

**AUSTRALIAN INSTITUTE OF  
INTERNATIONAL AFFAIRS VICTORIA  
LIMITED**

**ACN 004 560 829**

**Annual Financial Report For The Year Ended  
30 June 2013**

**Australian Institute of International Affairs Victoria Limited**  
**ACN 004 560 829**

**30 June 2013**

| <b>CONTENTS</b>                                    | <b>Page</b> |
|--|-------------|
| Directors' Report                                  | 1           |
| Income Statement                                   | 4           |
| Balance Sheet                                      | 5           |
| Statement of Recognised Income and Expenditure     | 6           |
| Cash Flow Statement                                | 7           |
| Notes to the Financial Statements                  | 9           |
| Directors' Declaration                             | 19          |
| Independent Assurance Practitioner's Review Report | 20          |

**AUSTRALIAN INSTITUTE OF INTERNATIONAL AFFAIRS VICTORIA LIMITED**  
**ACN 004 560 829**

**DIRECTORS' REPORT**

Your directors present their report on the company for the financial year ended 30 June 2013

**Directors**

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

|   | <b>Number of Meetings<br/>Eligible to Attend</b> | <b>Attended</b> |
|---|--|-----------------|
| <b>Ms Robyn Byrne OAM</b>                         | <b>5</b>   | <b>3</b>        |
| <b>Ms Toni Feddersen</b>                          | <b>5</b>   | <b>4</b>        |
| <b>Mr William Fisher (resigned December 2012)</b> | <b>2</b>   | <b>1</b>        |
| <b>Dr Tim Healey (passed away 05.05.13)</b>       | <b>3</b>   | <b>2</b>        |
| <b>Mr Michael Helman</b>                          | <b>5</b>   | <b>5</b>        |
| <b>Adjunct Professor Ian Howie</b>                | <b>5</b>   | <b>3</b>        |
| <b>Mr Sean Jesudason (appointed 02.02.13)</b>     | <b>3</b>   | <b>3</b>        |
| <b>Mr Gary Neat (appointed 30.07.12)</b>          | <b>5</b>   | <b>5</b>        |
| <b>Mrs Pat Pettit</b>                             | <b>5</b>   | <b>2</b>        |
| <b>Mr Julian Reeves</b>                           | <b>5</b>   | <b>2</b>        |
| <b>Mr John Richardson (appointed 06.05.13)</b>    | <b>2</b>   | <b>1</b>        |
| <b>Mr Leslie Rowe</b>                             | <b>5</b>   | <b>5</b>        |
| <b>Dr Deborah Seifert</b>                         | <b>5</b>   | <b>5</b>        |
| <b>Hon. Jim Short</b>                             | <b>5</b>   | <b>4</b>        |
| <b>Mr Jason Sing (resigned 30.07.12))</b>         | <b>1</b>   | <b>1</b>        |
| <b>Mr Gordon Tippett</b>                          | <b>5</b>   | <b>4</b>        |
| <b>Mr Laurence Wade</b>                           | <b>5</b>   | <b>5</b>        |

**DIRECTORS' REPORT**

**Operating Result**

The profit of the company for the financial year ended 30 June 2013 amounted to \$13,296 - (2012: \$14,686).

**Review of Operations**

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

The company profit of \$13,296 for the year ended 30 June 2013 compared with \$14,686 in the previous year. Income was lower in 2013 but expenses were also lower and in proportion, providing a similar level of profitability to the previous year.

**Significant Changes in the State of Affairs**

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

**Principal Activities**

The principal activities of the company during the course of the year were the study of international affairs and the organisation of conferences and seminars.

There has been no significant change in the nature of these activities during the year.

**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**

At the date of signing this report there are no unforeseen developments or other future developments in the operations of the company that have not been included in this report that would prejudice its ability to operate at its current level of performance or require disclosure to shareholders.

**Environmental Issues**

The operation of the company is not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory and accordingly no environmental disclosure is required.

**DIRECTORS' REPORT (Continued)**

**Directors' Interests in Shares of the Company or Related Bodies Corporate**

The particulars of shares held by the directors of the company in the company or in related bodies corporate which are required to be declared in the register of directors' share holdings are as follows:

- No director has an interest to declare.

**Directors' Benefits**

No other director has received or has become entitled to receive, during or since the end of the financial year, a benefit because of a contract made by the company or related body corporate with a director, a firm which a director is a member, or an entity in which a director has a substantial financial interest.

