

**FAMILY BUSINESS AUSTRALIA LIMITED  
ABN 61 083 076 000**

**FINANCIAL REPORT**

**FOR THE YEAR ENDED 30TH JUNE, 2011**

**FAMILY BUSINESS AUSTRALIA LIMITED**  
**ABN 61 083 076 000**

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**FAMILY BUSINESS AUSTRALIA LIMITED**  
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**DIRECTORS REPORT**

**FOR THE YEAR ENDED 30TH JUNE, 2011**

Your directors present their report on the entity for the financial year ended 30<sup>th</sup> June, 2011.

**Directors**

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

A CILIBERTO	Appointed 08/02/11
D HAYMES	Resigned 16/11/10
K AUGHEY	
M BURGESS	
J KIRBY	
A KENNARD	
K MOORES	
R OWENS	
S SAMSON	
M STILLWELL	
P TAYLOR	
J TAYLOR	
D TOMPSON	
C WILLSON	

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 Company during the financial year was to provide business services to family owned businesses and their professional advisors through education, networking events and conferences.

**Short term objectives**

The entity's short term objectives are to:

- Double membership in next five years
- Increase turnover to \$3m and to have \$200,000 in reserve by 2014
- Confirm FBA as the peak body for families in business

**Long term objectives**

The entity's long term objectives are to:

- Be the peak body for families in business
- Be sustainable independent of sponsors
- Grow the membership by 15% per annum

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**DIRECTORS REPORT (cont'd)**

**Strategies**

To achieve these objectives, the entity has adopted the following strategies:

**Conduct a national member referral drive**

- Develop a marketing package
- Ongoing benefits to members for referrals
- Recognition for referrers

**Further develop database**

- Capture further member information through new CRM system
- Targeted offering to all sectors

**Form alliances with regional partners**

- Regional Development Boards
- Industry groups
- Business organizations
- Rotary, Round Table, etc
- Forum group marketing
- Expo stands
- Get the “Member of FBA” logo onto all members corporate material
- Develop membership strategy; from ‘suspect’ to ‘prospect’ to member and define rating scheme for prospects

**Develop marketing strategy aimed at Gens X & Y**

- Develop in house social networking strategy and application
- Pursue SA model of education in all states
- Engage with organisations for young people eg YPO

**Develop Forums**

- Filmed interviews with forum members for web use
- Talk back radio with adviser
- Testimonials in FBM from members
- Social media platforms

**Retain members**

Increase member participation to 75% - at least one activity per annum, through accurate records of attendance and targeting of non-players (CRM)

Target according to segmentation

- Call from Chairman or Committee member to new members
- Round table with Chairman for unengaged members

Buddy system with new members at the point of joining and at their first event

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**DIRECTORS REPORT (cont'd)**

**Finance target:**

Achieve an annual Income budget of \$3m with 1% of revenue annually in the reserve fund so as to maintain \$200,000 in reserves.

**Continue to develop forum program as key offering and income stream**

- Increase forum fee and reach parity in all states
  - Continue to develop procedures and protocols for all forums
  - Maintain regular meeting of all facilitators
  - Market meeting of all facilitators
- Market forums

**Continue to align with sponsors who share FBA's values and objectives**

- Develop relationships with state representative of national sponsors – act local
- Build local website with links to sponsors in each locality

**Ascertain market price and raise membership fee**

**Confirm Family Business Australia as the peak body for families in business**

**Grow profile of chairman** through use of National Chairman and CEO as the only spokespeople for the organisation. All media interviews to be channelled through national office.

**Research and Education**

**Develop education for both family business owners and advisers**

Director's Course, Leadership Course & other Family Business Best Practice areas under the AGES framework  
Grow and maintain Adviser accreditation program

**Website as a marketing tool, members' resource centre**

- Templates
- examples

Carry articles, case studies, lessons tips on studies, lessons tips on development of FBBP

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**DIRECTORS REPORT (cont'd)**

**Directors Qualifications, Experience and Board Meetings Attended.**

The number of meetings of Company directors, held during the year ended 30<sup>th</sup> June, 2011 was 4.

