

**AUSTRALIAN INSTITUTE OF
INTERNATIONAL AFFAIRS VICTORIA
LIMITED**

ACN 004 560 829

**Annual Financial Report For The Year Ended
30 June 2012**

Australian Institute of International Affairs Victoria Limited
ACN 004 560 829

30 June 2012

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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 2012

Directors

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

	Number of Meetings Eligible to Attend	Attended
Mr Graham Barrett (resigned 22.11.2011)	1	0
Ms Robyn Byrne OAM	4	3
Dr Carlos De Lemos (retired 17.11.2011)	1	1
Ms Toni Feddersen	4	3
Mr William Fisher	4	0
Mr Richard Green (retired 17.11.2011)	1	0
Dr Tim Healey	4	3
Mr Michael Helman	4	4
Adjunct Professor Ian Howie	4	3
Hon. Michael MacKellar AM (retired 17.11.2011)	1	1
Ms Margaret Papst (retired 17.11.2011)	1	1
Mrs Pat Pettit	4	3
Mr Julian Reeves	4	2
Ms Judy Rothacker (retired 17.11.2011)	1	0
Mr Leslie Rowe	4	4
Dr Deborah Seifert	4	3
Hon. Jim Short	4	3
Mr Jason Sing	4	3
Mr Gordon Tippet	4	4
Mr Laurence Wade	4	4

DIRECTORS' REPORT

Operating Result

The profit of the company for the financial year ended 30 June 2012 amounted to \$14,686 - (loss 2011: \$15,624).

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 made a profit of \$14,686 for the year ended 30 June 2012 compared with a loss of \$15,624 in the previous year. This result is a return to profit after a period of three years of negative trading. While the income was less than the previous period, the returns on activities were stronger.

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' 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.

DIRECTORS' REPORT (Continued)

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.

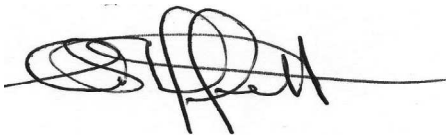
Proceedings on Behalf of the Company

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:



Mr. Leslie Rowe
President



Mr Gordon Tippet
Treasurer

Dated this 31st October 2012

AUSTRALIAN INSTITUTE OF INTERNATIONAL AFFAIRS VICTORIA LIMITED
ACN 004 560 829

INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2012

	Note	2012 \$	2011 \$
Income			
Members' Subscriptions		40,443	41,983
Functions' Admission Fees		67,431	122,207
Study Tours		27,100	20,550
Rental Income		31,579	31,500
Donations		27,615	20,711
Interest		5,699	7,441
Other		714	1,709
Total Income	2	\$200,581	\$246,101
Expenses			
Capitation Fees		8,166	4,900
Functions' Expenditure		43,380	97,294
Study Tours		11,255	6,289
Employment		62,721	95,294
Communications		9,317	8,213
Property Expenses		8,156	8,164
Depreciation		6,405	8,906
Other		36,495	32,233
Total expenses		\$185,895	\$261,725
Profit /(Loss) before income tax		14,686	(15,624)
Income tax expense		-	-
Profit/(Loss) after income tax		\$14,686	\$(15,624)

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 2012

	Note	2012 \$	2011 \$
CURRENT ASSETS			
Cash and cash equivalents	3	178,850	177,069
Other assets	4	8,869	15,451
TOTAL CURRENT ASSETS		<u>\$187,719</u>	<u>\$192,520</u>
NON-CURRENT ASSETS			
Property, plant and equipment	5	1,059,645	1,054,923
TOTAL NON-CURRENT ASSETS		<u>\$1,059,645</u>	<u>\$1,054,923</u>
TOTAL ASSETS		<u>\$1,247,364</u>	<u>\$1,247,443</u>
CURRENT LIABILITIES			
Trade payable	6	2,010	2,486
Other	7	9,343	25,178
Provision for employee entitlements		8,613	7,067
TOTAL CURRENT LIABILITIES		<u>19,966</u>	<u>34,731</u>
TOTAL LIABILITIES		<u>19,966</u>	<u>34,731</u>
NET ASSETS		<u>\$1,227,398</u>	<u>\$1,212,712</u>
EQUITY			
Reserves	8	53,905	53,905
Revaluation reserve	9	951,566	951,566
Retained earnings	10	134,690	120,004
Dyason Bequest		87,237	87,237
TOTAL EQUITY		<u>\$1,227,398</u>	<u>\$1,212,712</u>

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 2012

	Note	2012	2011
		\$	\$
Profit /(Loss) for the year		14,686	(15,624)
Income and expenses recognised directly in equity		-	-
Total amount recognised in the statement of recognised income and expenditure		14,686	(15,624)

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 2012

	Note	2012 \$	2011 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating inflows		194,919	238,660
General administration expense		(187,711)	(249,127)
Interest received		5,699	7,441
Net cash (used in)/provided by operating activities	(ii)	12,907	(2,026)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(11,126)	(990)
Net cash used in investing activities		(11,126)	(990)
Net (decrease)/increase in cash held		1,781	(3,016)
Cash at beginning of financial year		177,069	180,085
Cash at end of financial year	(i)	178,850	177,069

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 2012

	Note	2012 \$	2011 \$
Note (i). Reconciliation of Cash			
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		47,267	51,154
CBA Term Deposit		130,983	125,315
Cash on hand		600	600
		178,850	177,069

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

Profit/(Loss) for the year		14,686	(15,624)
Depreciation		6,405	8,906
(Increase) decrease in receivables		6,582	3,881
Increase (decrease) in trade payables		(476)	(5,117)
Increase (decrease) in other current liabilities		(15,836)	2,082
Increase (decrease) in provisions		1,546	3,846
Net cash (used in)/provided by operating activities		12,907	(2,026)

Non-Cash Financing Activities

- (a) There were no non-cash financing and investing activities during the financial year ended 30 June 2012 (2011: \$Nil).
- (b) The company has no credit standby arrangement and loan facilities during the financial year ended 30 June 2012 (2011: \$Nil).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

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 2012

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 a cash 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.