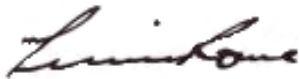
**Indemnification of officer or Assurance Practitioner**

No indemnities have been given or agreed to be given or insurance premiums paid or agreed to be paid, during or since the end of the financial year, to any person who is or has been an officer or assurance practitioner of the company.

**Proceedings on Behalf of the Company**

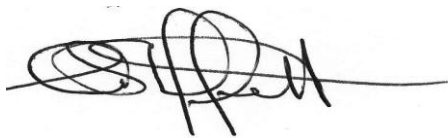
No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings. The company was not a party to any such proceedings during the year.

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



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Mr. Leslie Rowe  
President



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Mr Gordon Tippet  
Treasurer

Dated this **22<sup>nd</sup> October 2013**

**AUSTRALIAN INSTITUTE OF INTERNATIONAL AFFAIRS VICTORIA LIMITED**  
**ACN 004 560 829**

**INCOME STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2013**

|                                       | Note | 2013<br>\$       | 2012<br>\$       |
|---------------------------------------|------|------------------|------------------|
| <b>Income</b>                         |      |                  |                  |
| Members' subscriptions                |      | 35,484           | 40,443           |
| Functions' admission fees             |      | 63,485           | 67,431           |
| Study Tours                           |      | 7,330            | 27,100           |
| Rental income                         |      | 29,741           | 31,579           |
| Donations                             |      | 34,664           | 27,615           |
| Interest                              |      | 8,693            | 5,699            |
| Other                                 |      | 1,074            | 714              |
| <b>Total Income</b>                   | 2    | <b>\$180,471</b> | <b>\$200,581</b> |
| <b>Expenses</b>                       |      |                  |                  |
| Capitation fees                       |      | 8,562            | 8,166            |
| Functions' expenditure                |      | 41,413           | 43,380           |
| Study tours                           |      | 2,010            | 11,255           |
| Employment                            |      | 68,571           | 62,721           |
| Communications                        |      | 6,689            | 9,317            |
| Property expenses                     |      | 7,805            | 8,156            |
| Depreciation                          |      | 7,387            | 6,405            |
| Other                                 |      | 24,738           | 36,495           |
| <b>Total expenses</b>                 |      | <b>\$167,173</b> | <b>\$185,895</b> |
| Profit /(Loss) before income tax      |      | 13,296           | 14,686           |
| Income tax expense                    |      | -                | -                |
| <b>Profit/(Loss) after income tax</b> |      | <b>\$13,296</b>  | <b>\$14,686</b>  |

The accompanying notes form part of these financial statements.

**AUSTRALIAN INSTITUTE OF INTERNATIONAL AFFAIRS VICTORIA LIMITED**  
**ACN 004 560 829**

**BALANCE SHEET**  
**AS AT 30 JUNE 2013**

|                                     | Note | 2013<br>\$         | 2012<br>\$         |
|-------------------------------------|------|--------------------|--------------------|
| <b>CURRENT ASSETS</b>               |      |                    |                    |
| Cash and cash equivalents           | 3    | 217,504            | 178,850            |
| Other assets                        | 4    | 7,279              | 8,869              |
| <b>TOTAL CURRENT ASSETS</b>         |      | <b>\$224,783</b>   | <b>\$187,719</b>   |
| <b>NON-CURRENT ASSETS</b>           |      |                    |                    |
| Property, plant and equipment       | 5    | 1,052,258          | 1,059,645          |
| <b>TOTAL NON-CURRENT ASSETS</b>     |      | <b>\$1,052,258</b> | <b>\$1,059,645</b> |
| <b>TOTAL ASSETS</b>                 |      | <b>\$1,277,041</b> | <b>\$1,247,364</b> |
| <b>CURRENT LIABILITIES</b>          |      |                    |                    |
| Trade payable                       | 6    | 2,740              | 2,010              |
| Other                               | 7    | 28,082             | 9,343              |
| Provision for employee entitlements | 7    | 5,525              | 8,613              |
| <b>TOTAL CURRENT LIABILITIES</b>    |      | <b>36,347</b>      | <b>19,966</b>      |
| <b>TOTAL LIABILITIES</b>            |      | <b>36,347</b>      | <b>19,966</b>      |
| <b>NET ASSETS</b>                   |      | <b>\$1,240,694</b> | <b>\$1,227,398</b> |
| <b>EQUITY</b>                       |      |                    |                    |
| Reserves                            | 8    | 53,905             | 53,905             |
| Revaluation reserve                 | 9    | 951,566            | 951,566            |
| Retained earnings                   | 10   | 235,223            | 134,690            |
| Dyason Bequest                      | 1    | -                  | 87,237             |
| <b>TOTAL EQUITY</b>                 |      | <b>\$1,240,694</b> | <b>\$1,227,398</b> |

The accompanying notes form part of these financial statements.

