

AUSTRALIAN INVESTORS ASSOCIATION

ABN 75 052 411 999



**AUSTRALIAN
INVESTORS
ASSOCIATION**

ANNUAL & FINANCIAL REPORTS

FOR THE PERIOD ENDED 30 JUNE 2010

PRESIDENT'S REPORT

Introduction

It is my pleasure to present to members the Annual Report of the Australian Investors Association Limited for the year ended 30th June 2010.

Membership

It is pleasing to be able to report this year that our membership at the 30th June had risen to 1966 and has since passed the 2000 mark. This latter increase is mainly due to an article written by Marcus Padley, one of the speakers at our 2010 conference and published in the *Sydney Morning Herald*, *The Age* and the *West Australian* recommending that those seeking an answer of where and when to invest, they should join the AIA. To be able to serve you, our members better we need to increase our membership and I ask each and every one of our members to retain their membership and to recruit at least one new member during 2010. If you do not want to approach a friend or acquaintance then let the Secretariat know their names and we will do it for you.

Activities

Full details of our educational activities for 2009-2010 are provided in this report. On the advocacy side we have made submissions on behalf of investors to the Ripoll and Cooper enquiries and your Vice-President, Scott McKenzie and I gave evidence in person at a Ripoll enquiry hearing in Brisbane in September last year. The recommendations made by the Ripoll enquiry report were very similar to the submission made by the Association.

Finance

The accompanying financial statements show that the Association is in a very sound financial situation in spite of the loss for the year commented on by our Treasurer in her report.

Our Volunteers

Details of your Council members and meetings are given in the accompanying Directors' Report. Our new councillors have proved to be excellent additions to the team and I thank them for the work they have done on your behalf. In addition to your councillors the Association has other volunteers in each state who help to organise our discussion groups and seminars. Their help is much appreciated.

Our Staff

The Association terminated its contract with McCalls at the end of April this year and set up our own office on the Gold Coast. The Association is very fortunate to have as our Executive Officer Silvana Eccles who makes a major contribution every year to the operation of our educational activities and continues to source excellent material for our publications and is the main driving force contributing to the success of our National Conference. She is ably assisted by our Office Manager Chris Kesting.

Jolyon Forsyth
26 August 2010

TREASURER'S REPORT

The AIA has had a less successful financial year with an after tax loss of \$19,745 which is primarily due to a lower than usual attendance at the 2009 Conference and to a lesser extent costs incurred in bringing the secretariat functions back in-house.

Now that we have the office fully operational we believe that we can offer even better services to members. The 2010 Conference was very successful with around 260 members attending again with good corporate sponsorship. Seminars and meetings have also been well attended.

Membership levels have increased recently and with some good media coverage have passed the 2000 mark.

During the year the Board decided to raise membership fees by a small amount due to increased costs. The fees had not changed for several years and the increase was kept to an absolute minimum.

We are trying to increase our services to non-capital city areas by running telepresentations and opening up a forum for all members to use. We now have a DVD/CD available for those wishing to learn more about investing in the share market.

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.

Jenni Eason
Treasurer and Secretary
26 August 2010

AIA COUNCILLORS

Graeme Bottrill (Sydney, NSW) NSW Committee Chair

Graeme trained in building and quantity surveying and for the last 25 years has been involved in construction industry computer systems. He has worked mostly in Sydney, but also frequently travelled to work in Asia. 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 has a keen interest in technical analysis and coordinates the North Shore Group and other AIA activities in NSW. Graeme joined the Council in April 2009.

Bill Dodd (Brisbane, Qld)

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 Council in October 2008. He is a member of the Education & Research Committee and creator and presenter of "The Sharemarket Investment Course."

