

THE FINANCE AND TREASURY ASSOCIATION LIMITED

(Administrators Appointed)
(ABN 70 006 509 655)



FINANCIAL REPORT AS AT 30 JUNE 2009

TOGETHER WITH DIRECTORS' AND AUDITOR'S REPORT

THE FINANCE AND TREASURY ASSOCIATION LIMITED

(Administrators Appointed)

ABN 70 006 509 655

DIRECTORS' REPORT

The directors present their report on the operations of the Finance and Treasury Association Limited (FTA) for the year ended 30 June 2009 and of the state of affairs of the FTA at that date. The FTA is a company limited by guarantee.

VISION STATEMENT

To be the pre-eminent association for finance and treasury professionals in Australia, Asia and the Pacific, at all stages of the member's career, being acknowledged for excellence in the provision of technical information and ongoing professional development.

ASSOCIATION OBJECTIVES

The objectives of the FTA during are:

- To improve and promote ongoing opportunities for professional development of members;
- To keep members up to date on all aspects of best practice within the profession;
- To increase the recognition of the skills of members;
- To convey the views of members on key technical issues facing the profession to government, other associations and the wider community;
- To provide opportunities for members to meet and establish professional and social networks.

OPERATING RESULTS

This past year has been particularly difficult for the finance sector and for the Finance and Treasury Association resulting in the decision by the Board of Directors to place the company into voluntary administration on 18 June 2009. The severe impact of the global financial crises on membership and the disastrous outcome of the Money Market Expo events held in Melbourne and Sydney in May 2009, led to the rapid deterioration in the Association's financial position.

Up to that time the Finance and Treasury Association had experienced a successful 2008 Congress held in Melbourne and had hosted 60 profitable professional development events. A number of new service offerings had been developed which had been eagerly taken up.

Membership

The industry downturn led to a dramatic fall in membership. As at the end of the financial year financial members fell from 1,062 to 861, a decline of 19%.

The Future

A Deed of Company Arrangement (DOCA) was entered into on 24 July 2009 that allowed the Finance and Treasury Association to emerge from administration, come to an arrangement with creditors and allow the Association to resume its affairs as a going concern. We are advised that the terms of the DOCA will be fulfilled by the end of October 2009 once the conditions of the DOCA have been met and creditors have been paid. A key feature of the terms of the DOCA has been the execution of an exclusive services agreement between CommStrat Limited and the Association for a period of 5 years for the provision of member and educational services. The restructuring of the Association's affairs has allowed a significant de-risking of operations as they are now fully outsourced to CommStrat Limited as provided for under the terms of the services agreement. The association carries no ongoing liabilities from either past operations or the arrangements with CommStrat Limited save for paying a variable fee for services based on a percentage of retained membership fees. It is expected that a resumption of member services will be made to an equal or better standard following this restructure.

DIVIDENDS PAID OR RECOMMENDED

FTA is incorporated as a public company limited by guarantee. The FTA's constitution does not permit payment of dividends.

THE FINANCE AND TREASURY ASSOCIATION LIMITED

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DIRECTORS' REPORT

INFORMATION ON DIRECTORS

The Directors of the FTA in office and their qualifications during the financial year are:

Jan Irene Barned (resigned October 2008)

B.Bus(Acc), FFTP

Member of the Audit Committee 2004 -2008 and Remuneration Committee 2006 - 2008

Ms Barned has extensive corporate treasury experience as a practitioner in various industries for over 21 years.

Edward Axel Blom

MSc (Chemistry), Dip.Bus.Admin., FFTP

President 2006 - 2009, Vice President 2004 –2005, Member of the Audit Committee 2004 – 2005 and Remuneration Committee 2004 - 2009

Mr Blom has over 30 years of international treasury management experience both as a practitioner and a consultant.

Michael Dontschuk

BSc Honours (Mathematics), CFTP (Snr), MAICD

Member of the Audit Committee 2007 – 2009

Michael is the Principal of Dontschuk & Associates and has extensive financial and operational expertise, with nearly 30 years of experience in investment, finance, treasury and financial risk management. Previous roles here and overseas, include Group Treasurer at ANZ and Managing Director of Treasury Corporation of Victoria.