**AUSTRALIAN INSTITUTE OF INTERNATIONAL AFFAIRS VICTORIA LIMITED**  
**ACN 004 560 829**

**STATEMENT OF RECOGNISED INCOME AND EXPENDITURE**  
**AS AT 30 JUNE 2013**

|  | <b>Note</b> | <b>2013</b>   | <b>2012</b>   |
|--|-------------|---------------|---------------|
|  |             | <b>\$</b>     | <b>\$</b>     |
| Profit /(Loss) for the year  |             | 13,296        | 14,686        |
| Income and expenses recognised directly in equity                                    |             | -             | -             |
| <b>Total amount recognised in the statement of recognised income and expenditure</b> |             | <u>13,296</u> | <u>14,686</u> |

The accompanying notes form part of these financial statements.



**AUSTRALIAN INSTITUTE OF INTERNATIONAL AFFAIRS VICTORIA LIMITED**  
**ACN 004 560 829**

**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2013**

|   | <b>Note</b> | <b>2013</b>    | <b>2012</b>     |
|---|-------------|----------------|-----------------|
|   |             | <b>\$</b>      | <b>\$</b>       |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>         |             |                |                 |
| Operating inflows                                   |             | 197,135        | 194,919         |
| General administration expense                      |             | (167,174)      | (187,711)       |
| Interest received                                   |             | 8,693          | 5,699           |
| Net cash (used in)/provided by operating activities | (ii)        | <u>38,654</u>  | <u>12,907</u>   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>         |             |                |                 |
| Purchase of property, plant and equipment           |             | -              | (11,126)        |
| Net cash used in investing activities               |             | <u>-</u>       | <u>(11,126)</u> |
| Net (decrease)/increase in cash held                |             | 38,654         | 1,781           |
| Cash at beginning of financial year                 |             | <u>178,850</u> | <u>177,069</u>  |
| Cash at end of financial year                       | (i)         | <u>217,504</u> | <u>178,850</u>  |

The accompanying notes form part of these financial statements.

**AUSTRALIAN INSTITUTE OF INTERNATIONAL AFFAIRS VICTORIA LIMITED**  
**ACN 004 560 829**

**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2013**

|   | Note | 2013    | 2012    |
|---|------|---------|---------|
|   |      | \$      | \$      |
| <b>Note (i). Reconciliation Of Cash</b>   |      |         |         |
| Cash at the end of the year as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows: |      |         |         |
| CBA Operating account   |      | 43,725  | 47,267  |
| CBA Term Deposit  |      | 173,179 | 130,983 |
| Cash on hand  |      | 600     | 600     |
|   |      | 217,504 | 178,850 |
|   |      | 217,504 | 178,850 |

**Note (ii). Reconciliation Of Net Operating Activities To Benefits  
Accrued as a Result of Operations**

|   |         |          |
|---|---------|----------|
| Profit/(Loss) for the year                          | 13,296  | 14,686   |
| Depreciation  | 7,387   | 6,405    |
| (Increase) decrease in receivables                  | 1,590   | 6,582    |
| Increase (decrease) in trade payables               | 730     | (476)    |
| Increase (decrease) in other current liabilities    | 18,500  | (15,836) |
| Increase (decrease) in provisions                   | (2,849) | 1,546    |
| Net cash (used in)/provided by operating activities | 38,654  | 12,907   |
|   | 38,654  | 12,907   |

**Non-Cash Financing Activities**

- (a) There were no non-cash financing and investing activities during the financial year ended 30 June 2013 (2012: \$Nil).
- (b) The company has no credit standby arrangement and loan facilities during the financial year ended 30 June 2013 (2012: \$Nil).

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2013**

**INTRODUCTION**

The financial report covers Australian Institute of International Affairs Victoria Limited as an individual company. Australian Institute of International Affairs Victoria Limited is a company limited by guarantee, incorporated and domiciled in Australia.

