

THE FINANCE AND TREASURY ASSOCIATION LIMITED

(ABN 70 006 509 655)



**FINANCIAL REPORT AS AT 30 JUNE 2011
TOGETHER WITH DIRECTORS' AND AUDITOR'S REPORT**

THE FINANCE AND TREASURY ASSOCIATION LIMITED

ABN 70 006 509 655

DIRECTORS' REPORT

Your directors present this report on the Finance & Treasury Association for the financial year ended 30 June 2011.

DIRECTORS

The names of each person who has been a director during the year and to the date of this report are:

- Michael Dontschuk FFTP, FTA President
- Paul Travers FFTP, FTA Vice-President
- Colin Campbell FFTP
- Terrance Clarke FFTP
- Chris Dalton FFTP
- David Davies FFTP
- Kate Duffy FFTP
- Barry Haydon CFTP (Snr)
- Trevor Robert Tilley FFTP

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

PRINCIPAL ACTIVITIES

The principal activities of the FTA 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.

Objectives

Directors are firmly focused on ensuring that the financial strength of the FTA continues to grow and deliver on the strategic objectives set in May 2010. These objectives include:

- a) Enhancing the FTA membership value proposition
- b) Continuing to deliver training and development valued by the membership
- c) Developing and enhancing alliances with complementary professional associations
- d) Leading the development of policy and advocacy submissions on behalf of FTA members
- e) Continually reviewing and improving the on-line member offering

In the short-term these objectives have been met through the following achievements.

- a) Growth in membership for the first time in six years to 854 as at 30 June 2011.
- b) The execution of one of the most successful Congresses on record in Melbourne from Wednesday 27 October to Friday 30 October, 2010 with over 350 finance & treasury professionals in attendance. The feedback from delegates was very positive and members appreciated the high calibre of presenters including company directors Mark Johnson AO, Linda Nicholls AO and Michael Traill AM. A higher quality continuing professional development program (CPD) that has resulted in strong attendance of members and non-members and the re-activation of the FTA Corporate Treasurers Round table luncheons in all states.
- c) The re-establishment of the alliance with the UK Association of Corporate Treasurers (ACT) offering discount to FTA members for completing on-line treasury qualifications as well as the development of informal arrangements with Australian Securitisation Forum (ASF) and the Australian Centre for Financial Studies (ACFS).

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- d) Submission of a number of high-level policy/advocacy papers to the International Accounting Standards Board (IASB) and to the Australian Securities Investment Commission (ASIC) on the retail corporate bond market.
- e) A new website that had been re-designed and upgraded that now features a substantial on-line repository of finance & treasury papers as well as a member networking function.

In the long-term these objectives will be met through the following strategic initiatives.

- a) Continuing to increase the FTA membership value proposition and pursuing a target of over 1000 members over the next two years.
- b) The FTA will provide information to its members through its professional development programs primarily by accessing experts from various relevant fields to present on topical issues.
- c) The FTA will build a network of alliances that allows its own particular niche market to interface with other organisations where there may be synergies developed for the mutual benefit of the parties in areas where there is no conflict of interest.
- d) Raise the profile of the FTA with the financial markets, regulators, governments and the wider community.
- e) The FTA will become a primary source of knowledge for the treasury and financial risk profession/s by leveraging the skills and experience of its members by engaging in and or facilitating research to increase with the FTA "owning" an increasing component of the repository.

OPERATING RESULTS

The FTA recorded an operating surplus of \$146,215 for the twelve months to 30 June 2011, 118% above the FY11 surplus forecast of \$67,192 and in line with the FY10 operating surplus of \$148,356.

Total membership income of \$343,527 was slightly (1%) ahead of forecast of \$340,000 and up \$40,618 (13%) from \$302,909 reported in FY10.

