>ceda
committee for economic development of australia

Annual Financial Report

for the year ended 30 June 2012

Committee for Economic Development of Australia
ABN 49 008 600 922

Contents

Directors' Report

Your Directors have pleasure in presenting their report on the Company for the financial year ended 30 June 2012.

Directors

The names of the Directors in office at any time during, or since the end of, the year are:

G.D. Allen AM	Chairman		
S.P Martin	Chief Executive		
R. Black			
R.R. Caplan			
J.K. Edwards		Appointed	19-06-2012
I.N. Ferres			
S. Pitkin			
I.D. Satchwell		Appointed	12-09-2011
A.C. Sherry AO		Resigned	23-07-2012
I.F Stirling			
A.J. Tobin			
G. Withers AO			
L. Wood			
D. McTaggart		Resigned	20-02-2012
A.J. Poulsen		Resigned	12-09-2011
W.L. Smith AM		Resigned	20-02-2012

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

The names of the main office bearers at the date of this report are:

President	G.D. Allen AM
Chairman, Board of Directors	G.D. Allen AM

Company Secretary

The following person held the position of company secretary at the date of the report:

D.Kelly – Bachelor of Business (Accounting) and Fellow, Certified Practicing Accountant. Mr Kelly has had over 20 years experience in accounting within different organisations such as not for profit, commercial cleaning, import/wholesale, forestry and IT. Mr Kelly was appointed Company Secretary on 12 November 2008.

Principal Activities

The Company's principal activity is as an independent, apolitical organisation made up of business leaders, academics and others who have an interest in, and commitment to, Australia's economic and social development. CEDA undertakes objective research and discussion into issues affecting Australia's growth.

While CEDA emphasises productivity and efficiency issues, which are vital for our future development, it also recognises the need to consider the equity dimensions of government policy.

CEDA's short and long term objectives remain the achievement of better policy outcomes for the Australian population through a range of economic research and advocacy.

To achieve these objectives the entity strives to attract and retain quality staff who can work in partnership with the Directors, Board of Governors and Trustees in support of CEDA's projects and other initiatives.

Staff strive to consistently meet best practice in all that they do and provide clear expectations of professional accountabilities and responsibilities to all stakeholders. KPIs set aim to ensure goal congruence with the entity's objectives and are measured against audited results.

Directors' Report

Information on Directors:

Geoffrey D. Allen AM	-	National President and Chairman of the Board, CEDA
	-	Founder and Director, The Allen Consulting Group P/L
	-	Chairman, Australian Centre for Corporate Public Affairs
	-	Director, European Centre for Public Affairs
	-	Chairman, Australian Statistical Advisory Council
	-	Member, Advisory Board, George Washington University Institute for Corporate Social Responsibility
	-	Asian Regional Editor, Journal of Public Affairs
	-	Board, University of Chester, International Centre for Corporate and Public Affairs Research.
Stephen P. Martin	-	Chief Executive, CEDA
	-	Member, Board of Governors, Global Science and Technology Forum, Singapore
	-	Visiting Professor, Sydney Business School, University of Wollongong
Rufus Black	-	Master, Ormond College, The University of Melbourne
	-	Chairman, Teach for Australia
	-	Board Member, Teach for All Inc (The Global Network for Expanding Educational Opportunity. New York)
	-	Board Member, Corrs Chambers Westgarth Lawyers
	-	Chair, Human Research Ethics Committee, Walter and Eliza Hall Institute
	-	Member, Advisory Board, McDonald Centre for Theology, Ethics and Public Life in Oxford
	-	Principal Fellow, Melbourne Business School
	-	Principal Fellow in Philosophy, University of Melbourne
Russell R. Caplan	-	Director, Orica Limited
	-	Director, QR National Limited
	-	Chairman, Melbourne and Olympic Parks Trust
	-	Chairman, CRC CARE Pty Ltd
	-	Trustee, Australian Cancer Research Foundation
John K. Edwards	-	Board Member, Reserve Bank of Australia
	-	Member, National Workforce and Productivity Agency
	-	Visiting Fellow, Lowy Institute for International Policy
	-	Adjunct Professor, University of Sydney Business School
	-	Adjunct Professor, John Curtin Institute of Public Policy, Curtin Business School, Curtin University
Ian N. Ferres	-	Consultant, TressCox Lawyers
	-	Chairman, Australian Healthcare Investment Company Ltd
	-	Chairman, TDI Pty Ltd
	-	Director, Australian Unity Limited and Contango MicroCap Limited.
	-	Member, Australia Day (Victoria) Committee
Sally Pitkin	-	Director Export Finance and Insurance Corporation
	-	Director, Super Retail Group Limited
	-	Director ASC Pty Ltd
	-	Member, Queensland Competition Authority
	-	Director, UQ Holdings Pty Ltd
Ian D. Satchwell	-	Director, International Mining for Development Centre
	-	National President, Australia Indonesia Business Council