The principal activities of the company during the course of the year were the study of international affairs and the organisation of conferences and seminars. The financial report is presented in Australian dollars and amounts are rounded to nearest dollar.

The financial report was authorised for issue by the Board of Directors of Australian Institute of International Affairs Victoria Limited at a directors meeting on the date shown on the Declaration by the Board of Directors attached to the Financial Statements.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of accounting**

The financial report is a general purpose financial report which has been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations, and complies with other requirements of the law. Accounting Standards include Australian equivalents to International Financial reporting Standards ("AIFRS").

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

The financial statements have been prepared on a going concern basis, which assumes the realisation of assets and the extinguishment of liabilities in the normal course of business and at the amounts stated in the financial report.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report. The accounting policies have been consistently applied and are consistent with those of the previous year.

**(b) Statement of Compliance**

Accounting Standards include Australian equivalents to International Financial Reporting Standards ("AIFRS"). A statement of compliance with International Financial Reporting Standards cannot be made as the Company is considered to be a Not-for-Profit entity and has prepared the financial statements in accordance with the requirements regarding Not-for-Profit entities as contained in Australian Accounting Standards.

**(c) 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 internally. There are no significant estimates and judgements made during the year.

**(d) Income tax**

Australian Institute of International Affairs has been endorsed by the Australian Taxation Office for access to tax concessions in respect of Fringe Benefits Tax (FBT), Good and Services Tax (GST) and Income Tax Exemption.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2013**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(e) Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. For the purposes of the Cash Flow Statements, cash and cash equivalents consist of cash and cash equivalents as defined above.

**(f) Revenue**

Membership subscriptions are recognised over the period to which they relate.

Interest revenue is recognised on an accrual basis.

Rental income is recognised as it accrues over the period that the property is leased to third parties.

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

**(g) Property, plant and equipment**

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

New asset of promotional material appears for the first time. This is a stock of AIIV branded items held as gifts for speakers and sales to members.

Depreciation

The depreciable amount of all fixed assets including buildings, but excluding freehold land, is depreciated using the diminishing value method over their useful lives to Australian Institute of International Affairs Victoria Limited commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

| <u>Class of Asset</u>        | <u>Depreciation Rate</u>     |
|------------------------------|------------------------------|
| Office Furniture & Equipment | 15%                          |
| Computer Equipment           | 37.5% - 40%                  |
| Library                      | 10%                          |
| Building                     | Over useful life of 30 years |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(g) Property, plant and equipment (CONTINUED)**

Impairment

The carrying values of plant and equipment are reviewed for impairment at each reporting date, with the recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired. Impairment exists when the carrying value of an asset or cash-generating units exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

Impairment losses are recognised in the income statement.

Disposals

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on disposal of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is disposed.

**(h) Employee benefits**

The provision for employee entitlements to wages, salaries and annual leave represents the amount which the company has a present obligation to pay resulting from employee services provided up to the balance date. The provisions have been calculated at undiscounted amounts based on current wage and salary rates and include related on-costs.

**(i) Superannuation**

Contributions to employee superannuation funds are charged against income as they are made. The employer contributions are paid to an approved superannuation scheme.

**(j) Trade and other payables**

Trade and other payables are recognised when the company becomes obliged to make future payments resulting from the purchase of goods and services. The amounts are unsecured and paid within 30 days of recognition.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2013**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(k) Goods and services tax (GST)**

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST) except:

- (i) where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense, or
- (ii) for receivables and payables which are recognised inclusive of GST, the net amount of GST recoverable from, or payable to the taxation authority is included as part of receivables or payables in the Balance Sheet. Receivables and payables are stated with the amount of GST included.

Cash flows are included in the Cash Flow Statements on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

**(l) Comparative Figures**

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

**(m) Limitation of liability and rights of members**

The company is a public company limited by guarantee. Each member of the company undertakes to contribute an amount not exceeding \$20 in the event of the company being wound up. At 30 June 2013 the number of members was 460 (2012 - 454).

At meetings of members each member entitled to vote may vote in person or by proxy or by attorney and on a poll every person present or by proxy or by attorney or other duly authorised representative shall have one (1) vote. No member shall be entitled to vote at any general meeting unless the annual subscription for the current year has been paid.