Jenni Eason BSc (Hons), BBus (Brisbane, Qld) Secretary & Treasurer

Jenni is a retired accountant and financial planner. She worked in the Australian Public Service in Canberra, Adelaide and Darwin before working in a number of accounting firms in Darwin and Port Macquarie. Jenni has been an active AIA member since 1999. She has previously served on Council and edited *Investors' Voice* and the SMSF Email Bulletin. Jenni was nominated Secretary and Treasurer in October 2008 and is also a member of the Education & Research Committee, Computer & Internet Committee and Queensland Committee. Jenni also co-ordinates the Brisbane SMSF Discussion Group.

Jolyon Forsyth FCIS (Mackay, Qld) President

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 Council in 2005. He was nominated President in October 2008.

Ron Gibson BSc (Brisbane, Qld) Education & Research 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. Australian Dental Association activities included Vigilance Officer and Superannuation Information

Officer. Ron joined the AIA in 1999 and manages an extensive share portfolio. He became a member of the Council in 2005 and, in addition to being Chair of the Education & Research Committee, he is also a member of the Queensland Committee and Coordinator of the Brisbane Equities Discussion Group.

Alison Harrington (Brisbane, QLD) Queensland Committee Chair

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 now coordinates the Queensland Committee and facilitated "The Sharemarket Investment Course" and its production into a DVD format. Alison joined the Council in October 2008.

Bruce McBryde (Brisbane, QLD)

Bruce spent his career in teaching and educational research. Twenty-five years ago he started investing in residential property and later expanded his investments to the sharemarket. He is President of the Property Owners' Association of Queensland and teaches a course on investment strategies. Bruce has been a member of the AIA since 1996, a Councillor since 1997, is a member of the Education & Research Committee and the Queensland Committee.

Scott McKenzie (Brisbane, QLD) Vice-President

Scott has been an investor for 15 years having taken early retirement from the Queensland public sector in 1996. In that time he has retrained as a financial planner, and now is a partner in a financial services business, Financial Force Pty Ltd. Scott is a fee-based adviser with a small client base who opposes the payment of commissions. He joined the AIA at about the time he retired from the public service, in 1996, becoming a member of Council in 2000. Scott was nominated Vice-President in October 2008 and is also Chair of the Media & Publications Committee, a member of the Membership & Marketing Committee and the Education & Research Committee and also coordinates the Brisbane Managed Investments Group.

Bill Murphy (Canberra, ACT)

Bill started his working life in the RAAF. He spent eight years as a technician and 23 years in the maritime branch of the Air Force as an Air Electronics Officer. After six years in various management positions in Canberra he retired in 1984 from the position of Deputy Director of the Defence Trials Organisation. The following sixteen years he worked as a consultant before he retired and commenced his SMSF. He had started investing during the Poseidon era (1968) and has been involved ever since. Bill joined the AIA in 2000, became a Councillor in 2007 and has been the Coordinator for ACT meetings since 2005.

William Shirley (Melbourne, Vic) Victoria Chair

Bill's career of almost 30 years in the business equipment and IT industries was, until recently with Honeywell, Bull HN and Wang for 25 years. During this period he has held positions in sales, marketing, sales management and senior executive roles. Bill also has had 16 years experience in all aspects of marketing within the Federal Government environment while being located in Canberra. Bill joined the AIA in 2000 and has been a Councillor since 2002, with previous roles including Membership & Marketing Chair and Vice President, and is Coordinator of the Frankston Discussion Group.

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. The Australian downturn of 1982/83 forced John to leave engineering and he retrained as an insurance agent and then financial planner from which he retired in 2001. 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 Council in 2001.

Kymerley Vickery BSc(Hons) PhD (Brisbane, Qld)

Kymerley was trained as a research scientist and patent attorney and has relevant commercial senior executive and Board experience in start-up life sciences companies. She is Australian Institute of Company Directors accredited and manages her own Scientific Intellectual Property Consultancy. Since 2000 Kymerley has managed both her property investment and equity portfolios and has since established a self managed super fund portfolio. Kymerley has been a member since 2005 and joined the Council in October 2008. Kymerley is Chair of the Governance Committee and is a member of the Media & Publications Committee.