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%, 22.5% & 30%
Computer Equipment	37.5%
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 2012

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 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 of.

(h) Employee benefits

The provision for employee entitlements to wages, salaries and annual leave represent 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 2012

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 2012 the number of members was 493 (2011 - 503).

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 2011 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 2012

	Note	2012 \$	2011 \$
NOTE 2 - REVENUE			
Operating Activities:			
Members' subscriptions		40,443	41,983
Functions' admission fees		67,419	122,207
Study tours		27,100	20,550
Rental income		31,578	31,500
Donations		27,615	20,711
Interest received *		5,699	7,442
Other		964	1,709
		200,618	246,101
* Interest from:			
- Commonwealth Bank of Australia – Cash Account		0	168
- Commonwealth Bank of Australia – Term Deposits		5,699	5,623
- Macquarie Bank		0	1,651
		5,699	7,442
NOTE 3 – CASH			
Cash at bank		178,250	176,469
Cash on hand		600	600
		178,850	177,069
NOTE 4 - OTHER ASSETS			
Current prepayments		4,125	4,732
Other receivables		1,735	7,709
Publications on hand – at cost		3,009	3,009
		8,869	15,451

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

NOTE 5 – PROPERTY, PLANT AND EQUIPMENT	Note	2012	2011
		\$	\$
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>(18,445)</u>	<u>(17,551)</u>
Written down value	5 (a)	<u>25,953</u>	<u>26,847</u>
Computer Equipment:			
At cost		8,756	15,573
Accumulated depreciation		<u>(4,962)</u>	<u>(14,090)</u>
Written down value	5 (a)	<u>3,794</u>	<u>1,483</u>
Office Furniture and Equipment:			
At cost		108,252	108,786
Accumulated depreciation		<u>(78,354)</u>	<u>(82,193)</u>
Written down value	5 (a)	<u>29,898</u>	<u>26,593</u>
Library:			
At cost		0	3,241
Accumulated depreciation		<u>(0)</u>	<u>(3,241)</u>
Written down value	5 (a)	<u>0</u>	<u>0</u>
Total property, plant and equipment		<u>1,059,645</u>	<u>1,054,923</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 Land	Building	Computer Equipment	Office Furniture & Equipment	Library	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2011	1,000,000	26,847	1,483	26,594	0	1,054,923
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>0</u>	<u>1,059,645</u>
Balance at 1 July 2010	1,000,000	27,772	2,628	32,397	42	1,062,839
Additions	-	-	-	990	-	990
Disposals	-	-	-	-	-	-
Depreciation expense	-	(925)	(1,145)	(6,794)	(42)	(8,906)
Balance at 30 June 2011	<u>1,000,000</u>	<u>26,847</u>	<u>1,483</u>	<u>26,594</u>	<u>0</u>	<u>1,054,923</u>

AUSTRALIAN INSTITUTE OF INTERNATIONAL AFFAIRS VICTORIA LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

	2012	2011
	\$	\$
NOTE 6 – TRADE PAYABLES		
Trade payables	2010	2,486
NOTE 7 – OTHER		
Deferred income	9,581	19,560
GST and Employee Entitlements	(238)	5,618
	9,343	25,178
NOTE 8 – RESERVES		
Capital reserve	42,428	42,428
Research reserve	2,181	2,181
Dyason House maintenance fund	6,851	6,851
John Legge library fund	2,445	2,445
	53,905	53,905
NOTE 9 – REVALUATION RESERVE		
Asset revaluation reserve	951,566	951,566
NOTE 10 – RETAINED EARNINGS		
Retained earnings	134,690	120,004
- Opening balance	120,004	135,627
- Net results for the year	14,686	(15,624)
	134,690	120,004

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 (2011 \$Nil).

NOTE 12 – CONTINGENT LIABILITIES

The company has no contingent liabilities as at 30 June 2012 (2011: Nil).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

NOTE 13 – FINANCIAL INSTRUMENTS (CONTINUED)

(b) Market risk (CONTINUED)

(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.

	Maturing Within Year	Maturing 1 to 5 years	Total
	\$	\$	\$
2012			
Financial Liabilities			
Trade and other payables	2,010	-	2,010
Total Financial Liabilities	2,010	-	2,010
2011			
Financial Liabilities			
Trade and other payables	2,486	-	2,486
Total Financial Liabilities	2,486	-	2,486

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

NOTE 13 – FINANCIAL INSTRUMENTS (CONTINUED)

(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

AUSTRALIAN INSTITUTE OF INTERNATIONAL AFFAIRS VICTORIA LIMITED
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DIRECTORS' DECLARATION

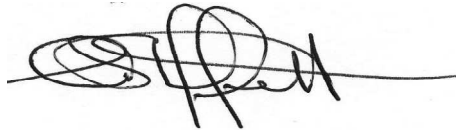
The directors of the company declare that:

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 2012 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 31st day of October, 2012

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 2012, the Balance Sheet as at 30 June 2012, the Statement of Recognised Income and Expenditure and the Cash Flow Statement for the year ended 30 June 2012, 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 2012, 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.

A handwritten signature in black ink, appearing to read 'Noel May', written over a faint, larger version of the same signature.

Noel May
Fellow of the Institute of Chartered Accountants
31 October 2012