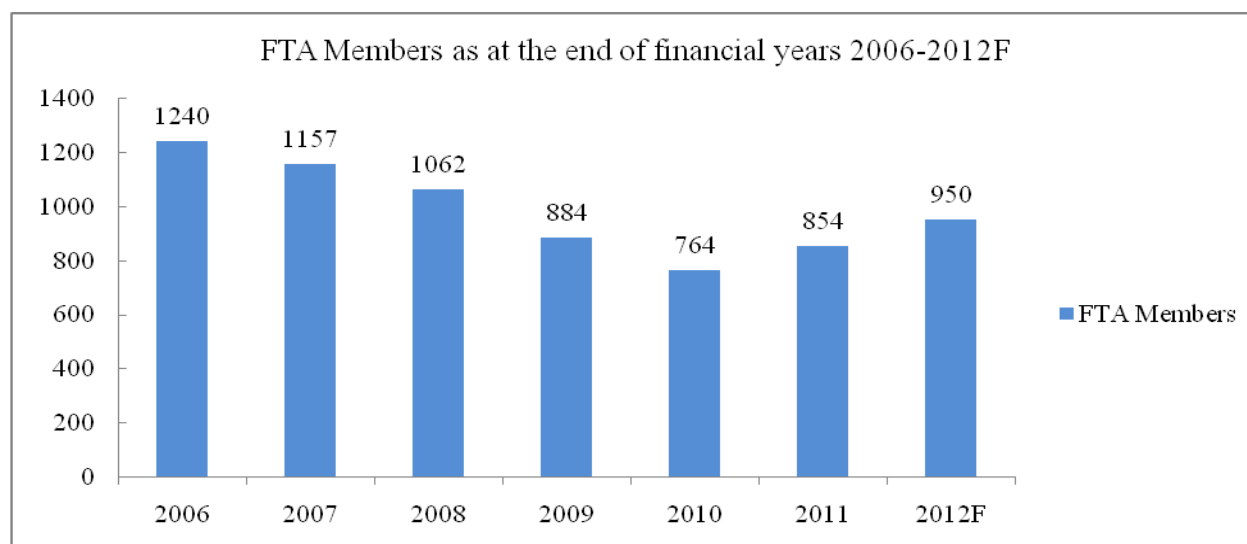
Total expenses excluding the Secretariat fees were \$36,313 or 66% below forecast.

Total assets increased 100% from \$159,308 as at 30 June 2010 to \$318,965 as at 30 June 2011 and total members equity increased 99% from \$148,356 to \$294,571 over the same period.

MEMBERSHIP

Following an extensive revamp of the professional development program as well as the marketing of the FTA membership value proposition to many finance and treasury professionals, FTA membership grew by 12% to 854. This is the first growth in FTA membership in six years.

Directors have been delighted to welcome 146 new members to the FTA during 2011 financial year.



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DIRECTORS' REPORT

INFORMATION ON DIRECTORS

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

Colin Campbell

B Com, MBA (RMIT), FFin, FFTP

Colin has over 30 years experience in Financial Markets, Treasury and Banking. He is currently working as an Advisor at Wilson HTM Ltd. Previously, a General Manager with the NAB for 9 years offshore in NZ and the UK markets. At various times he was General Manager of the following divisions; Specialist Business & Consumer Finance, Global Head of TMT, Wholesale Financial Services NZ. Prior to that he was Head of Treasury Sales at the (NAB).

Terence Clarke

B Com (Hons), FCPA, FAICD, MIMC, FFTP

Terence spent 20 years at CEO and Board level in some of Australia's largest fully commercial government business enterprises with extensive experience in corporate treasury, risk management and project evaluation as the CEO of the Tasmanian Public Finance Corporation (TASCORP) for some 12 years, head of Finance for Australia Post and Deputy Secretary of the Department of Treasury, Tasmania.

Chris Dalton

B Ec, MBA, FFTP

Chris is the Chief Executive Officer of The Australian Securitisation Forum, the peak industry association for participants in Australia's securitisation market. He is also a Director Trustee of the Emergency Services and State Superannuation Fund, a 150,000 member exempt public sector super fund. Prior to these roles Chris was the Country Head of Standard & Poor's (S&P).

David Davies

FFTP

David has over 20 years experience in Financial Markets, Treasury and Banking. He is currently Group Treasurer for Caltex Ltd having previously held the role of Treasurer at Lion Nathan National Foods, CSR Limited and Austrim Nylex Ltd. David also worked in the Banking sector for over 4 years with NM Rothschild where he held the position of Director, Head of Treasury Sales and Marketing.

Michael Dontschuk

BSc Honours (Mathematics), FFTP, MAICD

Member of the Audit Committee 2007 – 2009

Michael is Divisional Director with Oakvale Capital Limited 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 and as Principal of his own consulting business.

