

**AUSTRALIAN INVESTOR'S ASSOCIATION LTD**  
**ABN 75 052 411 999**

**CONTENTS**

Directors' Report

Statement of Financial Performance

Statement of Financial Position

Notes to the Financial Statements

Directors' Declaration

Independent Audit Report

**AUSTRALIAN INVESTOR'S ASSOCIATION LTD**  
**ABN 75 052 411 999**

**DIRECTORS' REPORT**

Your directors present their report on the company for the financial year ended 30 June 2002.

**Directors**

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

Mr R Andrew	Mr B McBryde
Mr A Cloonan (ceased 7/11/01)	Mr S McKenzie
Mr A Crawford (ceased 7/11/01)	Mr J Venn (appointed 7/11/01)
Mr D Phillips (7/11/01 - 31/1/02)	Mr J Holmes
Mr J Lance	Ms J Eason
Mr G Gray	Mr D Child

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

**Principal Activities**

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

**Operating Results**

The operating surplus of the company for the financial year after providing for income tax amounted to \$ 26,738.

**Dividends paid or Recommended**

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

**Review of Operations**

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

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

**AUSTRALIAN INVESTOR'S ASSOCIATION LTD**  
**ABN 75 052 411 999**

**DIRECTORS' REPORT (cont.)**

**After Balance Date Events**

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

**Future Developments**

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

**Environmental Issues**

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

**Information on Directors**

<i>Name</i>	<i>No. of Meetings Attended</i>	<i>No of meetings held during Directorship</i>	<i>Occupation</i>
Bruce McBryde	4	8	Retired
Robert Andrew	8	8	Retired
Scott McKenzie	8	8	Financial Planner
Adrian Cloonan (a)	1	4	University Lecturer
Andrew Crawford (a)	1	4	Retired
John Holmes (a)	0	8	Retired
Jennifer Eason (a)	3	8	Accountant
John Lance (a)	3	8	Retired
David Child	7	8	Company Director
Gordon Gray	8	8	Financial Educator
David Phillips (a)	0	2	Semi-retired
John Venn (a)	2	4	Retired

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

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

**AUSTRALIAN INVESTOR'S ASSOCIATION LTD**  
**ABN 75 052 411 999**

**DIRECTORS' REPORT (cont.)**

**Options**

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

**Indemnifying Officers or Auditor**

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

The company has paid premiums to insure all of its directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the company, other than conduct involving a willful breach of duty in relation to the company. The amount of the premium was \$5,644.

**Proceedings on Behalf of Company**

No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of these proceedings.

The company was not a party to any such proceedings during the year.

Signed in accordance with a resolution of the board of directors.

Director \_\_\_\_\_  
R ANDREW

Director \_\_\_\_\_  
D CHILD

Brisbane: \_\_\_\_\_ day of September 2002

**AUSTRALIAN INVESTOR'S ASSOCIATION LTD**  
**ABN 75 052 411 999**

**STATEMENT OF FINANCIAL PERFORMANCE**  
**FOR THE YEAR ENDED 30 JUNE 2002**

	<b>Note</b>	<b>2002</b> <b>\$</b>	<b>2001</b> <b>\$</b>
Revenue from ordinary activities	2	393,465	332,005
Distribution expenses		-	(3,298)
Marketing expenses		(22,516)	(11,634)
Administrative expenses		(84,358)	(64,947)
Other expenses from ordinary activities		(264,436)	(212,577)
		<hr/>	<hr/>
Profit from ordinary Activities before income tax expense	3	22,155	39,549
Income tax expense relating to ordinary activities	4	4,583	(5,867)
		<hr/>	<hr/>
Net Profit from ordinary activities after income tax expense attributable to members		<u>\$ 26,738</u>	<u>\$ 33,682</u>

The accompanying notes form part of these financial statements.