<b>Name</b>	<b>Experience/Directorships</b>	<b>Responsibilities</b>	<b>Meetings Attended</b>
D H Haymes	Director of Haymes Paint	Non Executive Director	1
Prof K Moores AM B Bus., B. Econ., MSoc Sc. Ph.D., FCPA, FCA	Director of Bond University Foundation Ltd., Chairman National Park Pty. Ltd., Somerset College Ltd., Somerset College Foundation Ltd.	Non Executive Director	4
D. Tompson	Director Novaris Group	Non Executive Director	2
S. Samson	Director Sadleirs Transport	Non Executive Director	3
M Burgess	Director of Urban Contractors, Tulips Cafe and Coffee Pty Ltd, Stonehenge Pty Ltd, Maybourne Pty Ltd	Non Executive Director	3
A Ciliberto	Director of Operations- C-Direct Pty Ltd	Non Executive Director	2
M Stillwell	Director of BS Stillwell Group Plus various other companies	Non Executive Director	4
P L Taylor	Director of T & T Corporation & Galaxy Shopfitting Pty Ltd	Non Executive Director	3
A Kennard	Director of Keneco Pty Ltd and Kennards Hire Pty Ltd	Non Executive Director	4
R Owens OAM	Chairman of ROI Pty Ltd and Ice Box Pty Ltd	Non Executive Director Chairman	4
C Willson	Director of Bremerton Vintners Pty Ltd, Langhorne Creek Water Co Pty Ltd & Creeks Pipeline Co Ltd	Non Executive Director	3
K Aughey	Director of Ashington Investment Pty Ltd. Plus various other directorships	Non Executive Director	4
Justin Taylor	Director of Calliope Glen Developments Pty Ltd. Calliope Property Developments Pty Ltd. T & T Corporation Pty Ltd	Non Executive Director	4
James Kirby	Director of Pildra Properties and Hungerfordhill Wines	Non Executive Director	4

**FAMILY BUSINESS AUSTRALIA LIMITED**  
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**DIRECTORS REPORT (cont'd)**

**Company wind up**

The entity is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$2 each towards meeting any outstanding obligations of the entity. At 30 June 2011 the collective liability of the members was \$ 3,974 (2010 \$3,329)

**Auditor's Independence Declaration**

The lead auditor's independence declaration for the year ended 30 June 2011 has been received and can be found on page 7 of the directors report.

Signed in accordance with a resolution of the board of directors.

For and on behalf of the board.



Michael Stillwell  
Director

Date: 11th October 2011

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF FAMILY BUSINESS AUSTRALIA 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.



Robert J Hurrell, FCA  
rdl.accountants

11 October 2011  
Blackburn, Victoria



**FAMILY BUSINESS AUSTRALIA LIMITED**  
**ABN 61 083 076 000**

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2011**

	<u>NOTE</u>	<u>2011</u> \$	<u>2010</u> \$
Revenue from Continuing Operations	2	<b>2,378,588</b>	2,039,440
Cost of Functions and Events		<b>(968,310)</b>	(864,237)
Gross Surplus		<b>1,410,278</b>	1,175,203
Amortisation expense	3	<b>(5,424)</b>	(8,096)
Depreciation expense	3	<b>(14,068)</b>	(8,956)
Finance costs	3	<b>(1,685)</b>	(1,595)
Employee benefits expense		<b>(846,211)</b>	(744,973)
Accounting and Audit		<b>(75,722)</b>	(61,323)
Advertising		<b>(8,069)</b>	(4,811)
Printing, postage and stationery		<b>(33,026)</b>	(33,834)
Telephone		<b>(29,656)</b>	(23,975)
Travel		<b>(56,974)</b>	(51,385)
Marketing		<b>(24,451)</b>	(34,095)
Rent	3	<b>(59,433)</b>	(34,315)
Education		<b>(8,375)</b>	(3,872)
Other expenses		<b>(73,971)</b>	(53,641)
Surplus before income tax	3	<b>173,213</b>	110,332
Income tax	5	-	-
Surplus after related income tax attributable to members of the Company		<b><u>173,213</u></b>	<u>110,332</u>
Other Comprehensive Surplus:		-	-
Total Comprehensive Surplus for the year		<b><u>173,213</u></b>	<u>110,332</u>
Total Comprehensive Surplus attributed to members of the Company		<b><u>173,213</u></b>	<u>110,332</u>