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 time he served in several ship and shore postings as a surgeon, rising to be Surgeon Commander at his retirement in 2002. 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 Council since 2003, coordinates the Property Bulletin and AIA activities in Adelaide.

EDUCATIONAL ACTIVITIES OF THE AIA 2009-2010

One of the main goals of the Australian Investors Association is MEMBER EDUCATION expressed in our Action Plan as:

To provide opportunities for members to enhance their knowledge and understanding about investing.

The strategies that the AIA uses to achieve this goal include:

- an annual national conference
- one-day and half-day seminars in most capital cities
- information meetings and local discussion groups held in many locations throughout Australia
- a 6 week shares investment course
- online members' forum
- telepresentations
- a range of publications including the quarterly *Investors Voice* and email bulletins for *Derivatives, Equities, Managed Investments, Property* and *SMSFs*
- monthly info emails (excluding December)
- AIA website www.investors.asn.au.

AIA Events – National Conference, Seminars & Telepresentations

Date	Event	Topic	Location	Attended
9 Jul 2009	6 Week Course	Shares Investment Course	Brisbane	71
26 July 2009	Half-day Seminar	Novice Investor Workshop	Gold Coast	36
26-29 July 2009	National Conference	Markets 2009 – strategies & opportunities	Gold Coast	225
18 Aug 2009	Telepresentation	CBio Presentation	Own home	32
21 Aug 2009	Seminar	Administering your SMSF	Sydney	92
23 Sep 2009	Telepresentation	Navigating your way round Morningstar	Own home	30
3 Oct 2009	Seminar	Administering your SMSF	Brisbane	57
24 Oct 2009	Seminar	Investment strategies for SMSFs	Melbourne	85
27 Oct 2009	Telepresentation	Debunking the myth	Own home	51
13 Nov 2009	Seminar	What's in store for 2010?	Sydney	144
29 Nov 2009	Half-day Seminar	Share investing for the times	Adelaide	36
22 Mar 2010	Telepresentation	The economic outlook	Own home	20
31 Mar 2010	6 Week Course	Shares Investment Course	Brisbane	130
29 Apr 2010	Telepresentation	Superannuation	Own home	42
8 May 2010	Half-day Seminar	Residential property as an investment class	Perth	54

15 May 2010	Seminar	What's in store ahead?	Brisbane	72
24 June 2010	Seminar	Investing in the sharemarket – where to next?	Sydney	89

AIA Events - Information Meetings

Information Meetings	How Often	When Meet
Adelaide Information Meetings	Monthly	Monday evening
Brisbane Information Meetings	Monthly	Wednesday afternoon/every third Wednesday evening
Canberra Information Meetings	Monthly	Monday evening
Gold Coast Information Meetings	Bi-monthly	Wednesday morning
Melbourne Information Meetings	Bi-monthly	Tuesday evening
Perth Information Meetings	Monthly	Tuesday evening
Sydney North Meetings	Monthly	Wednesday evening
Sydney South Meetings	Monthly	Tuesday evening

Interest has been expressed in establishing meetings in other rural areas including Toowoomba, Townsville, Albury, Newcastle, Darwin and Hobart. If interested in assisting in the formation of one of these groups, please contact the AIA Secretariat.

AIA Events - Local Discussion Groups

These informal groups of members determine how frequently they meet, where they meet and whether to invite a guest speaker. Any member is welcome to commence a group in their area and for more information please either call the AIA Secretariat on 1300 555 061 or visit the AIA website at www.investors.asn.au.