**AUSTRALIAN INVESTOR'S ASSOCIATION LTD**  
**ABN 75 052 411 999**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2002**

	Note	2002 \$	2001 \$
<b>CURRENT ASSETS</b>			
Cash assets	5	172,225	200,298
Receivables	6	2,035	1,618
Other	7	11,618	10,584
Deferred Tax Asset	8	849	-
		<hr/>	<hr/>
<b>TOTAL CURRENT ASSETS</b>		\$ 186,727	\$ 212,500
		<hr/>	<hr/>
<b>TOTAL ASSETS</b>		\$ 186,727	\$ 212,500
		<hr/> <hr/>	<hr/> <hr/>
<b>CURRENT LIABILITIES</b>			
Payables	9	101,408	150,185
Tax liabilities	10	2,132	5,866
		<hr/>	<hr/>
<b>TOTAL CURRENT LIABILITIES</b>		\$ 103,540	\$ 156,051
		<hr/>	<hr/>
<b>TOTAL LIABILITIES</b>		\$ 103,540	\$ 156,051
		<hr/>	<hr/>
<b>NET ASSETS</b>		\$ 83,187	\$ 56,449
		<hr/> <hr/>	<hr/> <hr/>
<b>EQUITY</b>			
Retained Profits	11	83,187	56,449
		<hr/>	<hr/>
<b>TOTAL EQUITY</b>		\$ 83,187	\$ 56,449
		<hr/> <hr/>	<hr/> <hr/>

The accompanying notes form part of these financial statements.

**AUSTRALIAN INVESTOR'S ASSOCIATION LTD**  
**ABN 75 052 411 999**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2002**

	Note	2002 \$	2001 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from members		388,736	316,390
Payments to suppliers and employees		(421,374)	(219,272)
Interest received		4,565	4,604
		(28,073)	101,722
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
NET CASH PROVIDED BY / (USED IN) INVESTING ACTIVITIES		-	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
NET CASH PROVIDED BY / (USED IN) FINANCING ACTIVITIES		-	-
<b>NET INCREASE / (DECREASE) IN CASH HELD</b>	13	(28,073)	101,722
Cash at the beginning of the financial year		200,298	98,576
<b>CASH AT THE END OF THE FINANCIAL YEAR</b>	5	\$ 172,225	\$ 200,298

The accompanying notes form part of these financial statements.

**AUSTRALIAN INVESTOR'S ASSOCIATION LTD**  
**ABN 75 052 411 999**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2002**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting -**

This financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board and Corporations Act 2001.

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

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

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report.

**(a) Property, Plant & Equipment -**

Amounts under \$300 are not capitalised

**(b) Income Tax**

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

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

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

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

All members income is exempted from company tax.



**AUSTRALIAN INVESTOR'S ASSOCIATION LTD**  
**ABN 75 052 411 999**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2002**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

**(c) Cash**

For the purpose of the statement of cash flows, cash includes cash on hand and at call deposits with banks or financial institutions, investments in money market instruments maturing within less than two months and net of bank overdrafts.

**AUSTRALIAN INVESTOR'S ASSOCIATION LTD**  
**ABN 75 052 411 999**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2002**

	<b>2002</b>	<b>2001</b>
	\$	\$
<b>2. REVENUE</b>		
(a) Operating Activities		
- Retreat Registrations	138,066	116,348
- Subscriptions Income	105,901	100,842
- Conference Registration	58,670	46,280
- Information Meeting income	33,829	19,257
- Retreat Sponsorship fees	22,500	35,320
- Expo / Retreat Books Sales	3,443	1,653
- Retreat Workshops	2,734	7,642
- AIA Mailing List	1,050	-
- Investors Alert	57	58
- Sponsorship	22,650	-
- Interest	4,565	4,605
	_____	_____
Total Revenue	\$ 393,465	\$ 332,005

**3. PROFIT FROM ORDINARY ACTIVITIES**

Operating profit before abnormal items and income tax has been determined after:

**(a) Expenses:**

Remuneration of auditor		
- Audit or review	1,850	1,650
- other services	2,528	880