Frank Micallef

Bachelor Business (Accounting) RMIT Grad Dip Ed Melbourne Master of Accounting UNE, FFTP

Mr Micallef is currently General Manager Treasury and CFO - Trading at Incitec Pivot Ltd after 6 years at Orica Ltd Group as Global Treasurer.

Kevin Michael John Smout (resigned May 2009)

BCom, BCompt (Hons), Dip Acc, CA, CIMA, CFTP

Chair of the Audit Committee 2005 - 2009

Mr Smout is a partner of Audit and Risk Advisory services at KPMG Perth. He has worked either in commerce or as a service provider to the financial services industry and corporate treasury for 14 years.

Trevor Robert Tilley

BE (Civil) Hons, Grad Dip Accounting, CPA, FFTP

Mr Tilley is the Assistant Treasurer at Alcoa of Australia Limited with over 12 years experience in Corporate Treasury and over 10 years as a member of the FTA. He has a 29 year career which has included roles in engineering, accounting and commercial prior to his current Treasury position.

Steven Aubrey Wright

B Econ. (UQ), Grad Dip Fin (RMIT), FFTP, MAICD

Member of the Remuneration Committee 2006 - 2009

Mr Wright is a Director of RBS Morgans Limited. He has responsibility for the delivery of fixed income and cash products to its retail and corporate clients. He has over 24 years experience in funds management, banking and finance.

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DIRECTORS' REPORT

COMPANY SECRETARY

The Company Secretary of the FTA was Judith Lorraine Hartcher (resigned as CEO 1 June 2009).

MEETINGS OF DIRECTORS

	Number eligible to attend	Number attended
Jan Irene Barned	5	4
Edward Axel Blom	9	8
Michael Dontschuk	9	9
Frank Micallef	9	9
Kevin Michael John Smout	8	5
Trevor Robert Tilley	2	2
Steven Aubrey Wright	9	9

DIRECTORS' BENEFITS

No remuneration was paid or is payable directly or indirectly to any Director.

INDEMNIFYING OFFICER OR AUDITOR

During the financial year, the FTA has paid an association liability insurance premium in respect of its Directors and Officers. The amount of the premium was \$3,498.

ENVIRONMENTAL COMPLIANCE

The Directors were not aware of any material breaches of environmental legislation.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

As already noted the Global Financial Crisis placed enormous pressure on most sectors of the finance industry, and the Finance and Treasury Association was no exception.

Last year, despite the deteriorating global environment the Finance and Treasury Association saw an increase in member engagement through attendance at professional development events and Congress, reflecting our strategy of improving the member value proposition and broadening the target member base.

However, a dramatic fall in membership renewals became evident in 2009 as many members unfortunately left the industry or had been made redundant, and companies discontinuing the payment of FTA membership fees for their staff.

In addition, the SME Money Market Expos run in both Sydney and Melbourne did not perform in line with management expectations or forecasts, and a significant loss was made on these events.

Further, sufficient sponsorship for this year's Congress had not been secured amid the uncertainty of the financial crisis and by May the board took the view that the lack of management confidence in securing future income together with growing contingent liabilities being made from future commitments placed the Association's financial affairs in a critical position.

The CEO resigned 1 June 2009.

A detailed investigation revealed the potential for insolvent trading as the Association's forecasts relied entirely on making a large profit from future net Congress receipts to cover existing liabilities. Urgent discussions were held with a number of parties to canvass the prospect of selling Association assets or structuring a mutually attractive merger. Unfortunately there was insufficient interest at this time.

On 18 June, 2009 Directors placed the FTA into voluntary administration with Andrew McLellan and Ian Carson of PPB.

THE FINANCE AND TREASURY ASSOCIATION LIMITED

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DIRECTORS' REPORT

MATTERS SUBSEQUENT TO BALANCE SHEET DATE

On 27 July 2009 the Directors notified members that as at 23 July 2009 the Finance and Treasury Association had successfully entered a Deed of Company Arrangement with creditors to return the Association as a going concern. The Board had explored a number of potential models for the Finance and Treasury Association with the objective of identifying and implementing one that would allow the Association to retain its independence and member identity whilst at the same time satisfying creditors and allowing the Finance and Treasury Association to continue unencumbered as a legal entity. Importantly, this has ensured that the Association is financially viable in this more challenging economic environment. To this end, it was announced that the Finance and Treasury Association would enter into an exclusive agreement with CommStrat Limited for 5 years for the provision of outsourced secretariat and event management services for Finance and Treasury Association members. CommStrat operates Hallmark Editions which specialises in event and conference management as well as secretariat services for industry associations.