Directors' Report

Information on Directors (continued):

Ann C. Sherry AO	-	Chief Executive Officer, Carnival Australia
	-	Director, Wilson Investment Group
	-	Director & Chair, Public Service Commission of Queensland
	-	Director, Jawun – Indigenous Corporate Partnerships
	-	Director, Australian Indigenous Education Foundation (AIEF)
	-	Director, Board Member, Council of the Australian National Maritime Museum
	-	Board Member, Australian Sports Commission
	-	Director, Advocacy Services Australia (ASA) Limited
	-	Director, ING Direct
	-	Deputy Chair, Tourism & Transport Forum Australia Ltd
	-	Member, Visa Senior Client Council
	-	Member, Independent Panel – National Disability Long-term Care and Support scheme
Ian F. Stirling	-	Chief Executive Officer, ElectraNet Pty Ltd
	-	Chairman, Energy Supply Association of Australia
	-	Director, Business SA (The Chamber of Commerce and Industry in SA)
Anthony J. Tobin	-	Consultant, Gilbert + Tobin, Lawyers
	-	Director, TT Line Company Pty Ltd
	-	Chairman, Asian Renewable Energy Management Limited
	-	Director, Northcare Foundation
Glenn A. Withers AO	-	Chief Executive Officer, Universities Australia
	-	Director, Higher Ed Services Pty Ltd, Australian Higher Education Associations Pty Ltd
	-	Adjunct Professor, Australian National University
	-	Director, Australian Services Roundtable
	-	ANZSOG Fellow
Lynn Wood	-	Chairman, Noni B Limited
	-	Chairman, Financial Reporting Council
	-	Director, GPT Funds Management Ltd
	-	Director, External Reporting Board (NZ)
Douglas McTaggart	-	Chief Executive, Queensland Investment Corporation
	-	Councillor, National Competition Council
	-	Member, COAG Reform Council
A. John Poulsen	-	Managing Partner, Squire Sanders Perth
	-	Advisory Board, Curtin University Graduate School of Business
	-	WA Council, Australia China Business Council
	-	Director & Deputy Chair, Volunteering WA
	-	Board Member, International Skills Training Institute for Health (Inc).
Warwick L. Smith AM	-	Chairman, ANZ Bank Ltd, NSW & ACT
	-	Chairman, Advisory Board, Australian Capital Equity Pty Ltd

Directors' Report

Information on Directors (continued):

Meetings of Directors:

	Directors' Meetings	
	Number Eligible	**Number Attended**
G.D. Allen AM	5	4
S.P. Martin	5	5
R. Black	5	4
R.R. Caplan	5	1
J.K. Edwards	1	1
I.N. Ferres	5	4
S. Pitkin	5	4
I.D. Satchwell	5	4
A.C. Sherry AO	5	1
I.F. Stirling	5	5
A.J. Tobin	5	5
G.A. Withers AO	5	3
L. Wood	5	4
D. McTaggart	3	1
A.J. Poulsen	1	1
W.L. Smith AM	3	0

CEDA is an approved research institute under Section 73A of the Income Tax Assessment Act. The entity is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. In the event of winding up each member is liable for a sum not exceeding $500 towards meeting any outstanding obligations of the entity. At 30 June 2012 the collective liability of members was $400,000 (2011: $451,000).

Note: A.C. Sherry was granted a leave of absence from the Board due to pre-existing commitments clashing with CEDA Board meeting dates.
R.R. Caplan was granted a leave of absence from the Board due to pre-existing commitments clashing with CEDA Board meeting dates.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2012 has been received and can be found on page 28, and forms part of the Directors' report.

Signed at Melbourne this 3 day of September, 2012

In accordance with a Resolution of the Board of Directors.

DIRECTOR.
G.D. Allen AM
Chairman

DIRECTOR.
S.P. Martin
Director

Committee for Economic Development of Australia

ABN 49 008 600 922

Statement of Comprehensive Income

For year ended 30 June 2012

	NOTE	2012 $	2011 $
Revenue	2	8,081,729	7,930,716
Auditors Remuneration	3	(24,000)	(25,000)
Bad and Doubful Debt Expense	3	(39,523)	(14,799)
Depreciation and Amortisation Expense	3	(255,210)	(231,135)
Employee Benefits Expense		(3,950,555)	(3,622,578)
Finance costs	3	(10,492)	(12,511)
Lease Expense	3	(639,494)	(585,270)
Research and Related Conferences and Briefings Expense		(1,941,785)	(2,064,392)
Other Operating Expenses		(1,072,579)	(1,013,331)
Profit / (Loss) Attributable to Entity		148,091	361,700
Other Comprehensive Income		-	-
Total Comprehensive Income for the Year		148,091	361,700

The accompanying notes form part of these Financial Statements.