**FAMILY BUSINESS AUSTRALIA LIMITED**  
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**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30TH JUNE, 2011**

	<u>NOTE</u>	<u>2011</u> \$	<u>2010</u> \$
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	7	<b>1,049,743</b>	658,055
Trade and Other Receivables	8	<b>284,365</b>	260,907
Financial Assets	9	<b>524,567</b>	-
<b>TOTAL CURRENT ASSETS</b>		<b>1,334,108</b>	918,962
<b>NON CURRENT ASSETS</b>			
Property, Plant and Equipment	10	<b>51,108</b>	18,087
Intangible Assets	11	<b>11,014</b>	16,438
<b>TOTAL NON CURRENT ASSETS</b>		<b>62,122</b>	34,525
<b>TOTAL ASSETS</b>		<b>1,396,230</b>	953,487
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	12	<b>221,109</b>	119,329
Other Current Liabilities	13	<b>738,295</b>	582,853
Provisions	14	<b>21,094</b>	8,522
<b>TOTAL CURRENT LIABILITIES</b>		<b>980,498</b>	710,704
<b>NON CURRENT LIABILITIES</b>			
Provisions	14	<b>78,365</b>	78,629
<b>TOTAL NON CURRENT LIABILITIES</b>		<b>78,365</b>	78,629
<b>TOTAL LIABILITIES</b>		<b>1,058,863</b>	789,333
<b>NET ASSETS</b>		<b>337,367</b>	164,154
<b>EQUITY</b>			
Accumulated surplus		<b>337,367</b>	164,154
<b>TOTAL EQUITY</b>		<b>337,367</b>	164,154

**FAMILY BUSINESS AUSTRALIA LIMITED**  
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**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2011**

	<u>NOTE</u>	<u>2011</u> \$	<u>2010</u> \$
Total equity at the beginning of the financial year		164,154	53,822
Total recognised gains and losses for the financial year:			
Surplus for the year		<u>173,213</u>	<u>110,332</u>
Total equity at the end of the financial year		<u><u>337,367</u></u>	<u><u>164,154</u></u>

**FAMILY BUSINESS AUSTRALIA LIMITED**  
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**STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2011**

	<u>NOTE</u>	<u>2011</u> \$	<u>2010</u> \$
<b>Cash Flows from Operating Activities</b>			
Receipts from customers		3,235,075	2,825,224
Interest received		29,603	9,595
Payments to suppliers and employees		(2,824,216)	(2,506,032)
Finance costs		(1,685)	(1,595)
<b>Net Cash (Outflows)/Inflows from Operating Activities</b>	16	<u>438,777</u>	<u>327,192</u>
<b>Cash Flows from Investing Activities</b>			
Proceeds from disposal of property, plant and equipment		-	-
Payments for property, plant and equipment		(47,089)	(6,647)
Payments for intangibles		-	-
<b>Net Cash Outflows from Investing Activities</b>		<u>(47,089)</u>	<u>(6,647)</u>
<b>Cash Flows from Investing Activities</b>			
Proceeds from disposal of financial assets		-	-
Payments for purchase of financial assets		(524,567)	-
-		-	-
<b>Net Cash Outflows from Investing Activities</b>		<u>(524,567)</u>	<u>-</u>
<b>Net (Decrease)/Increase in Cash and Cash Equivalents</b>		<u>(132,879)</u>	320,545
Cash and cash equivalents at the beginning of the financial year		658,055	337,510
<b>Cash and Cash Equivalents at the End of the Financial Year</b>	17	<u>525,176</u>	<u>658,055</u>

**FAMILY BUSINESS AUSTRALIA LIMITED**  
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2011**

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**FAMILY BUSINESS AUSTRALIA LIMITED**  
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2011**

**NOTE 1: Statement of Significant Accounting Policies**

**(a) General information**

The financial report covers the entity of Family Business Australia Limited, a company limited by guarantee, incorporated and domiciled in Australia. The functional and presentation currency of the company is Australian dollars.