The specific arrangements with CommStrat are summarised as follows:

- CommStrat provides all member, secretariat and administrative services to the FTA
- CommStrat provides and runs the Congress and all core member events
- CommStrat produces all member publications and communications
- CommStrat hosts and supports a dedicated FTA website and related newsletters
- In return, CommStrat receives all revenues and bears all the costs from FTA events and education services
- FTA pays a percentage of annual member fees received to CommStrat by way of service fee
- FTA retains its own rights and responsibilities including banks accounts and governing its own affairs
- Importantly, this guarantees to the FTA the independence and autonomy of a member organisation bound by the objectives of our constitution, an annual cash surplus which can be used to support discretionary activities for members and the ability to manage the terms of the services agreement to enhance the member value proposition.

THE FINANCE AND TREASURY ASSOCIATION LIMITED

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Income statement for year ended 30 June 2009

	Note	2009 \$	2008 \$
Revenue			
Subscriptions		379,995	390,911
Education and other services		1,095,665	1,053,692
Sale of goods		-	-
		<hr/>	<hr/>
Total		1,475,660	1,444,603
Other income - interest		8,528	10,071
		<hr/>	<hr/>
Total revenue		1,484,188	1,454,674
		<hr/>	<hr/>
Expenses			
Service expenses		(472,597)	(440,954)
Marketing, promotion & publication expenses		(60,628)	(75,296)
Occupancy expenses		(71,124)	(65,634)
Administration expenses		(881,419)	(867,614)
Other expenses from ordinary activities		(33,594)	(39,358)
		<hr/>	<hr/>
Total expenses		(1,519,362)	(1,488,856)
		<hr/>	<hr/>
Loss before income tax expense	3	(35,174)	(34,182)
Income tax expense	11	-	-
		<hr/>	<hr/>
Loss from continuing operations		(35,174)	(34,182)
Write off Assets and Liabilities due to DOCA		31,834	-
		<hr/>	<hr/>
Loss after DOCA Adjustments		(3,340)	(34,182)
		<hr/> <hr/>	<hr/> <hr/>

The accompanying notes form an integral part of this income statement.

THE FINANCE AND TREASURY ASSOCIATION LIMITED

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Balance sheet as at 30 June 2009

	Note	2009 \$	2008 \$
CURRENT ASSETS			
Cash and cash equivalent	4	-	242,805
Trade and other receivables		-	8,562
Prepayments		-	41,615
Tax Claimable		-	15,261
Total current assets		-	308,243
NON-CURRENT ASSETS			
Property, plant and equipment	5	-	14,154
Intangible assets	6	-	71,469
Total non-current assets		-	85,623
TOTAL ASSETS		-	393,866
CURRENT LIABILITIES			
Trade and other payables	7	-	34,040
Short term provisions	8	-	14,426
Tax liabilities		-	43,795
Income received in advance	9	-	293,715
Other liabilities		-	4,550
Total current liabilities		-	390,526
NON-CURRENT LIABILITIES			
Provisions	8	-	-
Total non-current liabilities		-	-
TOTAL LIABILITIES		-	390,526
NET ASSETS		-	3,340
MEMBERS' FUNDS			
Retained profit		-	3,340
TOTAL MEMBERS' FUNDS		-	3,340

The accompanying notes form an integral part of this balance sheet.

THE FINANCE AND TREASURY ASSOCIATION LIMITED

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Statement of recognised income and expenditure for year ended 30 June 2009

	Retained Earnings \$	Total \$
Balance at 30 June 2007	37,522	37,522
Loss attributable to FTA	(34,182)	(34,182)
	<hr/>	<hr/>
Balance at 30 June 2008	3,340	3,340
Loss attributable to FTA	(35,174)	(35,174)
Write-off of Assets and Liabilities due to DOCA	31,834	31,834
	<hr/>	<hr/>
Balance at 30 June 2009	-	-
	<hr/> <hr/>	<hr/> <hr/>

The accompanying notes form an integral part of this statement of recognised income and expenditure.