**(n) New Accounting Standards and Interpretations**

All the new and revised Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are relevant to its operations and effective for the annual reporting period beginning on 1 July 2012 have been adopted by Australian Institute of International Affairs. The directors have given due consideration to new and revised standards and interpretations issued by the AASB that are not yet effective and do not believe they will have any material financial impact on the financial statements of the Company.

**AUSTRALIAN INSTITUTE OF INTERNATIONAL AFFAIRS VICTORIA LIMITED**  
**ACN 004 560 829**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2013**

|  | Note | 2013<br>\$ | 2012<br>\$ |
|--|------|------------|------------|
| <b>NOTE 2 - REVENUE</b>                          |      |            |            |
| <b>Operating Activities:</b>                     |      |            |            |
| Members' subscriptions                           |      | 35,484     | 40,443     |
| Functions' admission fees                        |      | 63,485     | 67,431     |
| Study tours                                      |      | 7,330      | 27,100     |
| Rental income                                    |      | 29,741     | 31,578     |
| Donations  |      | 36,664     | 27,615     |
| Interest received *                              |      | 8,693      | 5,699      |
| Other  |      | 1,074      | 714        |
|  |      | 180,471    | 200,581    |
| <br>   |      |            |            |
| <b>* Interest from:</b>                          |      |            |            |
| - Commonwealth Bank of Australia – Cash Account  |      | -          | -          |
| - Commonwealth Bank of Australia – Term Deposits |      | 8,693      | 5,699      |
|  |      | 8,693      | 5,699      |
| <br>   |      |            |            |
| <b>NOTE 3 – CASH</b>                             |      |            |            |
| Cash at bank                                     |      | 216,904    | 178,250    |
| Cash on hand                                     |      | 600        | 600        |
|  |      | 217,504    | 178,850    |
| <br>   |      |            |            |
| <b>NOTE 4 - OTHER ASSETS</b>                     |      |            |            |
| Current prepayments                              |      | 4,328      | 4,125      |
| Other receivables                                |      | 1,539      | 1,735      |
| Publications on hand – at cost                   |      | 225        | 3,009      |
| Promotional material                             |      | 1,187      | -          |
|  |      | 7,279      | 8,869      |

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2013**

| <b>NOTE 5 – PROPERTY, PLANT AND EQUIPMENT</b> | <b>Note</b> | <b>2013</b>      | <b>2012</b>      |
|---|-------------|------------------|------------------|
|   |             | <b>\$</b>        | <b>\$</b>        |
| Freehold Land:                                |             |                  |                  |
| At deemed cost upon transition to IFRS        | 5 (a)       | <u>1,000,000</u> | <u>1,000,000</u> |
| Building:                                     |             |                  |                  |
| At cost                                       |             | 44,398           | 44,398           |
| Accumulated depreciation                      |             | <u>(19,309)</u>  | <u>(18,445)</u>  |
| Written down value                            | 5 (a)       | <u>25,089</u>    | <u>25,953</u>    |
| Computer Equipment:                           |             |                  |                  |
| At cost                                       |             | 8,756            | 8,756            |
| Accumulated depreciation                      |             | <u>(6,385)</u>   | <u>(4,962)</u>   |
| Written down value                            | 5 (a)       | <u>2,371</u>     | <u>3,794</u>     |
| Office Furniture and Equipment:               |             |                  |                  |
| At cost                                       |             | 108,252          | 108,252          |
| Accumulated depreciation                      |             | <u>(83,454)</u>  | <u>(78,354)</u>  |
| Written down value                            | 5 (a)       | <u>24,798</u>    | <u>29,898</u>    |
| Library:                                      |             |                  |                  |
| At cost                                       |             | -                | -                |
| Accumulated depreciation                      |             | <u>-</u>         | <u>-</u>         |
| Written down value                            | 5 (a)       | <u>-</u>         | <u>-</u>         |
| Total property, plant and equipment           |             | <u>1,052,258</u> | <u>1,059,645</u> |

