

THE FINANCE AND TREASURY ASSOCIATION LIMITED

(ABN 70 006 509 655)



**FINANCIAL REPORT AS AT 30 JUNE 2010
TOGETHER WITH DIRECTORS' AND AUDITOR'S REPORT**

THE FINANCE AND TREASURY ASSOCIATION LIMITED

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 2010 and of the state of affairs of the FTA at that date. The FTA is a company limited by guarantee.

VISION STATEMENT

The FTA will be recognised as the pre-eminent organisation representing treasury and financial risk management professionals in Australia (Asia and Pacific)

ASSOCIATION OBJECTIVES

The objectives 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.

OPERATING RESULTS

After a tough financial year in 2009, the FTA experienced a good year in FY10 recording an operating surplus of \$148,356 for the 12 months to 30 June 2010. This compared to an operating loss of \$35,174 for the previous year.

The surplus is reflected in the balance sheet with total member' funds at \$148,356.

A Deed of Company Arrangement (DOCA) was entered into on 24 July 2009 that allowed the Finance and Treasury Association to re-emerge as a going concern from voluntary administration, and come to an arrangement with creditors and allow the Association to resume its affairs. The DOCA was successfully completed on 15 June 2010. 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.

In addition and following extensive input from the membership there has been a renewal of activity at the board and committee level. A larger group of members is now involved in overseeing the activities of the Association and its arrangement with CommStrat and in particular in setting the agenda for the Association with a number of key initiatives have now been determined and implemented.

The most significant factor contributing to the turnaround in the profitability is the restructure of our operations through the implementation of the services agreement with CommStrat allowing for the efficient and effective delivery of member services.

MEMBERSHIP

Following the difficult year for the FTA in 2009 and a contraction in the finance industry as a consequence of the Global Financial Crisis, a number of members tendered their resignations from the Association as at 31 December 2009. As at the end of the financial year financial members fell from 861 to 764, a decline of 11%.

THE FUTURE

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.

The surpluses being accrued by the Association will be carefully managed to allow for a prudent financial reserve to be established over the next few years. In addition funds will be made available for the development of strategic initiatives as outlined in the strategic plan so that the Association can enhance the attractiveness of its member proposition and grow the membership base.

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

ABN 70 006 509 655

DIRECTORS' REPORT

INFORMATION ON DIRECTORS

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

Edward Axel Blom resigned 29 October 2009

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.

Colin Campbell elected 29 October 2009

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 elected 29 October 2009

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 elected 29 October 2009

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 elected 29 October 2009

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 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.

Kate Duffy elected 29 October 2009

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

Kate is currently Group Treasurer/Planner/Analyst at Yalumba Wine Company and the Principal of Kate Duffy Consulting. She has had over 20 years banking, finance and fund management experience. Prior to her current roles, Kate was the Corporate Treasurer at Territory Insurance Office in Darwin and Treasury Analyst at Santos Ltd. Kate also spent time overseas in Ireland where she was employed in the Treasury and Banking sectors.

Barry Haydon elected 29 October 2009

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.

Frank Micallef resigned 29 October 2009

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

Mr Micallef is currently Chief Financial Officer at Incitec Pivot Ltd after 6 years at Orica Ltd Group as Global Treasurer.

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 elected 29 October 2009

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.

Steven Aubrey Wright resigned 29 October 2009

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.

THE FINANCE AND TREASURY ASSOCIATION LIMITED

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DIRECTORS' REPORT

COMPANY SECRETARY

The Company Secretary of the FTA was Jillian Davis (resigned as Company Secretary 30 June 2010).

MEETINGS OF DIRECTORS

Director	Eligible to attend	Number attended
Axel Blom	4	4
Steven Wright	4	4
Frank Micallef	4	4
Michael Dontschuk	11	10
Trevor Tilley	11	10
Paul Travers	7	7
Colin Campbell	7	6
Terry Clarke	7	7
Chris Dalton	7	6
David Davies	7	6
Kate Duffy	7	5
Barry Haydon	7	6

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 \$1,593.

ENVIRONMENTAL COMPLIANCE

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

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

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 from that date 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.

MATTERS SUBSEQUENT TO BALANCE SHEET DATE

The Directors advise there are no material matters subsequent to the end of the balance sheet date.