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

**(b) Basis of preparation**

Family Business Australia Limited has elected to early adopt the pronouncements AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 210-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements to the annual reporting period beginning 1 July 2010.

This general purpose financial report has been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs.

**(c) Revenue Recognition**

Revenue is measured at the fair value of the consideration received or receivable.

Amounts disclosed as revenue are net of returns and duties and taxes paid including GST. Revenue is recognised for the major business activities as follows:

**(i) Sponsorship/Events/Other**

Revenue is recognised on an accruals basis when it is probable that future economic benefits will flow to the company.

For sponsorship revenue, this is recognised as the service is provided.

For events and functions, this is recognised when the event occurs.

Monies received in the current period which relate to the following period are recorded as deferred revenue and subsequently recognised as revenue in the period which they relate to.

**(ii) Membership**

Revenue earned for membership fees are recognised over the period of membership. Monies received in the current period which relate to the following period are recorded as deferred revenue and subsequently recognised as revenue in the period which they relate to.

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2011**

**NOTE 1: Statement of Significant Accounting Policies (cont'd)**

**(d) Leases**

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses over the periods in which they are incurred. Rental increases are based on CPI, therefore to apply the straight-line basis will have no effect on the expense.

**(e) Income Tax**

Family Business Australia Limited is a not for profit organisation under the Income Tax Assessment Act 1997 and is exempt from income tax (note 5).

**(f) Cash and Cash Equivalents**

For statement of cash flow presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

**(g) Trade and Other Receivables**

All receivables are categorised as 'Loans and Receivables' under the requirements of AASB 139 "Financial Instruments: Recognition and Measurement" and are recognised initially at fair value, and subsequently at amortised cost. All trade and other receivables are current. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

An allowance for doubtful debts is based on a review of outstanding balances at balance sheet date, and is accounted for in a separate account. Indicators of impairment include where there is objective evidence of significant financial difficulties, debtor bankruptcy, financial reorganisation or default in payment (more than 90 days overdue). Bad debts which have previously been provided for are eliminated against the allowance for doubtful debts. In all other cases bad debts have been written off as an expense directly in the income statement.

**(h) Impairment of Assets**

Assets that are subject to depreciation and amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

**FAMILY BUSINESS AUSTRALIA LIMITED**  
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2011**

**NOTE 1: Statement of Significant Accounting Policies (cont'd)**

**(i) Property, Plant and Equipment**

***Plant and Equipment***

Plant and equipment is measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors for indications of impairment. If any such indications exist, an impairment test is carried out, and any impairment losses on the assets recognised.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably.

The gain or loss on disposal of all fixed assets is determined as the difference between the carrying amount of the asset at the time of disposal and the proceeds of disposal, and is included in operating surplus or deficit before income tax of the company in the year of disposal.

***Depreciation***

The depreciable amount of each fixed asset is depreciated using the straight line method, over the useful life of each asset to the Company commencing from the time the asset is held ready for use. The expected useful lives of asset classes are as follows:

Class of Fixed Asset	Estimated useful lives
Office Equipment	5 years
Computer Equipment	3 years
Leasehold Improvements	4 years

**(j) Intangible Assets**

Computer software acquired is capitalised.

Expenditure on software development is recognised in the income statement as incurred, unless specific requirements mainly relating to technical and commercial feasibility are met, in which case the expenditure is capitalised.

Computer software has a finite useful life and is amortised at 33.33% on a straight line method to allocate the cost over the estimated useful life.



**FAMILY BUSINESS AUSTRALIA LIMITED**  
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2011**

**NOTE 1: Statement of Significant Accounting Policies (cont'd)**

**(k) Trade and Other Payables**

Trade and other payables, including accruals, are recorded initially at fair value, and subsequently at amortised cost. Trade and other payables are non-interest bearing.