Committee for Economic Development of Australia

ABN 49 008 600 922

Statement of Financial Position

As at 30 June 2012

	NOTE	2012 $	2011 $
CURRENT ASSETS			
Cash and Cash Equivalents	4	3,158,122	2,464,304
Trade and Other Receivables	5	508,690	619,797
Other Current Assets	6	235,328	160,586
TOTAL CURRENT ASSETS		3,902,140	3,244,687
NON CURRENT ASSETS			
Plant and Equipment and Leasehold Improvements	7	602,970	734,449
Intangibles	8	91,013	138,574
TOTAL NON CURRENT ASSETS		693,983	873,023
TOTAL ASSETS		**4,596,123**	**4,117,710**
CURRENT LIABILITIES			
Trade and Other Payables	9	898,935	969,925
Borrowings	12	36,955	50,649
Short - Term Provisions	10	196,550	156,407
Subscriptions and Income in Advance	11	2,132,807	1,728,818
TOTAL CURRENT LIABILITIES		3,265,247	2,905,799
NON CURRENT LIABILITIES			
Borrowings	12	10,797	47,752
Long - Term Provisions	10	274,521	266,692
TOTAL NON CURRENT LIABILITIES		285,318	314,444
TOTAL LIABILITIES		**3,550,565**	**3,220,243**
NET ASSETS		**1,045,558**	**897,467**
EQUITY			
Retained Earnings / (Losses)		1,045,558	897,467
TOTAL EQUITY		**1,045,558**	**897,467**

The accompanying notes form part of these Financial Statements.

Statement of Changes in Equity
For year ended 30 June 2012

	$ Retained Earnings	$ Total Equity
Balance at 1 July 2010	**535,767**	**535,767**
Total Comprehensive Income	361,700	361,700
Balance at 30 June 2011	**897,467**	**897,467**
Total Comprehensive Income	148,091	148,091
Balance at 30 June 2012	**1,045,558**	**1,045,558**

Statement of Cash Flows

For year ended 30 June 2012

	NOTE	2012 $	2011 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Subscriptions		3,189,757	2,507,025
Research & related conferences and briefings		5,215,753	5,307,483
Payments to suppliers & employees		(7,726,173)	(7,220,873)
Interest received		115,257	93,999
Sundry Income		36,536	26,595
Borrowing costs		(10,492)	(12,511)
NET CASH PROVIDED BY / (USED IN) OPERATING ACTIVITIES	**14(b)**	**820,638**	**701,718**
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of plant & equipment		-	14,865
Purchase of plant, equipment & intangibles		(76,171)	(319,774)
NET CASH PROVIDED BY / (USED IN) INVESTING ACTIVITIES		**(76,171)**	**(304,909)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		-	97,172
Repayment of borrowings		(50,649)	(39,852)
NET CASH PROVIDED BY / (USED IN) FINANCING ACTIVITIES		**(50,649)**	**57,320**
NET INCREASE / (DECREASE) IN CASH HELD		693,818	454,129
CASH AT BEGINNING OF YEAR	14(a)	2,464,304	2,010,175
CASH AT END OF YEAR	**14(a)**	**3,158,122**	**2,464,304**

Notes to the Financial Statements

For year ended 30 June 2012

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 financial report covers the Committee for Economic Development of Australia as an individual entity. Committee for Economic Development of Australia is a company limited by guarantee, incorporated and domiciled in Australia.

The financial report of Committee for Economic Development of Australia complies with all International Financial Reporting Standards (IFRS) in their entirety.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report.

Basis of Preparation:

The accounting policies set out below have been consistently applied to all years presented. The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

New, revised or amending Accounting Standards and Interpretations adopted:

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (‘AASB’) that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any impact on the financial position of the consolidated entity.

Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Group:

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been adopted early by the Company.

Management anticipates that all of the relevant pronouncements will be adopted in the Company's accounting policies for the first period beginning after the effective date of the pronouncement.

The Company is in the process of considering the impact of these new standards, amendments and interpretations.