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Kate Duffy

B. Bus (USA) Grad Cert Mgmt (Adel) Grad Dip Appl Fin (SIA) MBA (USA) FFTP F Fin

Kate is currently the Principal of Kate Duffy Consulting. Prior to this Kate was the Corporate Treasurer at Yalumba Wines in South Australia and the Territory Insurance Office in Darwin and Treasury Analyst at Santos Ltd. Kate also spent some time overseas in Ireland and was employed in the Treasury and Banking sector.

Barry Haydon

B Bus, Grad Dip Mgt, M Bus, FCPA, GAICD, CFTP (Snr)

Barry is currently the Faculty Finance Manager, Faculty of Business and Economics at Monash University but prior to that spent 20+ years with Rio Tinto with the bulk of this time in the corporate treasury area being involved in all aspects of the treasury function. The last two roles at Rio were senior management positions with broad responsibility for the finance function. His time in the property sector involved arranging finance and structuring/investment analysis for domestic opportunities and potential PRC transactions.

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.

Paul Travers

FFTP, MAICD, FINSIA (Senior Fellow and Member of their Financial Markets Advisory Group), Master of Commerce with specialisation in finance (UNSW).

Paul has over 20 years Treasury experience and currently heads Oakvale's Sydney office as the Executive Director.

MEETINGS OF DIRECTORS

Director	Eligible to attend	Number attended
Colin Campbell	9	9
Terry Clarke	9	9
Chris Dalton	9	9
David Davies	9	4
Michael Donschuk	9	8
Kate Duffy	9	9
Barry Haydon	9	7
Trevor Tilley	9	7
Paul Travers	9	7

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Statement of Comprehensive Income for year ended 30 June 2011

	Note	2010	2009
Revenue		\$	\$
Subscriptions		343,527	302,909
		<hr/>	<hr/>
Total		343,527	302,909
Other income			
Interest		8,957	887
Royalties		1,807	1,478
Total		10,764	2,365
		<hr/>	<hr/>
Total revenue		354,291	305,274
		<hr/>	<hr/>
Expenses			
Administration expenses		(208,076)	(156,918)
		<hr/>	<hr/>
Total expenses		(208,076)	(156,918)
		<hr/>	<hr/>
Profit/ (Loss) before income tax expense		146,215	148,356
Income tax expense	10	-	-
		<hr/>	<hr/>
Profit/(Loss) from continuing operations		146,215	148,356
Other comprehensive income for the year		-	-
		<hr/>	<hr/>
Total comprehensive income for the year		146,215	148,356
Profit attributable to members of the entity		146,215	148,356
		<hr/>	<hr/>
Total comprehensive income attributable to members of the entity		146,215	148,356
		<hr/>	<hr/>

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

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Statement of Financial Position as at 30 June 2011

	Note	2011 \$	2010 \$
CURRENT ASSETS			
Cash and cash equivalent	2	313,871	156,908
Trade and other receivables	3	5,094	2,400
Total current assets		318,965	159,308
TOTAL ASSETS			
		318,965	159,308
CURRENT LIABILITIES			
Trade and other payables	4	18,769	9,988
Provisions	5	5,000	-
Tax liabilities		625	701
Income received in advance	6	-	263
Total current liabilities		24,394	10,952
TOTAL LIABILITIES			
		24,394	10,952
NET ASSETS			
		294,571	148,356
EQUITY			
Retained profit	7	146,571	148,356
Reserves	8	148,000	-
TOTAL EQUITY		294,571	148,356

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

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Statement of Changes in Equity for year ended 30 June 2011

	Retained Earnings	General Reserve	R&D Reserve	Total
	\$	\$	\$	\$
Balance at 1 July 2009	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Comprehensive income				
Profit for the year	148,356	-	-	148,356
Other comprehensive income for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income	<u>148,356</u>	<u>-</u>	<u>-</u>	<u>148,356</u>
Balance at 30 June 2010	<u>148,356</u>	<u>-</u>	<u>-</u>	<u>148,356</u>
Comprehensive income				
Profit attributable to the entity	146,215	-	-	146,215
Other comprehensive income for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income	<u>294,571</u>	<u>-</u>	<u>-</u>	<u>294,571</u>
Other transfers				
Transfer to Reserves	<u>(148,000)</u>	<u>50,000</u>	<u>98,000</u>	<u>-</u>
Total other transfers	<u>(148,000)</u>	<u>50,000</u>	<u>98,000</u>	<u>-</u>
Balance at 30 June 2011	<u>146,571</u>	<u>50,000</u>	<u>98,000</u>	<u>294,571</u>