THE FINANCE AND TREASURY ASSOCIATION LIMITED

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Cash flow statement for year ended 30 June 2009

	Note	2009 \$	2008 \$
Cash flows from operating activities			
Receipts from members and customers		1,459,332	1,436,158
Payment to suppliers and employees		(1,644,259)	(1,390,190)
Interest received		8,528	10,071
Net cash from / (utilised) by operating activities	12	(176,399)	56,039
Cash flows from investing activities			
Payment for property, plant and equipment		(26,839)	(3,054)
Payment for intangible assets		-	(27,075)
Net cash used in investing activities		(26,839)	(30,129)
Cash flows from financing activities			
DOCA adjustment		(39,567)	-
Net cash used in financing activities		(39,567)	(30,129)
Net increase / (decrease) in cash and cash equivalent		(242,805)	25,910
Cash and cash equivalent at the beginning of the financial year		242,805	216,895
Cash and cash equivalent at the end of the financial year	4	-	242,805

The accompanying notes form an integral part of this cash flow statement.

THE FINANCE AND TREASURY ASSOCIATION LIMITED

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Notes to and forming part of the financial statements for the period ended 30 June 2009

Note 1 Statement of significant accounting policies

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

The Finance and Treasury Association Limited is a company, incorporated and domiciled in Australia.

Accounting policies

The following is a summary of the material accounting policies adopted by the FTA in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Basis of preparation

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

The financial report has been prepared on an accrual basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

(a) Income tax

The FTA is not assessed for income tax on income derived from activities to service members. It is assessed on income derived from non-members such as income from event registration.

(b) Fair value of financial instruments

The carrying amounts of receivables and creditors are stated at amortised costs and approximate their fair value.

(c) Property, plant and equipment

Property, plant and equipment are carried at cost less, where applicable, any accumulated depreciation and impairment losses. The depreciable amount of all property, plant and equipment is depreciated on a straight line basis over their useful lives to the FTA commencing from the time the asset is held ready for use.

Depreciation rates for the major categories of property, plant and equipment are:

Office furniture	9 %
Office equipment	12-33 %

(d) Intangibles

Software is recorded at cost. Software is amortised over a useful life of 5 years.

THE FINANCE AND TREASURY ASSOCIATION LIMITED

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Notes to and forming part of the financial statements for the period ended 30 June 2009 (continued)

(e) Accounts preparation

The accounts of the FTA comprise the accounts of the National Office, and all the State Chapters. Chapters operate in the following states and territories:

Victoria
New South Wales
South Australia/Northern Territory
Western Australia
Queensland
Tasmania

(f) Revenue

During the prior year, a process was commenced to return all memberships to an annual subscription cycle due on 1 January to achieve efficiencies in accounting and reporting. This process was completed by 31 December 2008. New memberships from 1 January 2008 have been billed proportionately according to the quarter in which they commenced.

Revenue from membership income is recognised upon the delivery of services to members. Membership income is not recognised at the time of receipt, rather it is brought to account monthly. At year-end, the unearned portion of membership fees is recognised as income received in advance.

Revenue from education and other services is recognised in the financial years in which the service is rendered. At period end the prepaid amount is recognised as income received in advance.

Interest revenue is recognised on an as earned basis taking into account the effective interest rates applicable to the financial assets.

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

(g) Operating leases

Operating leases are not capitalised and rental payments are charged against operating activities on a straight-line basis over the lease term.

(h) Foreign currency transactions

Income and expenses arising in a foreign currency are recognised at the rate applicable at the date of the transaction. Foreign currency monetary items outstanding at the balance sheet date are translated at the spot rate at the balance sheet date.

(i) Cash and cash equivalents

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

THE FINANCE AND TREASURY ASSOCIATION LIMITED

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Notes to and forming part of the financial statements for the period ended 30 June 2009 (continued)

(j) Provision for employee entitlements

(a) Annual leave

Annual leave entitlements are recognised and measured as the amount unpaid at the reporting date at current pay rates in respect of the employees' services up to that date.