**(a) Movements in Carrying Amounts**

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

|                         | Freehold<br>Land | Building      | Computer<br>Equipment | Office<br>Furniture &<br>Equipment | Library  | Total            |
|-------------------------|------------------|---------------|-----------------------|------------------------------------|----------|------------------|
|                         | \$               | \$            | \$                    | \$                                 | \$       | \$               |
| Balance at 1 July 2012  | 1,000,000        | 25,953        | 3,794                 | 29,898                             | -        | 1,059,645        |
| Additions               | -                | -             | -                     | -                                  | -        | -                |
| Disposals               | -                | -             | -                     | -                                  | -        | -                |
| Depreciation expense    | -                | (864)         | (1,423)               | (5,100)                            | -        | (7,387)          |
| Balance at 30 June 2013 | <u>1,000,000</u> | <u>25,089</u> | <u>2,371</u>          | <u>24,798</u>                      | <u>-</u> | <u>1,052,258</u> |
| Balance at 1 July 2011  | 1,000,000        | 26,847        | 1,483                 | 26,594                             | -        | 1,054,924        |
| Additions               | -                | -             | 3,026                 | 8,100                              | -        | 11,126           |
| Disposals               | -                | -             | -                     | -                                  | -        | -                |
| Depreciation expense    | -                | (894)         | (715)                 | (4,796)                            | -        | (6,405)          |
| Balance at 30 June 2012 | <u>1,000,000</u> | <u>25,953</u> | <u>3,794</u>          | <u>29,898</u>                      | <u>-</u> | <u>1,059,645</u> |



**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2013**

|  | <b>2013</b>    | <b>2012</b>    |
|--|----------------|----------------|
|  | <b>\$</b>      | <b>\$</b>      |
| <b>NOTE 6 – TRADE PAYABLES</b>             |                |                |
| Trade payables                             | 2,740          | 2,010          |
|  | <hr/>          | <hr/>          |
| <b>NOTE 7 – OTHER</b>                      |                |                |
| Deferred income                            | 28,082         | 9,343          |
| GST and employee entitlements              | 5,525          | 8,613          |
|  | <hr/>          | <hr/>          |
|  | <b>33,607</b>  | <b>17,956</b>  |
|  | <hr/>          | <hr/>          |
| <b>NOTE 8 – RESERVES</b>                   |                |                |
| Capital reserve                            | 42,428         | 42,428         |
| Research reserve                           | -              | 2,181          |
| Dyason House maintenance fund              | 9,032          | 6,851          |
| John Legge library fund                    | 2,445          | 2,445          |
|  | <hr/>          | <hr/>          |
|  | <b>53,905</b>  | <b>53,905</b>  |
|  | <hr/>          | <hr/>          |
| <b>NOTE 9 – REVALUATION RESERVE</b>        |                |                |
| Asset revaluation reserve                  | 951,566        | 951,566        |
|  | <hr/>          | <hr/>          |
| <b>NOTE 10 – RETAINED EARNINGS</b>         |                |                |
| Retained earnings                          | 235,223        | 134,690        |
|  | <hr/>          | <hr/>          |
| Opening balance                            | 134,690        | 120,004        |
| Transfer Balance of Dyason Bequest reserve | 87,237         | -              |
| Net results for the year                   | 13,296         | 14,686         |
|  | <hr/>          | <hr/>          |
|  | <b>235,223</b> | <b>134,690</b> |
|  | <hr/>          | <hr/>          |

**NOTE 11 – RELATED PARTIES**

There are no related parties or related party transactions.

There were no other transactions with key management personnel's related party at reporting date (2012 \$Nil).

**NOTE 12 – CONTINGENT LIABILITIES**

The Company has no contingent liabilities as at 30 June 2013 (2012: \$Nil).

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2013**

**NOTE 13 – FINANCIAL INSTRUMENTS**

**a) Financial risk management**

The company's principal financial instruments comprise receivables, payables, cash and short-term deposits. These activities expose the company to a variety of financial risks: market risk (interest rate risk), credit risk and liquidity risk.

Although the company does not have documented policies and procedures, the Directors manage the different types of risks to which it is exposed by considering risk and monitoring levels of exposure to interest rate and by being aware of market forecasts for interest rate. Ageing analyses and monitoring of specific credit allowances are undertaken to manage credit risk, liquidity risk is monitored through general business budgets and forecasts.

**b) Market risk**

There has been no change to the company's exposure to market risks or the manner in which it manages and measures the risks from the previous year.

(i) Interest rate risk on cash deposits

The company's exposure to market interest rates relates primarily to the company's short term cash deposits held.

(ii) Foreign currency risk

The company is not exposed to fluctuations in foreign currencies.

(iii) Liquidity risk

The company manages liquidity risk by monitoring forecast cash flows.