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

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Statement of Cashflows for the year ended 30 June 2011

	Note	2011 \$	2010 \$
Cash flows from operating activities			
Receipts from members and customers		379,866	327,765
Payment to suppliers and employees		(226,767)	(171,744)
Interest received		3,864	887
Net cash from / (utilised) by operating activities	9	<u>156,963</u>	<u>156,908</u>
Net increase / (decrease) in cash and cash equivalent		156,963	156,908
Cash and cash equivalent at the beginning of the financial year		<u>156,908</u>	<u>-</u>
Cash and cash equivalent at the end of the financial year	2	<u>313,871</u>	<u>156,908</u>

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

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Notes for the financial statements for the year ended 30 June 2011

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) 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

(d) Revenue

Revenue from membership income is recognised upon receipt. There is no liability to refund any portion of membership fees where a membership is cancelled. 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).

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Notes for the financial statements for the year ended 30 June 2011

(continued)

(e) 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.

(f) Comparative amounts

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

(g) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

(h) Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(i) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

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Notes for the financial statements for the year ended 30 June 2011

(continued)

Note 2 Cash and cash equivalents

	2011	2010
	\$	\$
Commonwealth Bank – Cheque Account	113,871	156,908
Commonwealth Bank - Term Deposit	200,000	-
	<hr/>	<hr/>
Cash and cash equivalents	313,871	156,908
	<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:

	2011	2010
	\$	\$
Cash and cash equivalents	313,871	156,908
	<hr/> <hr/>	<hr/> <hr/>

Note 3 Trade and Other Receivables

	2011	2010
	\$	\$
Trade Receivables	-	2,400
Interest Receivable	5,094	-
	<hr/>	<hr/>
	5,094	2,400
	<hr/> <hr/>	<hr/> <hr/>

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Notes for the financial statements for the year ended 30 June 2011

(continued)

Note 4 Trade and other payables

	2011	2010
	\$	\$
Current		
Trade payables	18,769	9,988
	<hr/>	<hr/>
	18,769	9,988
	<hr/> <hr/>	<hr/> <hr/>

Note 5 Provisions

	2011	2010
	\$	\$
Current		
Industry Survey	5,000	-
	<hr/>	<hr/>
	5,000	-
	<hr/> <hr/>	<hr/> <hr/>

Note 6 Income received in advance

	2011	2010
	\$	\$
Current		
Income received in advance:		
- Prepaid membership	-	263
	<hr/>	<hr/>
	-	263
	<hr/> <hr/>	<hr/> <hr/>

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Notes for the financial statements for the year ended 30 June 2011

(continued)

Note 7 Retained Profits

	2011 \$	2010 \$
Retained Earnings	146,571	148,356
	<hr/>	<hr/>
At 30 June	146,571	148,356
	<hr/> <hr/>	<hr/> <hr/>
Retained Earnings		
Movements in retained earnings were as follows:		
Balance at 1 July	148,356	-
Net Profit/(Loss) for the year	146,215	148,356
Transfer to Reserves	(148,000)	-
	<hr/>	<hr/>
Balance at 30 June	146,571	148,356
	<hr/> <hr/>	<hr/> <hr/>

Note 8 Reserves

	2011 \$	2010 \$
General Reserve	50,000	-
Research and Development Reserve	98,000	-
	<hr/>	<hr/>
Balance at 30 June	148,000	-
	<hr/> <hr/>	<hr/> <hr/>
<i>General Reserve</i>		
Balance at 1 July	-	-
Transfer from Retained Earnings	50,000	-
	<hr/>	<hr/>
Balance at 30 June	50,000	-
	<hr/> <hr/>	<hr/> <hr/>
<i>Research and Development Reserve</i>		
Balance at 1 July	-	-
Transfer from Retained Earnings	98,000	-
	<hr/>	<hr/>
Balance at 30 June	98,000	-
	<hr/> <hr/>	<hr/> <hr/>