(b) Long service leave

Long service leave entitlements are recognised, and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future salary levels, including on-costs, experience of employee departures and periods of service. Expected future payments are discounted using interest rates attaching as at the reporting date to Australian Government guaranteed securities with term to maturity that match, as closely as possible, the estimated cash outflows. Long service leave not expected to be settled within twelve months is classified as a non current liability.

	2009	2008
(c) Number of employees at 30 June	1	7

(k) Comparative amounts

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

Note 2 Company details

The Finance and Treasury Association Limited, a company limited by guarantee, was incorporated in Victoria on 24 December 1985. The National Office is located at 99 Bay Street, Brighton, Victoria 3186.

Note 3 Operating loss

	2009	2008
	\$	\$
The operating loss is shown after including the following items:		
Depreciation – property, plant and equipment	11,131	4,723
Amortisation – intangibles	17,416	21,435
Rental expenses on operating leases	97,958	94,452

THE FINANCE AND TREASURY ASSOCIATION LIMITED

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Notes to and forming part of the financial statements for the period ended 30 June 2009 (continued)

Note 4 Cash and cash equivalents

	2009	2008
	\$	\$
Cash on hand	-	110
Cash at Commonwealth Bank	-	193,263
Cash at Bank – HSBC Hong Kong	-	-
Short-term bank deposits	-	49,432
	<hr/>	<hr/>
Cash and cash equivalents	-	242,805
	<hr/> <hr/>	<hr/> <hr/>

Reconciliation of cash and cash equivalents

Cash at the end of the financial year as show in the cash flow statement is reconciled to the related items in the balance sheet as follows:

	2009	2008
	\$	\$
Cash and cash equivalents	-	242,805
	<hr/> <hr/>	<hr/> <hr/>

Note 5 Property, plant and equipment

	2009	2008
	\$	\$
Office furniture at cost	26,745	26,745
Less accumulated depreciation	(24,489)	(23,473)
DOCA Adjustment	(2,256)	-
	<hr/>	<hr/>
	-	3,272
	<hr/>	<hr/>
Office equipment at cost	44,896	41,537
Add purchases during the year	26,838	3,358
Less accumulated depreciation	(44,129)	(34,013)
DOCA Adjustment	(27,605)	-
	<hr/>	<hr/>
	-	10,882
	<hr/>	<hr/>
	-	14,154
	<hr/> <hr/>	<hr/> <hr/>

THE FINANCE AND TREASURY ASSOCIATION LIMITED

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Notes to and forming part of the financial statements for the period ended 30 June 2009 (continued)

	Office Equipment	Office Furniture	Total
	\$	\$	\$
2008			
Balance at beginning of year	11,398	4,714	16,112
Additions at Cost	3,358	-	3,358
Disposals	-	(593)	(593)
Depreciation Expense	(3,581)	(1,142)	(1,142)
	<u>11,175</u>	<u>2,979</u>	<u>14,154</u>
2009			
Balance at beginning of year	11,175	2,979	14,154
Additions at Cost	26,838	-	26,838
Disposals	-	-	-
Depreciation Expense	(10,408)	(723)	(11,131)
DOCA Adjustment	(27,605)	(2,256)	(29,861)
	<u>-</u>	<u>-</u>	<u>-</u>

Note 6 Intangible assets

	2009	2008
	\$	\$
Current		
Computer software	87,080	87,080
Less software amortisation	(33,027)	(15,611)
DOCA Adjustment	(54,053)	-
	<u>-</u>	<u>71,469</u>

The FTA had purchased a license for Aptify 3.5 software. This software was used for the membership database and managing all FTA events and activities.

Note 7 Trade and other payables

	2009	2008
	\$	\$
Current		
Trade payables	-	34,040
Payroll accruals	-	-
	<u>-</u>	<u>34,040</u>

THE FINANCE AND TREASURY ASSOCIATION LIMITED

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Notes to and forming part of the financial statements for the period ended 30 June 2009 (continued)