**(l) Employee Benefits**

**(i) Annual Leave**

Liabilities for annual leave, expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

**(ii) Long Service Leave**

A liability for long service leave is recognised, and is measured as the 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 wage and salary levels, experience of employee departures and periods of service.

**(m) Goods and Services Tax (GST)**

Revenue, expenses and assets are recognised net of the amount of GST, except where the amount of GST is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

**(n) Critical judgements and significant accounting estimates**

The preparation of financial statements requires the directors of the company to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

All significant judgements, estimates and assumptions made during the year have been considered for significance. No significant critical judgements or accounting estimates have been made during the period.

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2011**

**NOTE 1: Statement of Significant Accounting Policies (cont'd)**

**(o) Going Concern**

With an increase in Net Assets in the year of \$173,213 (2010: surplus of \$110,332) being generated, the Directors feel that preparation of the Financial Statements on a Going Concern basis remains appropriate, based on management's expectations of income for the coming year on which the company is dependent, and the cash position of the company.

**(p) Financial Instruments**

**Initial recognition and measurement**

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (ie trade date accounting is adopted). Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified "at fair value through profit or loss" in which case transaction costs are expensed to profit or loss immediately.

**Classification and subsequent measurement**

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

*Amortised cost* is calculated as:

- (i) the amount at which the financial asset or financial liability is measured at initial recognition;
- (ii) less principal repayments;
- (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and
- (iv) less any reduction for impairment.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

**(i) Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period. (All other loans and receivables are classified as non-current assets.)

**FAMILY BUSINESS AUSTRALIA LIMITED**  
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2011**

**NOTE 1: Statement of Significant Accounting Policies (cont'd)**

*(ii)Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. (All other investments are classified as current assets.)

If during the period the company sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investments category would be tainted and reclassified as available-for-sale.

*(iii)Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

**Fair value**

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

**Impairment**

At the end of each reporting period, the entity assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

**Derecognition**

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying value of the financial liability, which is extinguished or transferred to another party, and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

**FAMILY BUSINESS AUSTRALIA LIMITED**  
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2011**

	<u>2011</u>	<u>2010</u>
	\$	\$
<b><u>NOTE 2: Revenue</u></b>		
Continuing Operations:		
Sponsorship	234,442	210,470
Functions/Events	1,632,679	1,364,846
Membership Fees	481,864	454,529
Interest Received	29,603	9,595
<b>Total Revenue</b>	<u><u>2,378,588</u></u>	<u><u>2,039,440</u></u>

**NOTE 3: (Deficit)/Surplus for the year**

(Deficit)/Surplus for the year has been determined after:

(a) Expenses:

Amortisation of intangibles	<u><u>5,424</u></u>	<u><u>8,096</u></u>
Depreciation		
Office Equipment	4,067	4,205
Computer Equipment	7,706	4,751
Leasehold Improvements	2,295	-
	<u><u>14,068</u></u>	<u><u>8,956</u></u>
Rental expense relating to operating leases		
Rental Expense	<u><u>59,433</u></u>	<u><u>34,315</u></u>
Finance Costs		
Bank Charges	<u><u>1,685</u></u>	<u><u>1,595</u></u>
Defined Contribution Superannuation Expense	<u><u>62,425</u></u>	<u><u>57,647</u></u>

**NOTE 4: Remuneration of Auditor**

Remuneration of the Auditor of the Company for:		
Audit of the financial report	7,476	6,375
Assistance with preparation of financial report	-	-
	<u><u>7,476</u></u>	<u><u>6,375</u></u>

**FAMILY BUSINESS AUSTRALIA LIMITED**  
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2011**

**NOTE 5: Taxation**

On 9th October, 1998, Family Business Australia Limited received a private ruling from the Australia Taxation Office exempting it from both income tax and tax on any capital gains derived. The ruling applies to years of income from 30th June, 1999 onwards. Accordingly no income tax expense/benefit is applicable for the current year.