Accounting Policies:

a) Plant and Equipment, Leasehold Improvements

Plant and Equipment and Leasehold Improvements are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment and leasehold improvements is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets including capitalized leased assets, but excluding ordinary plant and equipment, are depreciated on a straight line basis over their useful lives to the company commencing from the time the asset is held ready for use. Any item of less than $1,000 has been allocated into a low value pool. Ordinary plant and equipment is depreciated by the diminishing value method. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

a) Plant and Equipment, Leasehold Improvements (Continued)

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and Equipment	15%
Computer and Associated Equipment	33.3%
Leasehold Improvements	12.5%
Low Value Pool	37.5%
Estimated Make Good Cost	16.5%
Software	25%

b) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, that are transferred to the Company are classified as finance leases.

Finance Leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the company will obtain ownership of the asset or over the term of the lease.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

c) Impairment of assets

At each reporting date, the company reviews the carrying value of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value.

Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

d) Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Those cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

Notes to the Financial Statements

For year ended 30 June 2012

e) Provisions

Provisions are recognised when the company 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.

f) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks and other short term highly liquid investments with original maturities of six months (on average) or less.

g) Revenue

Revenue from the rendering of a service is recognised upon the delivery of the service to members.

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

CEDA participates in various research projects with partners that receive grant income. As CEDA does not directly receive this grant income this income is not recorded in the financial statements. Instead half the value of the grant is recorded as joint research project income together with a corresponding expense of equal value.

Subscription revenue is progressively recognised over the term of the subscription with the unexpired portion treated as Subscriptions Income in Advance.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument.

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

h) Goods and Services Tax (GST)

Revenues, expenses and assets are recognized net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax 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.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

i) Comparative Figures

Comparative figures have been adjusted to conform to changes in presentation for the current financial year.

j) Financial Instruments

Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Notes to the Financial Statements

For year ended 30 June 2012

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity is 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 either discharged, cancelled or expire. The difference between the carrying value of the financial liability 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.

Classification and Subsequent Measurement

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 using the effective interest rate method.

Financial Liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

k) Critical Accounting Estimates and Judgments

The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Key Estimates – Impairment

The Company assesses impairment at each reporting date by evaluating conditions specific to the Company that may lead to impairment of assets. When an impairment trigger exists, the recoverable amount of the asset is determined. Value in use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Key Judgements – Doubtful Debts Provision

Based on best available current information and historical knowledge a doubtful debt provision of $37,000 has been made at 30 June 2012.

l) Income Tax

The Company is exempt from Income Tax. Accordingly no income tax expense, deferred or otherwise, or income tax payable amounts are recorded in the financial statements.

m) Going Concern

The Directors have prepared these accounts on a going concern basis for the 2012 financial year.

The financial report was authorised for issue on 3 September 2012 by the Board of Directors.

Notes to the Financial Statements

For year ended 30 June 2012

Note 2 REVENUE

	2012 $	2011 $
Operating Activities		
Subscriptions	2,785,768	2,549,498
Research and Related Conferences and Briefings	5,144,168	5,260,624
	7,929,936	**7,810,122**
Non Operating Activities		
Interest - other persons	115,257	93,999
Sundry Income	36,536	26,595
Total Revenue	**8,081,729**	**7,930,716**

Note 3 PROFIT FROM ORDINARY ACTIVITIES

Profit from Ordinary Activities has been determined after:

Expenses:

	2012 $	2011 $
Finance Costs:		
Other Parties	10,492	12,511
	10,492	**12,511**
Depreciation of Plant and Equipment	64,637	139,496
Amortisation	190,573	91,639
Doubtful Debts - Trade Receivables	39,523	14,799
Net (Gain)/Loss on Disposal Plant & Equipment	-	1,344
Rental Expense on Operating Leases		
Minimum Lease Payments	639,494	585,270
Remuneration of the Auditors:		
Audit or Reviewing the Financial Report	24,000	25,000
Other Services	-	-

Note 4 CASH AND CASH EQUIVALENTS

	2012 $	2011 $
Cash at Bank and in Hand	184,515	121,598
Short Term Bank Deposits	2,973,607	2,342,706
	3,158,122	**2,464,304**

The effective interest rate on short-term bank deposits was 5.45% (2011: 6.00%). These deposits have an average maturity of 180 days. Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet in Note 14.

Notes to the Financial Statements

For year ended 30 June 2012

		2012 $	2011 $
Note 5	**TRADE AND OTHER RECEIVABLES**		
	Trade Debtors	429,121	517,976
	Sponsorship	-	172
	GST Input Credits	116,569	116,649
	Provision for Doubtful Debts	(37,000)	(15,000)
		508,690	**619,797**

	Total $
Provision for Doubtful Debts	
Opening Balance at 1 July 2011	15,000
Additional Provisions	39,523
Provisions written back	-
Amounts Used	(17,523)
Balance at 30 June 2012	**37,000**

Provision for Impairment of Receivables

Current trade and term receivables are non-interest bearing and generally on 30 day terms. A provision for impairment is recognised when there is objective evidence that an individual trade or term receivable is impaired.