Local Discussion Group	Coordinator
NSW – Sydney Chatswood	Margaret Edwards
QLD – Brisbane Managed Investments	Scott McKenzie
QLD – Brisbane South Shares	Ron Gibson
QLD – Brisbane SMSF	Jenni Eason
QLD – Brisbane Shares	Joanne Stuhmcke
QLD – Sunshine Coast	Rob Coles
VIC – Melbourne Bayside	Kevin McDonald
VIC – Melbourne Blackburn	Colin Dowzer
VIC – Melbourne Geelong	Ray Harry
VIC – Melbourne Kew	Glenn Gonsal
VIC – Melbourne Frankston	Bill Shirley
WA – Perth Equities	John Venn

Publication**Distribution Dates**

<i>Investors Voice</i>	Quarterly
<i>Derivatives/Property/Managed Investments Bulletins</i>	Quarterly
<i>Equities/SMSF Bulletins</i>	Bi-monthly
Info Email	Monthly except December

Members' Online Forum

In October 2009 the AIA opened its members' online forum. The forum which now has 320 members and 920 posts provides an opportunity to communicate and to exchange views on aspects of investment. As such it is one of the best ways to learn about investing and investment techniques. While the forum covers the full range of investing topics, the most popular areas have been self managed super funds, investment education and opinions related to the uncertainty in world financial markets.

Demonstrations conducted at the recent Gold Coast conference exposed the forum to about 30 members, many of whom are now using the forum facilities. Administrators and moderators continue to work to promote the opportunities that the forum offers our members.

Website

The AIA website www.investors.asn.au has recently been revamped with more information available in the public area. The new search tool will help you source all presentations and articles posted to the site relevant to the topic you are seeking.

All forthcoming AIA events, discussion group coordinators and email bulletins are listed in the public area. Articles from the *Investors Voice* and most papers from seminars can be accessed via the member's area. Log on as a member and then go to INVESTOR EDUCATION.

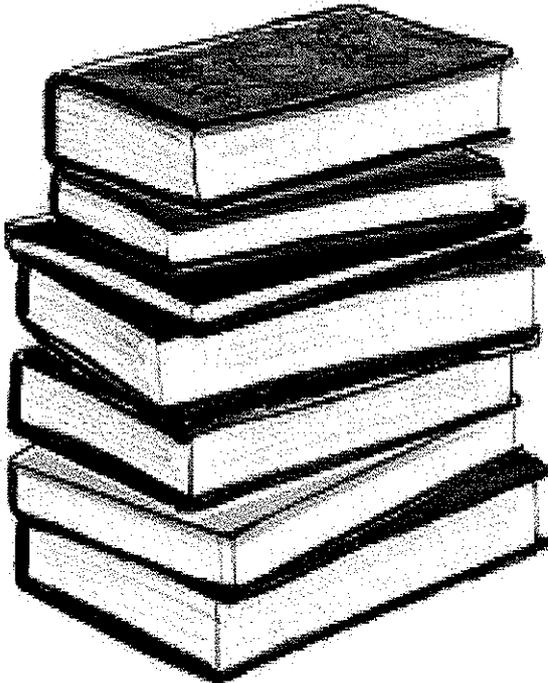
Other website resources include book and software reviews; member discounts; a list of useful links and more. Visit the AIA website - it has a wealth of information.

The latest AIA activities are always shown on the back page of the Investors' Voice newsletter and on the AIA website www.investors.asn.au. Members are always notified of events in their area by either email or post.

General Purpose Financial Report
Australian Investors Association Limited

ACN 052 411 999

30 June 2010



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Directors' Report

Your Directors present their report on the company for the financial year ending 30 June 2010.

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

Mr. J Forsyth	Mr. W Murphy
Mr. S McKenzie	Ms. K Vickery
Ms. J Eason	Mr. W Dodd
Mr. W Shirley	Mrs. A Harrington
Mr. B McBryde	Mr. G Bottrill
Mr. J Venn	Mr. R Gibson
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, information meetings and telepresentations, 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 association are primarily educational in nature with some advocacy with the regulators. The association held over 180 events during 2009-2010 which were attended by over 5500 members.

In addition the association made submissions to several Government inquiries and two executive members also gave a verbal presentation to the Ripoll Inquiry. The recommendations from that inquiry were very similar to the submission made by the association.

Operating results

The operating loss of the company for the financial year after providing for income tax amounted to \$19,745 (2009: \$32,665).

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

Directors' Report

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.

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 the State.