THE FINANCE AND TREASURY ASSOCIATION LIMITED

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Notes for the financial statements for the year ended 30 June 2011

(continued)

Note 9 Reconciliation of net cash provided by operating activities to operating loss after income tax

	2011 \$	2010 \$
Operating profit/(loss) after income tax	146,215	148,356
Adjustments for non-cash income and expense items:		
Depreciation of property, plant and equipment	-	-
Amortisation of intangibles	-	-
Change in assets and liabilities:		
Receivables	(2,693)	(2,400)
Prepayments	-	-
Creditors	8,780	9,988
Deferred income	(263)	263
Tax liabilities	(76)	701
Provisions	5,000	-
Net cash from operating activities	<u>156,963</u>	<u>156,908</u>

Note 10 Income tax

At 30 June 2011 the FTA has carried forward losses for tax purposes of \$1,376,665.

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:

	2010 \$	2009 \$
Brought forward from previous years	1,376,665	1,376,665
Relating to the current year	<u>0</u>	<u>0</u>
Carried forward to future years	<u>1,376,665</u>	<u>1,376,665</u>

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Notes for the financial statements for the year ended 30 June 2011

(continued)

Note 11 Events after the Reporting Date

There are no events after the reporting date to disclose.

Note 12 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:

Michael Dontschuk (appointed 1 November 2007)
Trevor Robert Tilley (appointed 20 April 2009)
Colin Campbell (appointed 29 October 2009)
Terrance Clarke (appointed 29 October 2009)
Chris Dalton (appointed 29 October 2009)
David Davies (appointed 29 October 2009)
Kate Duffy (appointed 29 October 2009)
Barry Haydon (appointed 29 October 2009)
Paul Travers (appointed 29 October 2009)

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.

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Notes for the financial statements for the year ended 30 June 2011

(continued)

Note 13 Financial risk management

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

Financial risks

The main risks the FTA is exposed to are interest rate 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:

2011	Interest bearing	Non-interest bearing	Maturity date	Interest rate
		\$	\$	
Financial assets				
Cheque account	113,871	-	-	1.6%
Term Deposit	200,000	-	August 2011	6.0%
Receivables	-	-	-	-
Financial liabilities				
Accounts payable	-	18,769	-	-

(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 have a material credit risk exposure to a single receivable as the financial instruments entered into by the FTA is with one financial institution, an Australian authorised deposit taking institutions, thereby covered by the current Australian government guarantee.

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Notes for the financial statements for the year ended 30 June 2011

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Note 14 Entity Details

The registered office of the entity is:

Level 8, 574 St Kilda Rd. Melbourne 3004

The principal place of business is:

Level 8, 574 St Kilda Rd. Melbourne 3004

Note 15 Members Guarantee

The entity is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. If the entity is wound up, the constitution does not specify an amount that each member is required to contribute towards meeting any outstanding obligations of the entity. Section 38(e) of the constitution gives the Board the power to impose a levy on members when there are insufficient funds to meet requirements. At 30 June 2011 the number of members was 854.

THE FINANCE AND TREASURY ASSOCIATION LIMITED
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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 2011 and performance, as represented by the results of its operation and its cash flow, for the on that date
 - (b) complying with Accounting Standards in Australia and the Corporations Regulation

- 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 Donschuk FFTP
President

Date 10 August 2011

Paul Travers FFTP
Vice-President

Date 8 August 2011

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE FINANCE AND
TREASURY ASSOCIATION LIMITED

Report on the Financial Report

We have audited the accompanying financial report of The Finance and Treasury Association Limited (the company), which comprises the statement of financial position as at 30 June 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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. Those 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 of the financial report that gives a true and fair view 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE FINANCE AND
TREASURY ASSOCIATION LIMITED

Independence

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

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of The Finance and Treasury Association Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Auditor's Opinion

In our opinion 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 2011 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

rdl.accountants
Chartered Accountants



Rob Hurrell, FCA
10th August 2011

60-64 Railway Road
Blackburn, Victoria

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

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2011
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.

rdl.accountants
Chartered Accountants



Rob Hurrell, FCA
10th August 2011

60-64 Railway Road
Blackburn, Victoria