Note 5(a) **Impaired trade receivables**

As at 30 June 2012 current trade receivables with a nominal value of $37,000 (2011 - $15,000) were impaired. The amount of the provision was $37,000 (2011 - $15,000) . The individually impaired receivables mainly relate to event registrations from entities, which are in unexpectedly difficult economic situations.
The ageing of these receivables is as follows:

	2012	2011
1 to 3 months	77	310
3 to 6 months	1,423	5,195
Over 6 months	35,500	9,495
	37,000	**15,000**

Note 5(b) **Past due but not impaired**

As of 30 June 2012, trade receivables of $169,893 were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default.
The ageing analysis of these trade receivables is as follows:

	2012	2011
Up to 3 months	143,828	171,182
3 to 6 months	26,065	43,067
	169,893	**214,249**

		2012	2011
Note 6	**OTHER CURRENT ASSETS**		
	Prepayments	235,328	160,586
		235,328	**160,586**

Notes to the Financial Statements

For year ended 30 June 2012

		2012 $	2011 $
Note 7	**PLANT AND EQUIPMENT, LEASEHOLD IMPROVEMENTS**		
	Plant and Equipment - At Cost	469,001	439,448
	Less: Accumulated Depreciation	(275,912)	(211,274)
	TOTAL PLANT & EQUIPMENT	**193,089**	**228,174**
	Leasehold Improvements & Makegoods	860,867	834,982
	Less: Accumulated Depreciation	(450,986)	(328,707)
	TOTAL LEASEHOLD IMPROVEMENTS	**409,881**	**506,275**
	TOTAL PLANT AND EQUIPMENT, LEASEHOLD IMPROVEMENT	**602,970**	**734,449**

Note 7a **Movements in Carrying Amounts**

Movements in the carrying amounts of each class of non-current asset between the beginning and the end of the current financial year.

	Plant & Equipment $	Leasehold Improvement $	Makegood Melb Lease $	Makegood Syd Lease $	Makegood Bris Lease $	TOTAL $
Balance at the beginning of the year	228,174	378,849	62,670	33,256	31,500	734,449
Additions	29,552	25,885	-	-	-	55,437
Assets disposed / scrapped	-	-	-	-	-	-
Depreciation and Amortisation Expense	(64,637)	(81,937)	(15,625)	(17,717)	(7,000)	(186,916)
Carrying amount as at 30 June 2012	**193,089**	**322,797**	**47,045**	**15,539**	**24,500**	**602,970**

The carrying value of assets purchased with Finance Lease is $100,878 (2011 carrying value $128,359)

Notes to the Financial Statements

For year ended 30 June 2012

		2012 $	2011 $
Note 8	**INTANGIBLES**		
	Software	311,441	290,707
	Less: Accumulated Amortisation	(220,428)	(152,133)
		91,013	**138,574**

Note 8a **Movements in Carrying Amounts**

Movements in the carrying amount of intangibles between the beginning and the end of the current financial year.

	TOTAL $
Balance at the beginning of the year	138,574
Additions	20,734
Amortisation expense	(68,295)
Carrying amount as at 30 June 2012	**91,013**

		2012 $	2011 $
Note 9	**TRADE AND OTHER PAYABLES**		
	Unsecured Liabilities		
	Trade Payables	366,602	423,856
	Sundry Payables and Accrued Expenses	281,639	322,213
	GST Collected	250,694	223,856
		898,935	**969,925**
Note 10	**PROVISIONS**		
	Current	196,550	156,407
	Non Current	274,521	266,692
		471,071	**423,099**

	Employee Benefits $	Make Good Melbourne Lease $	Make Good Sydney Lease $	Make Good Brisbane Lease $	Total $
Opening Balance at 1 July 2011	198,099	100,000	90,000	35,000	423,099
Additional Provisions	292,227	-	-	-	292,227
Amounts Used	(244,255)	-	-	-	(244,255)
Balance at 30 June 2012	**246,071**	**100,000**	**90,000**	**35,000**	**471,071**

Notes to the Financial Statements

For year ended 30 June 2012

Note 12 **CAPITAL AND LEASING COMMITMENTS (Continued)**

DETAILS OF PROPERTY LEASES

i) Melbourne

The lease is a non cancellable lease with a five year term commencing 1 April 2008, with rent payable monthly in advance.