**AUSTRALIAN INVESTOR'S ASSOCIATION LTD**  
**ABN 75 052 411 999**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2001**

	<b>2002</b>	<b>2001</b>
	<b>\$</b>	<b>\$</b>
<b>4. INCOME TAX EXPENSE</b>		
The prima facie tax payable on profits from Ordinary activities before income tax is Reconciled to the income tax expenses As follows:		
Prima facies tax payable on operating profit before income tax at 30% (2001: 34%)	6,647	13,447
Add		
Tax effect of		
- non-allowable item	60	-
	<hr/>	<hr/>
	6,707	13,447
Less		
Tax effect of		
- Exempt income	5,337	8,878
- Recoupment of prior year tax losses not previously brought to account	87	-
Over provision for tax - prior year	5,866	-
Under provision for tax – prior year	-	1,298
	<hr/>	<hr/>
Income tax expense attributable to profit from ordinary activities	<u>\$ (4,583)</u>	<u>\$ 5,867</u>
<b>5. CASH ASSETS</b>		
Cash at Bank	32,225	45,298
At Call Deposit	140,000	155,000
	<hr/>	<hr/>
	<u>\$ 172,225</u>	<u>\$ 200,298</u>
<b>6. RECEIVABLES</b>		
<b>Current</b>		
Sundry Debtors	<u>\$ 2,035</u>	<u>\$ 1,618</u>

**AUSTRALIAN INVESTOR'S ASSOCIATION LTD**  
**ABN 75 052 411 999**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2002**

	<b>2002</b>	<b>2001</b>
	\$	\$
<b>7. OTHER</b>		
<b>Current</b>		
Prepayments	\$ 11,618	\$ 10,584
	<u>          </u>	<u>          </u>
<b>8. DEFERRED TAX ASSET</b>		
Future income tax benefit	\$ 849	\$ -
	<u>          </u>	<u>          </u>
<b>9. PAYABLES</b>		
<b>Current</b>		
Trade Creditors	20,357	84,483
Subscriptions in advance	66,380	57,595
Other creditors	14,671	8,107
	<u>          </u>	<u>          </u>
	\$ 101,408	\$ 150,185
	<u>          </u>	<u>          </u>
<b>10. TAX LIABILITIES</b>		
<b>Current</b>		
Income tax	2,132	5,866
	<u>          </u>	<u>          </u>
	\$ 2,132	\$ 5,866
	<u>          </u>	<u>          </u>
<b>11. RETAINED PROFITS</b>		
Retained profits at the beginning of the financial year	56,449	22,767
Net profit attributable to the members of the company	26,738	33,682
	<u>          </u>	<u>          </u>
Retained profits at the end of the financial year	\$ 83,187	\$ 56,449
	<u>          </u>	<u>          </u>

**AUSTRALIAN INVESTOR'S ASSOCIATION LTD**  
**ABN 75 052 411 999**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2002**

	<b>2002</b>	<b>2001</b>
	\$	\$
<b>11. SEGMENT REPORTING</b>		
<p>The Australian Investors Association Ltd provides Education service to members throughout Australia Through newsletter, website, information meetings and conferences. Revenue is derived by the company through members' subscriptions, entry fees and the sale of investment publications to members.</p>		
<b>12. NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
<p>Reconciliation of net cash provided by operating activities to operating profit after income tax:</p>		
Operating profit/(loss) after income tax	22,155	33,682
Changes in assets and liabilities:		
(Increase)/decrease in prepayments	(1,034)	(10,200)
(Increase)/decrease in receivables	(417)	(248)
Increase/(decrease) in accounts payable	(57,562)	75,413
Increase/(decrease) in subscriptions in advance	8,785	(2,791)
Increase in income tax payable	-	5,866
	_____	_____
<b>CASH FLOWS IN/(OUT) FROM OPERATIONS</b>	<b>\$ (28,073)</b>	<b>\$ 101,722</b>
	=====	=====