Information on Directors

Name	Occupation	Number of Meetings Attended	Number of Meetings held during Directorship
Mr. Jolyon Forsyth	Retired, President	4	4
Mr. Scott McKenzie	Financial Planner, Vice President	4	4
Ms. Jenni Eason	Retired, Honorary Treasurer, Company Secretary	4	4
Mr. William Shirley	Retired	3	4
Mr. Bruce McBryde	Retired	4	4
Mr. John Venn	Retired	3	4
Mr. Adrian Vorbach	Retired	2	4
Mr. Ronald Gibson	Retired	3	4
Mr. William Murphy	Retired	2	4
Ms. Kymberley Vickery	Patent Attorney	4	4
Mr. William Dodd	Retired	3	4
Mrs. Alison Harrington	Retired	3	4
Mr. Graeme Bottrill	Retired	3	4

During the financial year, 4 meetings of Directors were held. The number of meetings attended and the number of meetings held during the Directorships are stated above.

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

Directors' Report

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 2010, the number of members was 1,966 (2009: 1,844).

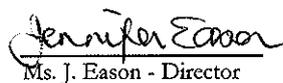
Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under Section 307C of the Corporations Act 2001 is set out on page 20.

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



Mr. J. Forsyth - Director



Ms. J. Eason - Director

Dated this 26th day of August 2010

Statement of Comprehensive Income

for the year ended 30 June 2010

	Note	2010 \$	2009 \$
Revenues from ordinary activities	2	478,995	474,558
Marketing expense		(15,172)	(2,917)
Administrative expense	3b	(244,376)	(218,509)
Other expenses from ordinary activities	3b	<u>(235,031)</u>	<u>(279,701)</u>
Profit/(Loss) before income tax		(15,584)	(26,569)
Income tax expense	5	<u>(4,161)</u>	<u>(6,096)</u>
Profit/(Loss) attributable to members of the company		<u><u>(19,745)</u></u>	<u><u>(32,665)</u></u>

Statement of Financial Position

as at 30 June 2010

	Note	2010 \$	2009 \$
Assets			
Current			
Cash and cash equivalents	6	433,464	438,048
Trade and other receivables	7	5,994	11,480
Current tax asset	11	-	231
Other current assets	8	97,382	95,036
Total Current Assets		536,840	544,795
Non current			
Property, plant & equipment	9	16,758	10,057
Total Non Current Assets		16,758	10,057
Total Assets		553,598	554,852
Liabilities			
Current			
Trade and other payables	10	380,769	366,439
Current tax liability		4,161	-
Total Current Liabilities		384,930	366,439
Total Liabilities		384,930	366,439
Net Assets		168,668	188,413
Equity			
Retained earnings		168,668	188,413
Total Equity		168,668	188,413

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

for the year ended 30 June 2010

	Note	Retained Earnings \$	Total \$
Balance at 1 July 2008		221,078	221,078
Profit attributable to members of parent entity		<u>(32,665)</u>	<u>(32,665)</u>
Balance at 30 June 2009		188,413	188,413
Profit attributable to members of parent entity		<u>(19,745)</u>	<u>(19,745)</u>
Balance at 30 June 2010		<u>168,668</u>	<u>168,668</u>

Statement of Cash Flows

for the year ended 30 June 2010

	Note	2010	2009
		\$	\$
Cash Flow from Operating Activities			
Receipts from customers		517,261	447,769
Payments to suppliers and employees		(520,899)	(513,530)
Interest received		14,377	20,809
Income tax refund/(paid)		229	(9,362)
Net cash provided by (used in) operating activities	16	<u>10,968</u>	<u>(54,314)</u>
Cash flows from investing activities			
Payments for property, plant and equipment		<u>(15,552)</u>	<u>(4,721)</u>
Net cash provided by (used in) investing activities		<u>(15,552)</u>	<u>(4,721)</u>
Net increase/(decrease) in cash held		(4,584)	(59,035)
Cash at beginning of year		<u>438,048</u>	<u>497,083</u>
Cash at end of year	6	<u><u>433,464</u></u>	<u><u>438,048</u></u>

Notes to the Financial Statements

for the year ended 30 June 2010

1 Statement of significant accounting policies

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

Australian Investors Association Ltd is a Company limited by guarantee, incorporated and domiciled in Australia.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial statements were authorised for issue by the Directors on 26th August 2010.