Financing arrangements

The company does not have access to any borrowing facilities at the reporting date:

Maturities of financial liabilities

The tables below analyse the company's financial liabilities.

|                                    | <b>Maturing<br/>Within Year</b> | <b>Maturing<br/>1 to 5 years</b> | <b>Total</b> |
|------------------------------------|---------------------------------|----------------------------------|--------------|
|                                    | \$                              | \$                               | \$           |
| <b>2013</b>                        |                                 |                                  |              |
| <b>Financial Liabilities</b>       |                                 |                                  |              |
| Trade and other payables           | 2,740                           | -                                | 2,740        |
| <b>Total Financial Liabilities</b> | <b>2,740</b>                    | <b>-</b>                         | <b>2,740</b> |
| <b>2012</b>                        |                                 |                                  |              |
| <b>Financial Liabilities</b>       |                                 |                                  |              |
| Trade and other payables           | 2,010                           | -                                | 2,010        |
| <b>Total Financial Liabilities</b> | <b>2,010</b>                    | <b>-</b>                         | <b>2,010</b> |

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2013**

**NOTE 13 – FINANCIAL INSTRUMENTS (CONTINUED)**

iv) Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to outstanding receivables, net of any allowance for doubtful debts, as disclosed in the balance sheet and notes to the financial statements.

The company trades only with recognised, creditworthy third parties, and as such collateral is not requested nor is it the company's policy to securitize its trade and other receivables. It is the company's policy to consider the credit worthiness of all customers who wish to trade on credit terms.

In addition, receivable balances are monitored on an ongoing basis with the result that the company's exposure to bad debts is not significant. There are no significant concentrations of credit risk.

(v) Price risk

The company is not exposed to any material commodity price risk.

**(c) Net fair values**

The carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their net fair values.

**NOTE 14 – SUBSEQUENT 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.

**NOTE 15 – COMPANY DETAILS**

The registered office of the company is:

Dyason House  
124 Jolimont Road  
East Melbourne Victoria 3002

The principal place of business is:

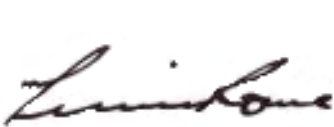
Dyason House  
124 Jolimont Road  
East Melbourne Victoria 3002

**DIRECTORS' DECLARATION**

The directors of the company declare that:

1. The attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including:
  - a) Comply with Australian Accounting Standards and the Corporations Regulations 2001; and
  - b) Give a true and fair view of the financial position as at 30 June 2013 and performance for the year ended on that date of the company.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



Mr. Leslie Rowe  
Director



Mr Gordon Tippet  
Director

Dated this 22<sup>nd</sup> day of October, 2013

*INDEPENDENT ASSURANCE PRACTITIONER'S REVIEW REPORT*

To Directors' of Australian Institute of International Affairs

**Report on the Australian Institute of International Affairs Financial Report**

We have reviewed the accompanying financial report of the Australian Institute of International Affairs, which comprises the Income Statement for the year ended on 30 June 2013, the Balance Sheet as at 30 June 2013, the Statement of Recognised Income and Expenditure and the Cash Flow Statement for the year ended 30 June 2013, as well as a summary of significant accounting policies and other selected explanatory notes.

*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 the Australian Accounting Standards 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 will ensure that the report 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.

*Assurance Practitioner's Responsibility*

Our responsibility is to express a conclusion on the financial report based on our review. We conducted our review in accordance with Standard on Review Engagement ASRE 2400 *Review of a Financial Report Performed by an Assurance Practitioner who is Not the Auditor of the Entity*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the financial report is not presented fairly, in all material respects, in accordance with the Australian Accounting Standards. ASRE 2400 requires us to comply with the requirements of the applicable code of professional conduct of a professional accounting body.

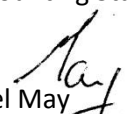
A review of a financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we could 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.

*Conclusion*

Base on our review, which is not an audit, nothing has come to our attention that causes us to believe that the financial report of Australian Institute of International Affairs does not present fairly, in all material respects, the financial position of the company as at 30 June 2013, and of its financial performance and its cash flows for the period ended on that date, in accordance with Australian Accounting Standards and the Corporations Act 2001.

  
Noel May  
Fellow of the Institute of Chartered Accountants  
23 October 2013

Noel May & Associates - Chartered Accountant  
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PO Box 7555, Beaumaris Vic 3193  
Mobile: 0413 749 463 - Office: 9585 7555 - Fax: 9585 1437 - Email: [noel@noelmay.com.au](mailto:noel@noelmay.com.au)