**AUSTRALIAN INVESTOR'S ASSOCIATION LTD**  
**ABN 75 052 411 999**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2002**

	<b>2002</b>	<b>2001</b>
	\$	\$
<b>13. REMUNERATION AND RETIREMENT BENEFITS</b>		
<b>(a) Directors' Remuneration</b>		
Income received and due and receivable by all directors of the company	\$ Nil	\$ Nil
	<u>          </u>	<u>          </u>
The names of the directors who have held office during the year were:		
Bruce McBryde		
Robert Andrew		
Scott McKenzie		
Adrian Cloonan	(ceased on 7/11/01)	
Andrew Crawford	(ceased on 7/11/01)	
John Holmes		
Jennifer Eason		
John Lance		
David Child		
John Venn	(appointed 7/11/01)	
David Phillips	(7/11/01 - 31/01/02)	
<b>(b) Retirement Benefits</b>		
Amounts of a prescribed benefit given during the year by the company or a related party to a director, or a prescribed superannuation fund, in connection with the retirement from a prescribed office	\$ Nil	\$ Nil
	<u>          </u>	<u>          </u>

**AUSTRALIAN INVESTOR'S ASSOCIATION LTD**  
**ABN 75 052 411 999**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2002**

**2002**                      **2001**  
**\$**                                      **\$**

**14. FINANCIAL INSTRUMENTS**

(a) Interest Rate Risk

The company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities is as follows:

	Weighted Average effective interest rate %		Floating interest rate \$		Fixed interest rate maturing			
	30/6/02	30/6/01	\$	\$	Within 1 year		1 to 5 years	
			30/6/02	30/6/01	\$	\$	\$	\$
<b>Financial Assets</b>								
Cash at Bank	0.00	0.00	32,225	45,298	-	-	-	-
Deposit at call	3.50	5.09	140,000	155,000	-	-	-	-
Total Financial Assets			172,225	200,298	-	-	-	-

(b) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provision for doubtful debts, as disclosed in the Statement of Financial Position and notes to the financial statements.

The company does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the company.

**AUSTRALIAN INVESTOR'S ASSOCIATION LTD**  
**ABN 75 052 411 999**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2002**

**14. FINANCIAL INSTRUMENTS (cont.)**

(c) Net Fair Values

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

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

**15. 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 2002, the number of members was 1,661.

**16. COMPANY INFORMATION**

The registered office of the company is:

7 De Havilland Avenue  
BENOWA QLD 4217



**AUSTRALIAN INVESTOR'S ASSOCIATION LTD**  
**ABN 75 052 411 999**

**DIRECTORS DECLARATION**

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 3 to 16 are in accordance with the Corporations Act 2001:
  - (a) Comply with Accounting Standards and the Corporations Regulations 2001; and
  - (b) give a true and view of the financial position as at 30 June 2002 and of the performance for the year ended on that date of the company;
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director \_\_\_\_\_  
R ANDREW

Director \_\_\_\_\_  
D CHILD

Dated this \_\_\_\_\_ day of September 2002

**INDEPENDENT AUDIT REPORT  
TO THE MEMBERS OF**

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

**Scope**

We have audited the financial report of the Australian Investors Association Ltd comprising the Directors' Declaration, the Statement of Financial Position, the Statement of Financial Performance, the Statement of Cash Flows and the Notes the Financial Statements for the year ended 30 June 2002. The company's directors are responsible for the financial report. We have conducted an independent audit of this financial report in order to express an opinion on it to the members of the company.

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

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

**Audit Opinion**

In our opinion, the financial report of Australian Investors Association Ltd is in accordance with:

- (a) the Corporations Act 2001, including:
  - (i) giving a true and fair view of the company's financial position as at 30 June 2002 and of its performance for the year ended on that date; and
  - (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
- (b) other mandatory professional reporting requirements in Australia.

GRANT THORNTON  
Chartered Accountants

D S SKIRVING  
Partner

BRISBANE  
Date: September 2002