**NOTE 6: Segment Information**

The Company operates in Australia in one industry segment, being the provision of services and information to help families who run businesses.

	<u><b>2011</b></u>	<u><b>2010</b></u>
	<u><b>\$</b></u>	<u><b>\$</b></u>
<b><u>NOTE 7: Cash and Cash Equivalents</u></b>		
Cash at bank and on hand	<b>525,176</b>	537,268
Deposit at call	-	120,787
	<u><b>525,176</b></u>	<u>658,055</u>

Cash and cash equivalents are subject to interest rate risk as they earn interest at floating rates. In 2011 the average floating interest rates for the company was 5.00 % (2010: 3.75%).

**NOTE 8: Trade and Other Receivables**

Trade receivables	<b>173,756</b>	137,376
Provision for impairment	<b>(4,275)</b>	(4,275)
Other receivables and prepayments	<b>114,884</b>	127,806
GST Receivable		
	<u><b>284,365</b></u>	<u>260,907</u>

The trade and other receivables are non-interest bearing.

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2011**

**NOTE 8: Trade and Other Receivables (cont'd)**

The movement in the allowance for impairment of trade receivables during the year is as follows:

	<u><b>2011</b></u> \$	<u><b>2010</b></u> \$
Opening balance	<b>4,275</b>	4,275
Impairment provision recognised during the year	-	-
Bad debts written off	-	-
Closing balance	<u><b>4,275</b></u>	<u><b>4,275</b></u>

Based on past experience, the company believes that no impairment of receivables which are not past due, and not impaired, is necessary.

The company operates in Australia only and therefore no ageing of trade receivables by geographic location, or analysis of impairment of trade receivables by geographic location, is provided.

**Other Receivables**

These amounts generally arise from transactions outside the usual operating activities of the company. None of the other current receivables are impaired or past due.

**NOTE 9: Financial Assets**

	<u><b>Note</b></u>	<u><b>2011</b></u> \$	<u><b>2010</b></u> \$
Held-to maturity financial assets	9a	<u><b>524,567</b></u>	<u>-</u>
		<u><b>524,567</b></u>	<u>-</u>
a. <b>Held-to-maturity Investments</b>			
Fixed Bank Term Deposits		<u><b>524,567</b></u>	<u>-</u>

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2011**

	<u>2011</u> \$	<u>2010</u> \$
<b><u>NOTE 10: Property, Plant and Equipment</u></b>		
(a) Plant & Equipment comprises:		
Office equipment – at cost	30,637	24,497
Less: accumulated depreciation	<u>(22,048)</u>	<u>(17,981)</u>
	<u>8,589</u>	<u>6,516</u>
Computer equipment – at cost	76,187	48,915
Less: accumulated depreciation	<u>(45,050)</u>	<u>(37,344)</u>
	<u>31,137</u>	<u>11,571</u>
Leasehold Improvements – at cost	13,677	-
Less: accumulated depreciation	<u>(2,295)</u>	<u>-</u>
	<u>11,382</u>	<u>-</u>
Total property, plant and equipment	<u><u>51,108</u></u>	<u><u>18,087</u></u>

(b) Movements in carrying amounts:

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

**2011**

	Office Equipment \$	Computer Equipment \$	Leasehold Improvements \$	Total \$
Carrying amount at start of year	6,516	11,571	-	18,087
Additions	6,140	27,272	13,677	47,089
Disposals	-	-	-	-
Depreciation expense	<u>(4,067)</u>	<u>(7,706)</u>	<u>(2,295)</u>	<u>(14,068)</u>
Carrying amount at end of year	<u><u>8,589</u></u>	<u><u>31,137</u></u>	<u><u>11,382</u></u>	<u><u>51,108</u></u>

**FAMILY BUSINESS AUSTRALIA LIMITED**  
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2011**

	<u>2011</u> \$	<u>2010</u> \$
<b><u>NOTE 11: Intangible Assets</u></b>		
Computer software – at cost	48,203	48,203
Less: accumulated amortisation	<u>(37,189)</u>	<u>(31,765)</u>
	<u>11,014</u>	<u>16,438</u>

Movements in carrying amounts:

Movement in the carrying amounts between the beginning and the end of the current financial year.