Provision is made within the lease agreement that require the lease payments to be increased at the end of each year by four per cent. An option exists to renew the lease at the end of the fifth year for an additional term of three years.

The option to renew for a further three years is being exercised.

ii) Sydney

The lease is a non cancellable lease with a six year term commencing 1 January 2007 with rent payable monthly in advance.

Provision is made within the lease agreement that require the lease payments to be increased at the end of each year by four per cent.

A new lease is under negotiation to enable CEDA to remain in its current Sydney premises.

iii) Adelaide

The lease is a non cancellable lease with a five year term commencing 1 January 2006 with rent payable monthly in advance. An option exists to renew the lease at the end of the five year term for an additional term of five years. The option was exercised in September 2010 and the lease now expires in December 2015.

iv) Brisbane

The lease is a non cancellable lease with a five year term commencing 1 January 2011 with rent payable monthly in advance. There is no option to renew.

v) Perth

The lease is a non cancellable lease with a three year term commencing 1 October 2009 with rent payable monthly in advance. An option exists to renew the lease at the end of the three year term for an additional term of three years.

The option to renew will not be exercised and we are currently negotiating on a lease for new premises in Perth.

Note 13 **SEGMENT REPORTING**

CEDA is an individual entity, Committee for Economic Development of Australia, and operates in one business and geographic segment.

Notes to the Financial Statements

For year ended 30 June 2012

Note 14 **CASH FLOW INFORMATION**

a) Reconciliation of Cash

Cash at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:

	2012 $	2011 $
Cash at Bank and in Hand	184,515	121,598
Short term Deposits including accrued interest with Financial Institutions	2,973,607	2,342,706
	3,158,122	**2,464,304**

CEDA has three bank guarantees. The first is for the Sydney office to Permanent Trustee Australia Limited in two parts totalling $172,581 and the second is for the Melbourne office to Enwerd Pty Ltd for $115,907. The third is for the Brisbane office and is to Charter Hall Property Management for $85,769.
CEDA has restricted cash totalling the above guarantees secured by the NAB to cover these liabilities.

b) Reconciliation of Cash Flows from Operations to Loss from Ordinary Activities

	2012 $	**2011 $**
Profit / (Loss) from ordinary activities	148,091	361,700
Non - Cash Flows in Profit from Ordinary Activities		
Depreciation and amortisation	255,210	231,135
Net Loss on Disposal of Plant & Equipment	-	(1,344)
Changes in Assets and Liabilities:		
Decrease / (Increase) in Trade and Other Receivables	111,107	61,658
Decrease / (Increase) in Prepayments	(74,742)	38,584
Increase / (Decrease) in Trade and Other Payables	(70,990)	(36,056)
Increase / (Decrease) in Other Subs and Fees in Advance	403,989	(42,473)
Increase / (Decrease) in Provisions	47,973	88,514
CASH FLOWS FROM OPERATIONS	**820,638**	**701,718**

Note 15 **FINANCIAL RISK MANAGEMENT**

The Company's activities expose it to a variety of financial risks: interest rate risk, credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise the potential adverse effects on the financial performance of the company. The methods used to manage risk include sensitivity analysis for interest rate risk and aging analysis for credit risk. The Company prepares forward looking cash flow analyses in relation to its operational, investing and financing activities to manage liquidity risk.

Notes to the Financial Statements

For year ended 30 June 2012

Note 15 **FINANCIAL RISK MANAGEMENT (Continued)**

a) Interest Rate Risk

At the reporting date the interest rate profile of the Company's variable interest-bearing financial instruments was:

	2012 $	2011 $
Variable rate instruments		
Financial Assets	3,158,122	2,464,304

Interest rate risk is managed via fixed rate debt.

Fair value sensitivity analysis for fixed rate instruments
The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments
A change of 100 basis points in interest rates at the reporting date would have increased equity and profit or loss by the amounts shown in Note 16(b). This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2011.

b) Credit Risk

Credit risk is managed at the Board level. Sales are required to be settled in cash or using major credit cards, mitigating 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 of those assets as disclosed in the balance sheet position and notes to the financial statements.

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

The credit risk for counterparties included in trade and other receivables at 30 June 2012 is detailed below:

	2012 $	2011 $
Trade and other receivables		
Counterparties not rated	508,690	619,797
Total	**508,690**	**619,797**

Notes to the Financial Statements

For year ended 30 June 2012

Note 16 **FINANCIAL INSTRUMENTS**

The tables below reflect the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts may not reconcile to the balance sheet.