Basis of preparation

Reporting Basis and conventions

The financial report has been prepared on an accruals basis and is based on historical costs.

Accounting policies

a. 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 an Association is to provide services to its members any revenues or expenses generated as a result of transactions with members are excluded from the Association's assessable income or allowable deductions for income tax purposes.

b. Financial instruments

The Company's financial instruments consist of deposits with banks. The main risk the Company is exposed to through its financial instruments is liquidity risk. Refer to Note 14 for further details.

c. 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 twelve months or less, and bank overdrafts.

Notes to the Financial Statements

for the year ended 30 June 2010

1 Statement of Significant Accounting Policies (continued)

d. Revenue

Revenue from the rendering of a service is recognised upon the delivery of the service to the members.

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

e. 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 Tax 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 balance sheet are shown inclusive of GST.

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

f. Critical Accounting Estimates

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

Notes to the Financial Statements

for the year ended 30 June 2010

2. Revenue

	Note	2010 \$	2009 \$
Operating activities:			
- Subscriptions		164,078	139,017
- Conference registration		137,446	192,820
- Conference sponsorship fees		49,936	30,108
- Book/DVD sales		21,906	2,816
- Seminars		57,872	59,046
- Other meeting income		28,832	9,290
- Sundry income		2,321	516
- Interest received	2a	14,377	20,809
- Telepresentations		2,227	20,136
Total revenue		<u>478,995</u>	<u>474,558</u>

Interest revenue from:

- Financial Institutions		14,377	20,809
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3. Profit before Income Tax

a. Expenses

Depreciation of non-current assets

- plant and equipment		8,853	1,574
Total depreciation expense		<u>8,853</u>	<u>1,574</u>

b. Significant Expenses

The following significant expense items are relevant in explaining the financial performance:

Administration expenses

- Secretariat		60,373	76,630
- Media Consulting		6,000	28,000
- Events Consultant		48,799	40,320

Other expenses from ordinary activities

-Venue expenses		102,220	89,611
-Event expenditure		132,811	142,166

4. Auditor's Remuneration

Remuneration of the Auditor:

- auditing or reviewing the financial report		8,250	7,750
- other advisory services		2,500	2,500
		<u>10,750</u>	<u>10,250</u>

Notes to the Financial Statements

for the year ended 30 June 2010

5. Income Tax Expense

Note	2010 \$	2009 \$
a. The components of tax expense comprise:		
- current tax	(4,161)	(6,096)
	<u>(4,161)</u>	<u>(6,096)</u>
b. The prima facie tax payable on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:		
Prima facie tax payable on profit/(loss) from ordinary activities before income tax at 30%:	4,675	7,970
Tax Effect of:		
- Exempt income	(8,836)	(14,066)
	<u>(4,161)</u>	<u>(6,096)</u>
Income tax expense attributable to profit from ordinary activities		
The applicable weighted average effective tax rates are as follows:	27%	23%

6. Cash and Cash Equivalents

Cash at bank	433,464	438,048
	<u>433,464</u>	<u>438,048</u>
Reconciliation of Cash		
Cash at the end of the financial period as shown in the cash flow statement is reconciled to items in the balance sheet as listed above.	<u>433,464</u>	<u>438,048</u>

7. Trade and Other Receivables

Current		
Trade receivables	5,994	11,480
	<u>5,994</u>	<u>11,480</u>

8. Other Assets

Current		
Prepayments	96,922	41,729
Bonds	460	53,307
	<u>97,382</u>	<u>95,036</u>