	<u>2011</u> \$
Carrying amount at start of year	16,438
Additions	-
Amortisation expense	<u>(5,424)</u>
Carrying amount at end of year	<u>11,014</u>

	<u>2011</u> \$	<u>2010</u> \$
<b><u>NOTE 12: Trade and Other Payables</u></b>		
Unsecured liabilities:		
Trade creditors	111,048	63,728
GST Payable	26,246	18,121
Other payables and accruals	<u>83,815</u>	<u>37,480</u>
Total Trade and Other Payables	<u>221,109</u>	<u>119,329</u>

**NOTE 13: Other Current Liabilities**

Deferred revenue	<u>738,295</u>	<u>582,853</u>
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**FAMILY BUSINESS AUSTRALIA LIMITED**  
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2011**

	<u>2011</u>	
	<u>\$</u>	
<b><u>NOTE 14: Provisions</u></b>		
Opening balance at 1 July 2010	78,629	
Additional provisions raised during year	81,506	
Amounts used	(60,676)	
	<hr/>	
Balance at 30 June 2011	<u>99,459</u>	
	<hr/>	
	<u>2011</u>	<u>2010</u>
	<u>\$</u>	<u>\$</u>
<b>Current</b>		
(a) Aggregate employee benefits liability:		
Provision for annual leave	<u>21,094</u>	<u>8,522</u>
<b>Non Current</b>		
(b) Aggregate employee benefits liability:		
Provision for annual leave	22,917	30,141
Provision for long service leave	<u>55,448</u>	<u>48,488</u>
	<hr/>	<hr/>
.	<u>78,365</u>	<u>78,629</u>
	<hr/>	<hr/>

**FAMILY BUSINESS AUSTRALIA LIMITED**  
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2011**

**NOTE 15: Related Party Information**

**Key Management Personnel Disclosure**

(a) Key Management Personnel

The following persons were Key Management Personnel of the company during the financial year:

(i) Non-Executive Directors

R. Owens (Chairman)  
A. Kennard  
D Haymes (Resigned 16 November 2010)  
D Thompson  
M. Burgess  
K Moores  
M Stillwell  
P Taylor  
S Samson  
C Willson  
K Aughey  
J Kirby  
J Taylor  
A Ciliberto (Appointed 08 February 2011)

(ii) Other key management personnel

Philippa Taylor - Company Secretary and Chief Executive Officer

	<b><u>2011</u></b>	<b><u>2010</u></b>
	<b>\$</b>	<b>\$</b>
(b) Key Management Personnel Compensation		
Wages and Salaries	<b>98,000</b>	96,000
Annual Leave	<b>6,449</b>	12,495
Long-term Benefits	<b>18,782</b>	16,346
Superannuation	<b>8,820</b>	8,640
Total Key Management Personnel Compensation	<b><u>132,051</u></b>	<u>133,481</u>

Other than to the company secretary and Chief Executive Officer, no remuneration has been paid or is payable to any Key Management Personnel.

Key Management Personnel received reimbursement of expenses as incurred during the year.

There were no other related party transactions.

**FAMILY BUSINESS AUSTRALIA LIMITED**  
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2011**

**NOTE 16: Financial Risk Management**

	<b><u>Note</u></b>	<b>2011</b>	<b>2010</b>
		<b>\$</b>	<b>\$</b>
<b>Financial assets</b>			
Cash and cash equivalents	7	<b>525,176</b>	658,055
Loans and receivables	8	<b>173,756</b>	137,376
Held-to-maturity investments	9a	<b>524,567</b>	-
		<b><u>1,223,499</u></b>	<b><u>795,431</u></b>
<b>Financial Liabilities</b>			
Financial liabilities at amortised cost:			
- trade and other payables	12	<b>221,109</b>	119,239
		<b><u>524,567</u></b>	<b><u>119,239</u></b>

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

The total for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies of these financial statements is above.