	Weighted Average Effective Interest Rate		Floating Interest Rate	
	2012 %	2011 %	2012 $	2011 $
Financial Assets:				
Cash and cash equivalents	5.45	6.00	3,158,122	2,464,304
Receivables	-	-	-	-
Total Financial Assets	5.45	6.00	**3,158,122**	**2,464,304**
Financial Liabilities:				
Trade and sundry payables	-	-	-	-
Total Financial Liabilities	-	-	-	-

	Fixed Interest Rate Maturing Within 1 Year		Non Interest Bearing	
	2012 $	2011 $	2012 $	2011 $
Financial Assets:				
Cash and cash equivalents	-	-	-	-
Receivables	-	-	508,690	619,797
Total Financial Assets	**-**	**-**	**508,690**	**619,797**
Financial Liabilities:				
Trade and sundry payables	-	-	898,935	969,925
Borrowings	36,955	50,649	-	-
Total Financial Liabilities	**36,955**	**50,649**	**898,935**	**969,925**

	1 to 5 Years		Non Interest Bearing	
	2012 $	2011 $	2012 $	2011 $
Financial Liabilities:				
Trade and sundry payables	-	-	-	-
Borrowings	10,797	47,752	-	-
Total Financial Liabilities	**10,797**	**47,752**	**-**	**-**

Notes to the Financial Statements

For year ended 30 June 2012

Note 16 **FINANCIAL INSTRUMENTS (Continued)**

Liquidity Risk

Liquidity risk arises from the possibility that the company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Company manages the risk through the following mechanisms:

Preparing forward cash flow analysis in relation to operational, investing and financing activities;

Maintaining a reputable credit profile;

Managing credit risk relating to financial assets;

Investing surplus cash only with major financial institutions; and

Comparing the maturity profile of financial liabilities with the realization profile of financial assets.

	Total	
	2012	2011
	$	$
Financial Assets:		
Cash and cash equivalents	3,158,122	2,464,304
Receivables	508,690	619,797
Total Financial Assets	**3,666,812**	**3,084,101**
Financial Liabilities:		
Trade and sundry payables	898,935	969,925
Borrowings	47,752	98,401
Total Financial Liabilities	**946,687**	**1,068,326**

Financial Liabilities are expected to be paid as follows:

	2012	2011
	$	$
Less than 6 months	917,412	995,249
6 months to 1 year	18,478	25,325
1 - 5 years	10,797	47,752
Over 5 years	-	-
	946,687	**1,068,326**

Notes to the Financial Statements

For year ended 30 June 2012

Note 16 **FINANCIAL INSTRUMENTS (Continued)**

a) Net Fair Values

The net fair value of financial assets and financial liabilities approximates their carrying values. Aggregate net fair values and carrying amounts of financial assets and financial liabilities at balance date are presented in the respective financial statement notes.

b) Sensitivity Analysis

Interest Rate Risk

The Company has performed sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

Interest Rate Sensitivity Analysis

At 30 June 2012, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

		Amount of impact		Result	
		2012 $	2011 $	2012 $	2011 $
Change in profit					
—	Increase in interest rate by 1%	31,581	24,643	179,672	386,343
—	Decrease in interest rate by 1%	(31,581)	(24,643)	116,510	337,057
Change in Equity					
—	Increase in interest rate by 1%	31,581	24,643	1,077,139	922,110
—	Decrease in interest rate by 1%	(31,581)	(24,643)	1,013,977	872,824

Notes to the Financial Statements
For year ended 30 June 2012

Note 17 **CAPITAL MANAGEMENT**

Management controls the capital of the entity to ensure that adequate cash flows are generated to fund its operational programs and that returns from investments are maximised. The Audit and Risk Committee ensures that the overall risk management strategy is in line with this objective.

The Audit and Risk Committee operates under policies approved by the Board of Directors.
Risk management policies are approved and reviewed by the Board on a regular basis. These include credit risk policies and future cash flow requirements.

The entity's capital consists of financial liabilities supported by financial assets.

Management effectively manages the entity's capital by assessing the entity's financial risks and responding to changes in these risks and in the market. These responses may include the consideration of debt levels.

There have been no changes to the strategy adopted by management to control the capital of the entity since the previous year.