Note 8 Provisions

	2009	2008
Current		
Annual leave entitlements at 1 July	14,426	14,317
Net additional provision made during the year	39,295	34,963
Annual Leave taken during the year	(33,739)	(27,763)
Annual leave paid during the year	(5,074)	(7,091)
DOCA Adjustment	(14908)	
	<hr/>	<hr/>
Annual leave entitlements at 30 June	-	14,426
Long Service Leave entitlement at 1 July	-	11,790
LSL entitlement transferred from non-current	-	-
Additional provision made during the year	-	-
Long Service Leave paid during the year	-	(11,790)
	<hr/>	<hr/>
Long Service Leave entitlement at 30 June	-	-
	-	14,426
	<hr/> <hr/>	<hr/> <hr/>
Non-current		
Long Service Leave entitlement at 1 July	-	-
Additional provision made during the year	-	-
Long Service Leave transferred to current	-	-
Payment of Long Service Leave made during the year	-	-
	<hr/>	<hr/>
Long Service Leave entitlements at 30 June	-	-
	<hr/> <hr/>	<hr/> <hr/>

Note 9 Income received in advance

	2009	2008
	\$	\$
Current		
Income received in advance:		
- Congress sponsorship and registration	10,000	109,210
- Chapter luncheon	-	-
- Interest	-	-
- Prepaid membership	180,797	184,805
DOCA Adjustment	(190,797)	-
	<hr/>	<hr/>
	-	293,715
	<hr/> <hr/>	<hr/> <hr/>

THE FINANCE AND TREASURY ASSOCIATION LIMITED

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Notes to and forming part of the financial statements for the period ended 30 June 2009 (continued)

Note 10 Remuneration of auditors

Total remuneration received, or due and receivable by the Auditor of The Finance and Treasury Association Limited in respect of:

	2009	2008
	\$	\$
Auditing the financial report of the FTA	-	11,000
Other services	4,730	4,856

Note 11 Income tax

At 30 June 2009 the FTA has carried forward losses for tax purposes of \$1,376,665 (income tax effect of \$413,000 at 30% tax rate).

These losses will have the effect of offsetting potential taxable income for the foreseeable future. However, no deferred tax asset has been brought to account as realisation of a future benefit is not certain.

Movement of the loss for tax purposes carried forward analysed as follows:

	2009	2008
	\$	\$
Brought forward from previous years	1,224,338	1,074,647
Relating to the current year	<u>152,327</u>	<u>149,691</u>
Carried forward to future years	<u>1,376,665</u>	<u>1,224,338</u>

THE FINANCE AND TREASURY ASSOCIATION LIMITED

**Notes to and forming part of the financial statements
for the period ended 30 June 2009** (continued)

**Note 12 Reconciliation of net cash provided by operating activities to
operating loss after income tax**

	2009	2008
	\$	\$
Operating loss after income tax	(36,074)	(34,182)
Adjustments for non-cash income and expense items:		
Depreciation of property, plant and equipment	11,131	4,723
Amortisation of intangibles	17,415	15,611
Change in assets and liabilities:		
Receivables	6,087	(839)
Prepayments	(52,918)	3,903
Creditors	10,060	(36,185)
Deferred income	(102,918)	99,296
Tax liabilities	(29,664)	15,393
Provisions	482	(11,681)
	<hr/>	<hr/>
Net cash from operating activities	(176,399)	56,039
	<hr/> <hr/>	<hr/> <hr/>

Note 13 Related party transactions

Directors

The names of persons who were Directors of The Finance and Treasury Association Limited at any time during the financial year are as follows:

Edward Axel Blom (appointed 18/11/03)
Steven Aubrey Wright (appointed 11/11/04)
Jan Irene Barned (appointed 11/11/04 – Resigned October 2008)
Kevin Michael John Smout (appointed 20/10/05 – Resigned May 2009)
Frank Micallef (appointed 30/5/08)
Michael Dontschuk (appointed 1/11/07)
Trevor Robert Tilley (appointed 20/04/09)

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

Transactions with related parties:

- a. No remuneration was paid or is payable directly or indirectly to any Director.

THE FINANCE AND TREASURY ASSOCIATION LIMITED

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Notes to and forming part of the financial statements for the period ended 30 June 2009 (continued)

Note 14 Key management personnel compensation

Chief Executive Officer

Judy Hartcher (resigned 1 June 2009)

	Short Term Benefits		Post Employment Benefits	
	Salary	Bonus	Superannuation	Total
	\$	\$	\$	\$
2009	144,035	-	12,506	156,541
2008	145,665	10,000	13,110	168,775

Note 15 Financial risk management

The FTA's financial instruments consist mainly of deposits with banks, accounts receivable and payable.

