted cash flow model incorporating current commercial borrowing rates.



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**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF  
AUSTRALIAN INVESTORS ASSOCIATION LTD  
ABN 75 052 411 999**

**Report on the Financial Report**

We have reviewed the accompanying financial report of Australian Investors Association Ltd (the company) which comprises the Statement of Financial Position as at 30 June 2011 and the Statement of Comprehensive Income, Statement of Changes in Members' Funds 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.

***Board's Responsibility for the Financial Report***

The directors of the company are responsible for the preparation and fair presentation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express a conclusion on the financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2415 *Review of a Financial Report - Company Limited by Guarantee*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the company's financial position as at 30 June 2011 and its performance for the year ended on that date; and complying with the Australian Accounting Standards and Corporations Regulations 2001. ASRE 2415 requires that we comply with the ethical requirements relevant to the review of the financial report.

A review of a financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

***Independence***

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Australian Investors Association Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF  
AUSTRALIAN INVESTORS ASSOCIATION LTD  
ABN 75 052 411 999  
(continued)**

***Matters Relating to the Electronic Presentation of the Reviewed Financial Report***

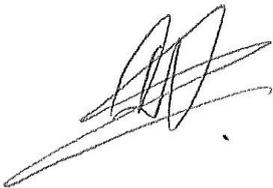
This review report relates to the financial report of Australian Investors Association Ltd for the year ended 30 June 2011 included, or which will be included, on the company's website. We have not been engaged to report on the integrity of this website. This review report refers only to the financial report identified above. It does not provide an opinion on any other information which may have been hyperlinked to/from the financial report. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the reviewed financial report to confirm the information included in the reviewed financial report presented on the company's website.

***Conclusion***

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the financial report of Australian Investors Association Ltd is not in accordance with the Corporations Act 2001 including:

- (a) giving a true and fair view of the company's financial position as at 30 June 2011 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards and Corporations Regulations 2001.

**CORPORATE AUDIT AND ASSURANCE SERVICES**



**IAN W BARFOOT  
Registered Company Auditor No. 219262**

**Dated this 3rd day of September 2011  
Ashmore, Queensland**