	Note	2012 $	2011 $
Total Borrowings	12	47,752	98,401
Total Equity (reserves + retained earnings)		1,045,558	897,467
Total Capital		**1,093,310**	**995,868**
Gearing Ratio		4.4%	9.9%

Notes to the Financial Statements
For year ended 30 June 2012

Note 18 **KEY MANAGEMENT PERSONNEL COMPENSATION**

In addition to the Directors, the names and positions held of the key management personnel in office at any time during the financial year are:

Key Management Person	Position
Calder, Hamilton	SA - State Director
Fitzgerald, Peter	VIC - State Director
Fleming, Susan	WA – State Director (up to 18-11-2011)
Kelly, Damian	Finance Director
Martin, Stephen	Chief Executive Officer
Murphy, Kyl	QLD – State Director
Rickard, Suzanne	NSW - State Director
Ritchie, Elizabeth	WA – State Director (from 18-11-2011)

Remuneration policy

The remuneration policy of the company has been designed to align key management personnel objectives with business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the company's financial results. The board of the Company believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best key management personnel to run and manage the company, as well as create goal congruence between directors, executives and the business.

The board's policy for determining the nature and amount of remuneration for key management personnel of the company is as follows:

- The remuneration policy, setting the terms and conditions for the key management personnel, was developed by and approved by the board after seeking professional advice from independent external consultants.
- All key management personnel receive a base salary (which is based on factors such as length of service and experience), superannuation, and fringe benefits.
- The board reviews key management personnel packages annually by reference to the Company's performance, executive performance and comparable information from industry sectors.

The key management personnel receive a superannuation guarantee contribution required by the government, which is currently nine per cent, and do not receive any other retirement benefits. Some individuals, however, have chosen to sacrifice part of their salary to increase payments towards superannuation.

All remuneration paid to key management personnel is valued at the cost to the company and expensed. Under the Company's constitution, Directors (other than executive directors) are not remunerated.

Performance-based remuneration

As part of each of the key management personnel's remuneration package there is a performance-based component, consisting of key performance indicators (KPIs). The intention of this program is to facilitate goal congruence between key management personnel with that of the business. In determining whether or not a KPI has been achieved, the company bases the assessment on audited figures.

Refer below for an outline of key management personnel compensation.

	Short-term Benefits			Post- employment Benefits	Other	Total
	Cash, salary & commissions	Non-cash benefit	Other	Superannuation	Long-term Benefits	
	$	$	$	$	$	$
2012	1,052,676	-	243,269	116,270	15,001	1,427,216
2011	999,215	-	207,250	105,207	21,553	1,333,225

Notes to the Financial Statements

For year ended 30 June 2012

Note 19 **RELATED PARTY TRANSACTIONS**

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

Note 20 **COMPANY DETAILS**

The registered office of the company is:
Level 5, NICTA Building B
7 London Circuit
CANBERRA ACT 2600

The principal place of business is:
CEDA
Level 13
440 Collins Street
MELBOURNE VIC 3000

The Company's principal activities are as shown in the Directors' report.

Note 21 **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 states that each member is required to contribute a maximum of $500 each towards meeting any outstandings and obligations of the entity. At 30 June 2012 the number of members was 800.

Note 22 **EVENTS AFTER THE BALANCE 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.

Directors' Declaration

1) The Directors of the Company declare that the financial statements and notes, as set out on pages 5 to 26 are in accordance with the *Corporations Act 2001* and present fairly the Company's financial position as at 30 June 2012 and its performance for the year ended on that date in accordance with Accounting Standards and other mandatory professional reporting requirements.

2) In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a Resolution of the Board of Directors and is signed for and on behalf of the Directors by:

Signed at Melbourne this 3 day of September, 2012

In accordance with a Resolution of the Board of Directors.

DIRECTOR	DIRECTOR
G.D. Allen AM Chairman	S.P. Martin Director

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Auditor's Independence Declaration
To the Directors of Committee for Economic Development of Australia

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Committee for Economic Development of Australia for the year ended 30 June 2012, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

B. A. MacKenzie
Partner – Audit & Assurance

Melbourne, 3 September 2012

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Independent Auditor's Report
To the Members of Committee for Economic Development of Australia

We have audited the accompanying financial report of Committee for Economic Development of Australia (the "Company"), which comprises the statement of financial position as at 30 June 2012, 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 of the company .

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 of the financial report in accordance with Australian Accounting Standards and the Corporations Act 2001. This responsibility includes such internal controls as the Directors determine are necessary to enable the preparation of the financial report to be free from material misstatement, whether due to fraud or error. The Directors also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

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 which require us to 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 judgement, 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 Company'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 Company'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.

Auditor's opinion

In our opinion:

a the financial report of Committee for Economic Development of Australia 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 2012 and of its performance for the year ended on that date; and

ii complying with Australian Accounting Standards and the Corporations Regulations 2001; and

b the financial report also complies with International Financial Reporting Standards as disclosed in the notes to the financial statements.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

B. A. MacKenzie
Partner - Audit & Assurance

Melbourne, 3 September 2012