Notes to the Financial Statements

for the year ended 30 June 2010

9. Property, Plant and Equipment

	Note	2010	2009
		\$	\$
Office equipment - at cost		27,732	12,178
less: Accumulated depreciation		(10,974)	(2,121)
		<u>16,758</u>	<u>10,057</u>
Total property, plant and equipment		<u>16,758</u>	<u>10,057</u>

Movements in Carrying Amounts

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

	Office Equipment	Total
	(\$)	(\$)
Balance at the beginning of the year	10,057	10,057
Additions	15,554	15,554
Disposal	-	-
Depreciation expense	(8,853)	(8,853)
Carrying amount at the end of the year	<u>16,758</u>	<u>16,758</u>

10. Trade and Other Payables

	Note	2010	2009
		\$	\$
Current			
Trade payables		18,356	14,116
Sundry payables and accrued expenses		13,160	42,183
Income received in advance		201,330	180,959
Subscriptions in advance		135,962	119,218
GST payable		11,961	9,963
		<u>380,769</u>	<u>366,439</u>

11. Income Tax

a. Assets

Current

Income tax	-	231
	<u>-</u>	<u>231</u>

b. Liabilities

Current

Income tax	4,161	-
	<u>4,161</u>	<u>-</u>

Notes to the Financial Statements

for the year ended 30 June 2010

12. 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.

13. Members' Guarantee

a. 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 2010, the number of members was 1,966 (2009: 1,844).

b. Capital Management

As stated above, the company is limited by guarantee and therefore does not have any share capital. Management controls the working capital of the company to ensure that the company can fund its operations and continue as a going concern. There are no externally imposed capital requirements.

14. Financial Instruments

a. Financial Risk Management

The company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable.

The company does not have any derivative instruments at 30 June 2010.

The main risks the company is exposed to through its financial instruments is liquidity risk.

Liquidity Risk

The company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate cash reserves are maintained.

Interest Rate Risk

The company is not exposed to interest rate risks as there are no borrowings and therefore no interest is charged. As a result, no sensitivity analysis is required. Risk is also minimised through investing surplus funds in banks that maintain a high credit rating

Foreign Currency Risk

The company is not exposed to fluctuations in foreign currencies.

Credit Risk

The entity does not have any material credit risk exposure to any single receivable or group of receivables under the financial instruments entered into by the entity. Credit risk related to balances with banks is minimised through investing in banks with a high credit rating.

Price Risk

The entity is not currently exposed to any material commodity price risk.

Notes to the Financial Statements

for the year ended 30 June 2010

14. Financial Instruments (continued)

b. 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		2010	2009
	2010	2009	\$	\$
Financial Instruments	%	%		
Cash and cash equivalents	3.3	4.5	433,464	438,048
Trade receivables	-	-	5,994	11,480
Deposits and bonds	-	-	460	53,307
Trade and other payables	-	-	18,356	14,116
Total Financial Instruments			458,274	516,951

c. Net Fair Value

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.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to the financial statements.

15. Capital and Leasing Commitments

	2010	2009
	\$	\$
Operating Lease Commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements:		
Payable - minimum lease payments		
Not later than one year	11,440	-
Later than 1 year but not later than 5 years	19,140	-
	30,580	-

The company has entered into a non-cancellable lease agreement over the leasing of its Gold Coast Office.

Notes to the Financial Statements

for the year ended 30 June 2010

16. Cash Flow Information

	Note	2010	2009
a. Reconciliation of Cash		\$	\$
Cash at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows.			
Cash at bank	6	<u>433,464</u>	<u>438,048</u>
b. Reconciliation of Cash Flow from Operations with Profit from Ordinary Activities after Income Tax			
Profit from ordinary activities after income tax		(19,745)	(32,665)
Non-cash flows in profit from ordinary activities:			
- depreciation		8,853	1,574
Changes in assets and liabilities:			
- (increase)/decrease in trade and other receivables		5,486	(5,980)
- (increase)/decrease in other current assets		(2,346)	2,708
- increase/(decrease) in trade and other payables		14,330	(16,685)
- increase/(decrease) in income taxes payable		4,390	(3,266)
Cashflow from operating activities		<u>10,968</u>	<u>(54,314)</u>

17. Events after the Balance Sheet Date

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.