THE FINANCE AND TREASURY ASSOCIATION LIMITED

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Income statement for year ended 30 June 2010

	Note	2010	2009
Revenue		\$	\$
Subscriptions		302,909	379,995
Education and other services		-	1,095,665
		<hr/>	<hr/>
Total		302,909	1,475,660
Other income			
Interest		887	8,528
Royalties		1,478	-
		<hr/>	<hr/>
Total		2,365	8,528
		<hr/>	<hr/>
Total revenue		305,274	1,484,188
		<hr/>	<hr/>
Expenses			
Service expenses		-	(472,597)
Marketing, promotion & publication expenses		-	(60,628)
Occupancy expenses		-	(71,124)
Administration expenses		(156,918)	(881,419)
Other expenses from ordinary activities		-	(33,594)
		<hr/>	<hr/>
Total expenses		(156,918)	(1,519,362)
		<hr/>	<hr/>
Profit/(Loss) before income tax expense	3	148,356	(35,174)
Income tax expense	11	-	-
		<hr/>	<hr/>
Profit/(Loss) from continuing operations		148,356	(35,174)
Write off Assets and Liabilities due to DOCA		-	31,834
		<hr/>	<hr/>
Profit/(Loss) after DOCA Adjustments		148,356	(3,340)
		<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 2010

	Note	2010 \$	2009 \$
CURRENT ASSETS			
Cash and cash equivalent	4	156,908	-
Trade and other receivables		2,400	-
Prepayments		-	-
Tax Claimable		-	-
		<hr/>	<hr/>
Total current assets		159,308	-
		<hr/>	<hr/>
		<hr/>	<hr/>
TOTAL ASSETS		159,308	-
		<hr/> <hr/>	<hr/> <hr/>
CURRENT LIABILITIES			
Trade and other payables	7	9,988	-
Short term provisions	8	-	-
Tax liabilities		701	-
Income received in advance	9	263	-
Other liabilities		-	-
		<hr/>	<hr/>
Total current liabilities		10,952	-
		<hr/>	<hr/>
TOTAL LIABILITIES		10,952	-
		<hr/> <hr/>	<hr/> <hr/>
NET ASSETS		148,356	-
		<hr/> <hr/>	<hr/> <hr/>
MEMBERS' FUNDS			
Retained profit		148,356	-
		<hr/>	<hr/>
TOTAL MEMBERS' FUNDS		148,356	-
		<hr/> <hr/>	<hr/> <hr/>

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 2010

	Retained Earnings \$	Total \$
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	-	-
Profit attributable to FTA	148,356	
	<hr/>	<hr/>
Balance at 30 June 2010	148,356	-
	<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 2010**

	Note	2010 \$	2009 \$
Cash flows from operating activities			
Receipts from members and customers		327,765	1,459,332
Payment to suppliers and employees		(171,744)	(1,644,259)
Interest received		887	8,528
Net cash from / (utilised) by operating activities	12	156,908	(176,399)
Cash flows from investing activities			
Payment for property, plant and equipment		-	(26,839)
Payment for intangible assets		-	-
Net cash used in investing activities		-	(26,839)
Cash flows from financing activities			
DOCA adjustment		-	(39,567)
Net cash used in financing activities		-	(39,567)
Net increase / (decrease) in cash and cash equivalent		156,908	(242,805)
Cash and cash equivalent at the beginning of the financial year		-	242,805
Cash and cash equivalent at the end of the financial year	4	156,908	-

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 2010

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).

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 2010 (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.

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 profit/loss

	2010	2009
	\$	\$
The operating loss is shown after including the following items:		
Depreciation – property, plant and equipment	-	11,131
Amortisation – intangibles	-	17,416
Rental expenses on operating leases	-	97,958

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 2010** (continued)**Note 4 Cash and cash equivalents**

	2010 \$	2009 \$
Cash at Commonwealth Bank	156,908	-
Cash and cash equivalents	156,908	-

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:

	2010 \$	2009 \$
Cash and cash equivalents	156,908	-

Note 5 Property, plant and equipment

	2010 \$	2009 \$
Office furniture at cost	-	26,745
Less accumulated depreciation	-	(24,489)
DOCA Adjustment	-	(2,256)
	-	-
Office equipment at cost	-	44,896
Add purchases during the year	-	26,838
Less accumulated depreciation	-	(44,129)
DOCA Adjustment	-	(27,605)
	-	-
	-	-

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 2010 (continued)

	Office Equipment	Office Furniture	Total
	\$	\$	\$
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>
2010			
Balance at beginning of year	-	-	-
Additions at Cost	-	-	-
Disposals	-	-	-
Depreciation Expense	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>

Note 6 Intangible assets

	2010	2009
	\$	\$
Current		
Computer software	-	87,080
Less software amortisation	-	(33,027)
DOCA Adjustment	-	(54,053)
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</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

	2010	2009
	\$	\$
Current		
Trade payables	9,988	-
	<u>9,988</u>	<u>-</u>
	<u>9,988</u>	<u>-</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 2010** (continued)**Note 8 Provisions**