**Net Fair Values**

- (i) Fair values of held-to-maturity investments are based on quoted prices at the ending of the reporting period.

**FAMILY BUSINESS AUSTRALIA LIMITED**  
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2011**

	<u>2011</u> \$	<u>2010</u> \$
<b><u>NOTE 17: Cash Flow Information</u></b>		
(a) Reconciliation of Cash and Cash Equivalents		
Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:		
Cash on hand and at Bank (See Note 7)	<u>525,176</u>	<u>658,055</u>
(b) Reconciliation of cash flows from operations with surplus/(deficit) after income tax:		
(Deficit)/Surplus after income tax	173,213	110,332
Non-cash flows:		
Amortisation	5,424	8,096
Depreciation	14,068	8,956
Changes in assets and liabilities:		
(Increase)/decrease in trade receivables and other receivables	(23,458)	(47,930)
Increase/ (decrease) in trade and other payables	101,780	(1,395)
(Decrease)/ increase in other current liabilities	155,442	241,668
Increase in provisions	<u>12,308</u>	<u>7,465</u>
Net Cash (Outflows)/Inflows from Operating Activities	<u>438,777</u>	<u>327,192</u>

(c) Credit Stand-by Arrangements and Loan Facilities

At reporting date the company had \$Nil confirmed line of credit (2009: \$Nil)

**NOTE 18: Capital and Leasing Commitments**

Operating lease commitments - Premises

Non-cancellable operating leases contracted for but not capitalised in the financial statements:

Payable		
- not longer than one year	63,395	46,355
- longer than one year but no longer than two years	<u>15,965</u>	<u>57,180</u>
	<u>79,360</u>	<u>103,535</u>

The company leases an office under a non-cancellable operating lease which expires on **1 October 2012**.

**FAMILY BUSINESS AUSTRALIA LIMITED**  
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2011**

**NOTE 19: Events Subsequent to Balance Sheet Date**

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

**FAMILY BUSINESS AUSTRALIA LIMITED**  
**ABN 61 083 076 000**

**DIRECTORS' DECLARATION**

The directors of Family Business Australia Limited declare that:

- (a) the financial statements, comprising the income statement, balance sheet, cash flow statement, statement of changes in equity, and accompanying notes as set out on pages 7-29, are in accordance with the Corporations Act 2001; and
  - i. comply with Accounting Standards and the Corporations Regulations 2001; and
  - ii. give a true and fair view of the company's financial position as at 30<sup>th</sup> June 2011 and of its performance for the year ended on that date.
- (b) In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the board of directors and is signed for and on behalf of the board of directors by:



Michael Stillwell  
Director

Dated: 11th October 2011

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FAMILY BUSINESS AUSTRALIA LIMITED

**Report on the Financial Report**

We have audited the accompanying financial report of Family Business Australia 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.

*Independence*

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

### *Basis of Qualification*

Revenues from membership, donations, subscriptions, sponsorship and other fund raising activities are significant sources of revenues for Family Business Australia Limited. As is common for organisations of this type, Family Business Australia Limited has determined that it is impracticable to establish controls over the collection of its revenues from membership, donations, subscriptions, sponsorship and other fund raising activities prior to entry into its financial records. Accordingly, as the evidence available to us regarding revenues from these sources was limited, our audit procedures with respect to revenues from membership, donations, subscriptions, sponsorship and other fund raising activities had to be restricted to the amounts recorded in the financial records. We therefore are unable to express an opinion whether revenues from membership, donations, subscriptions, sponsorship and other fund raising activities is complete.

### *Qualified Auditor's Opinion*

In our opinion, except for the effects on the financial report of such adjustments, if any, as might have been required had the limitation on our audit procedures referred to in the qualification paragraph not existed, the financial report of Family Business Australia Limited is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the company's financial position as at 30<sup>th</sup> June 201 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.



Robert J Hurrell, FCA  
rdl.accountants

11 October 2011  
Blackburn, Victoria