18. Company Details

The registered office of the company is:
Suite 7A
53 Upton Street
BUNDALL QLD 4217

The principal place of business is:
Suite 7A
53 Upton Street
BUNDALL QLD 4217

19. Accounting Standards Issued Not Yet Effective

The following Australian Accounting Standards which have been issued or amended and which are applicable to the company but are not yet effective and have not been adopted in preparation of the financial statements at reporting date.

New/ Revised Pronouncement	Standards Affected	Outline of Amendment	Application date of Standard	Application date for the company
AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9	AASB 9 Financial Instruments	AASB 9 introduces new requirements for the classification and measurement of financial assets. AASB 9 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in AASB 139 and removes the impairment requirement for financial assets held at fair value.	31/12/2013	01/07/2013
AASB 2009-12 Amendments to Australian Accounting Standards arising from AASB 124.	AASB 124 Related Party Disclosures	This revision amends the disclosure requirements for government related entities and the definition of a related party.	31/12/2011	01/07/2012
AASB 2009-5 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project	AASB 5, 8, 101, 107, 117, 118, 136 & 139	Makes various amendments to a number of standards and interpretations in line with the IASB annual improvements project.	31/12/2010	01/07/2011
IFRS Annual Improvements 2010 (May 2010)	Various	Makes various amendments to a number of standards and interpretations.	30/06/2011	01/07/2011

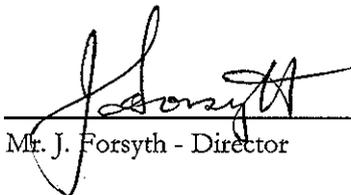
All other pending Standards issued between the previous financial report and the current reporting date have no application to the company.

Directors' Declaration

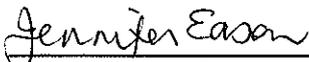
The Directors of the company declare that:

- 1 The financial statements and notes, as set out pages 6 to 18 are in accordance with the Corporations Act 2001:
 - a Comply with Accounting Standards as described in Note 1 to the financial statements and the Corporations Regulations 2001; and
 - b Give a true and fair view of the company's financial position as at 30 June 2010 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.
 - c Comply with International Financial Reporting Standards as stated in Note 1
- 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.



Mr. J. Forsyth - Director



Ms. J. Eason - Director

Dated this 26th day of August 2010



AUDITOR'S INDEPENDENCE DECLARATION

TO THE DIRECTORS OF AUSTRALIAN INVESTORS ASSOCIATION LIMITED

Grant Thornton Audit Pty Ltd
ABN 91 130 913 594
ACN 130 913 594

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W www.grantthornton.com.au

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Australian Investors Association Limited for the year ended 30 June 2010, I declare that, to the best of my knowledge and belief, there have been:

- 1 No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- 2 No contraventions of any applicable code of professional conduct in relation to the audit.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

A F Newman
Director – Audit & Assurance

Brisbane, Dated 26 August 2010



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AUSTRALIAN INVESTORS ASSOCIATION

Grant Thornton Audit Pty Ltd
ABN 91 130 913 594
ACN 130 913 594

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Report on the financial report

We have audited the accompanying financial report of Australian Investors Association, which comprises the balance sheet as at 30 June 2010, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards, which require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance as to whether the financial report is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.



An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we complied with applicable independence requirements of the Corporations Act 2001.

Auditor's opinion

In our opinion:

- 1 The financial report of Australian Investors Association Limited is in accordance with the Corporations Act 2001, including:
 - a giving a true and fair view of the company's financial position as at 30 June 2010 and of its performance for the year ended on that date; and
 - b complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- 2 The financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

A F Newman
Director – Audit & Assurance

Brisbane, Dated 26 August 2010