Financial risks

The main risk the FTA is exposed to are interest rate risk, foreign currency risk and credit risk.

(i) Interest rate risk

The FTA is exposed to interest rate risk primarily through financial assets and liabilities. The FTA'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 are as follows:

2009	Interest bearing	Non-interest bearing	Maturity date	Interest rate
	\$	\$		
Financial assets				
Petty cash	-	-	-	-
Current account	-	-	-	-
Time deposit	-	-	-	-
Receivables	-	-	-	-
Financial liabilities				
Accounts payable	-	-	-	-

(ii) 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, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

The FTA does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the FTA.

THE FINANCE AND TREASURY ASSOCIATION LIMITED

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Notes to and forming part of the financial statements for the period ended 30 June 2009 (continued)

Note 16 Finance and leasing commitments

Operating lease expenditure contracted
for is payable as follows:

	2009	2008
	\$	\$
Not later than one year	-	74,882
Between twelve months and five years	-	37,787
Greater than five years	-	-
	<hr/>	<hr/>
	-	112,669
	<hr/> <hr/>	<hr/> <hr/>

All operating lease commitments related to the rental of the digital photocopier, colour printer and fax machine, telephone system and the premises at 22 William Street, Melbourne, Victoria.

Note 16 Other commitments

None in 2009. (2008: Nil).

THE FINANCE AND TREASURY ASSOCIATION LIMITED
(Administrators Appointed)
ABN 70 006 509 655
DIRECTORS' DECLARATION

The Directors of the FTA declare that:

- 1 The financial statements and notes as set out on pages 5 to 18 are in accordance with the Corporations Act 2001, and:
 - (a) give a true and fair view of the financial position of the FTA as at 30 June 2009 and of the performance, as represented by the results of its operation and its cash flow, for the year ended on that date
 - (b) complying with Accounting Standards in Australia and the Corporations Regulations 2001;

- 2 In the Directors' opinion there are reasonable grounds to believe that the FTA 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.



Michael Dontschuk

Date 7 October 2009



Steven Wright

Date 7 October 2009

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE FINANCE AND TREASURY ASSOCIATION LIMITED
(ADMINISTRATORS APPOINTED)**



**R E N S H A W
D A W S O N
L A N G**

**C h a r t e r e d
A c c o u n t a n t s**

60-64 Railway Rd, Blackburn
Telephone: (03) 9878 1477
Facsimile: (03) 9894 1798
P.O. Box 189, Blackburn, 3130.
Renshaw Dawson Lang
Pty Ltd ACN 006 634 028
ABN 84 164 947 290

Incorporating the practice of
**Kimberly Smith
P a r t n e r s**

Report on the Financial Report

We have audited the accompanying financial report of The Finance and Treasury Association Limited (the company), which comprises the balance sheet as at 30 June 2009 and the income statement, statement of recognised income and expenditure and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

DIRECTORS:
Robert J. Hurrell FCA
Fraser W. Holt CA
Joel L. Hernandez CA
Anthony J. Dunstan CA

CONSULTANTS:
Max K. Dawson CA
Robert J. Lang CA
William F. Renshaw FCA

Independence

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

Emphasis of Matter

Attention is brought to the Directors' Report included in the accompanying financial report that explains the operating results and the significant changes in state of affairs for the company in regards to the appointment of administrators and the Deed of Company Arrangement.

Auditor's Opinion

In our opinion:

- a. the financial report of The Finance and Treasury Association Limited is in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2009 and of their performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Renshaw Dawson Lang
Chartered Accountants



Rob Hurrell, FCA
60-64 Railway Road
Blackburn, Victoria

7 October, 2009

E-mail: contact@renshawdawsonlang.com.au Website: www.renshawdawsonlang.com.au

Liability limited by a scheme approved under Professional Standards Legislation



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**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF THE FINANCE AND TREASURY ASSOCIATION
LIMITED (ADMINISTRATORS APPOINTED)**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2009 there have been

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

Renshaw Dawson Lang
Chartered Accountants



Rob Hurrell, FCA
60-64 Railway Road
Blackburn, Victoria

7 October 2009



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