	2010	2009
Current		
Annual leave entitlements at 1 July	-	14,426
Net additional provision made during the year	-	39,295
Annual Leave taken during the year	-	(33,739)
Annual leave paid during the year	-	(5,074)
DOCA Adjustment	-	(14,908)
	<hr/>	<hr/>
Annual leave entitlements at 30 June	-	-
	<hr/>	<hr/>
Long Service Leave entitlement at 1 July	-	-
LSL entitlement transferred from non-current	-	-
Additional provision made during the year	-	-
Long Service Leave paid during the year	-	-
	<hr/>	<hr/>
Long Service Leave entitlement at 30 June	-	-
	<hr/>	<hr/>
	<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/>

Note 9 Income received in advance

	2010	2009
	\$	\$
Current		
Income received in advance:		
- Congress sponsorship and registration	-	10,000
- Chapter luncheon	-	-
- Interest	-	-
- Prepaid membership	263	180,797
DOCA Adjustment	-	(190,797)
	<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 2010 (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:

	2010	2009
	\$	\$
Auditing the financial report of the FTA	-	-
Other services	-	4,730

Note 11 Income tax

At 30 June 2010 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:

	2010	2009
	\$	\$
Brought forward from previous years	1,376,665	1,224,338
Relating to the current year	<u>0</u>	<u>152,327</u>
Carried forward to future years	<u><u>1,376,665</u></u>	<u><u>1,376,665</u></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 2010 (continued)

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

	2010	2009
	\$	\$
Operating profit/(loss) after income tax	148,356	(36,074)
Adjustments for non-cash income and expense items:		
Depreciation of property, plant and equipment	-	11,131
Amortisation of intangibles	-	17,415
Change in assets and liabilities:		
Receivables	(2,400)	6,087
Prepayments	-	(52,918)
Creditors	9,988	10,060
Deferred income	263	(102,918)
Tax liabilities	701	(29,664)
Provisions	-	482
Net cash from operating activities	156,908	(176,399)

Note 13 Related party transactions – To Be Updated

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 – Resigned 29 October 2009)
Steven Aubrey Wright (appointed 11/11/04 - Resigned 29 October 2009)
Frank Micallef (appointed 30/5/08 - Resigned 29 October 2009)
Michael Dontschuk (appointed 1/11/07)
Trevor Robert Tilley (appointed 20/04/09)
Colin Campbell (appointed 29 October 2009)
Terence 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.

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 2010 (continued)

Note 14 Key management personnel compensation

Chief Executive Officer

Judy Hartcher (resigned 1 June 2009)

	Short Term Benefits	Bonus	Post Employment Benefits	Total
	Salary		Superannuation	
	\$	\$	\$	\$
2010	-	-	-	-
2009	144,035	-	12,506	156,541

Note 15 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:

2010	Interest bearing	Non-interest bearing	Maturity date	Interest rate
		\$	\$	
Financial assets				
Current account	156,908	-	-	1.6%
Receivables	-	-	-	-
Financial liabilities				
Accounts payable	-	9,988	-	-

(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.

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 2010** (continued)

Note 16 Finance and leasing commitments

Operating lease expenditure contracted
for is payable as follows:

	2010	2009
	\$	\$
Not later than one year	-	-
Between twelve months and five years	-	-
Greater than five years	-	-
	<hr/>	<hr/>
	-	-
	<hr/> <hr/>	<hr/> <hr/>

Note 17 Other commitments

None in 2010. (2009: Nil).

THE FINANCE AND TREASURY ASSOCIATION LIMITED
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DIRECTORS' DECLARATION

The Directors of the FTA declare that:

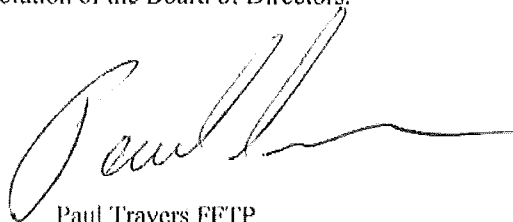
- 1 The financial statements and notes as set out on pages 5 to 19 are in accordance with the Corporations Act 2001, and:
 - (a) give a true and fair view of the financial position of the FTA as at 30 June 2010 and of the performance, as represented by the results of its operation and its cash flow, 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 Donschuk FFTP
President

Date 23 Sept 2010



Paul Travers FFTP
Vice-President

Date 23 Sept 2010

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



**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 2010 and the income statement, statement of changes in equity 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.

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 2010 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
23rd September 2010

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



**RENSHAW
DAWSON
LANG**

**Chartered
Accountants**

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**Kimberly Smith
Partners**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2010 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
23rd September 2010

60-64 Railway Road
Blackburn, Victoria

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