

COMMITTEE FOR ECONOMIC DEVELOPMENT OF AUSTRALIA

ABN 49 008 600 922

INCOME STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2006

	<u>NOTE</u>	<u>2006</u> \$	<u>2005</u> \$
Revenue	13	5,761,809	5,293,698
Auditors Remuneration	11	(16,250)	(12,000)
Bad and Doubful Debt Expense	11	(7,524)	(0)
Depreciation and Amortisation Expense	11	(92,936)	(92,836)
Employee Benefits Expense		(2,859,859)	(2,307,025)
Finance costs	11	(22)	(17)
Lease Expense	11	(442,020)	(439,764)
Research and Related Conferences and Briefings Expense		(1,428,696)	(1,290,082)
Other Expenses		<u>(1,113,317)</u>	<u>(1,036,692)</u>
<u>Profit (Loss) Attributable to Entity</u>		<u>(198,815)</u>	<u>115,282</u>

The accompanying notes form part of these Financial Statements.

COMMITTEE FOR ECONOMIC DEVELOPMENT OF AUSTRALIA

ABN 49 008 600 922

BALANCE SHEET
AS AT 30TH JUNE 2006

	<u>NOTE</u>	<u>2006</u> \$	<u>2005</u> \$
<u>CURRENT ASSETS</u>			
Cash and Cash Equivalents	3	1,575,598	1,804,236
Trade and Other Receivables	4	380,382	299,626
Other Current Assets	5	<u>92,270</u>	<u>77,568</u>
<u>TOTAL CURRENT ASSETS</u>		<u>2,048,250</u>	<u>2,181,430</u>
<u>NON CURRENT ASSETS</u>			
Plant and Equipment, Leasehold Improvements	6	<u>290,874</u>	<u>256,398</u>
<u>TOTAL NON CURRENT ASSETS</u>		<u>290,874</u>	<u>256,398</u>
<u>TOTAL ASSETS</u>		<u>2,339,124</u>	<u>2,437,828</u>
<u>CURRENT LIABILITIES</u>			
Trade and Other Payables	7	556,587	600,266
Short - Term Provisions	8	133,466	131,377
Subscriptions and Income in Advance	9	<u>478,404</u>	<u>327,154</u>
<u>TOTAL CURRENT LIABILITIES</u>		<u>1,168,457</u>	<u>1,058,797</u>
<u>NON CURRENT LIABILITIES</u>			
Long - Term Provisions	8	<u>61,570</u>	<u>71,119</u>
<u>TOTAL NON CURRENT LIABILITIES</u>		<u>61,570</u>	<u>71,119</u>

	<u>NOTE</u>	<u>2006</u> \$	<u>2005</u> \$
<u>TOTAL LIABILITIES</u>		<u>1,230,027</u>	<u>1,129,916</u>
<u>NET ASSETS</u>		<u>1,109,097</u>	<u>1,307,912</u>
<u>EQUITY</u>			
Retained Earnings		286,047	484,862
Reserves	12	<u>823,050</u>	<u>823,050</u>
<u>TOTAL EQUITY</u>		<u>1,109,097</u>	<u>1,307,912</u>
Capital and Leasing Commitments	10		

The accompanying notes form part of these Financial Statements.

COMMITTEE FOR ECONOMIC DEVELOPMENT OF AUSTRALIA

ABN 49 008 600 922

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2006

	\$ Retained Earnings	\$ Research Reserve	\$ Total
Balance at 1st July 2004	369,580	823,050	1,192,630
Profit (Loss) Attributable to Members	<u>115,282</u>	<u>0</u>	<u>115,282</u>
Balance at 30th June 2005	484,862	823,050	1,307,912
Profit (Loss) Attributable to Members	<u>(198,815)</u>	<u>0</u>	<u>(198,815)</u>
Balance at 30th June 2006	<u>286,047</u>	<u>823,050</u>	<u>1,109,097</u>

The accompanying notes form part of these Financial Statements.

COMMITTEE FOR ECONOMIC DEVELOPMENT OF AUSTRALIA

ABN 49 008 600 922

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2006

	<u>NOTE</u>	<u>2006</u>	<u>2005</u>
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from operations:			
Subscriptions		2,239,815	2,067,124
Research & related conferences and briefings		3,399,930	3,126,394
Payment to suppliers & employees		(5,801,563)	(4,804,668)
Interest Received		61,201	56,030
Borrowing Costs		<u>(22)</u>	<u>(17)</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	15 (b)	<u>(100,639)</u>	<u>444,863</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from Sale of Plant & Equipment		545	0
Purchase of plant & equipment		<u>(128,544)</u>	<u>(49,676)</u>
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		<u>(127,999)</u>	<u>(49,676)</u>
NET INCREASE (DECREASE) IN CASH HELD		(228,638)	395,187
CASH AT BEGINNING OF YEAR	15 (a)	<u>1,804,236</u>	<u>1,409,049</u>
CASH AT END OF YEAR	15 (a)	<u>1,575,598</u>	<u>1,804,236</u>

The accompanying notes form part of these Financial Statements.

COMMITTEE FOR ECONOMIC DEVELOPMENT OF AUSTRALIA
ABN 49 008 600 922
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2006

Note 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES:

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

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 Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

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 except for the way revenue is brought to account for subscriptions. This is further expanded at (G) in this note.

Basis of Preparation:

First time adoption of Australian equivalents to International Financial Reporting Standards.

Committee for Economic Development of Australia has prepared Financial Statements in accordance with the Australian equivalents to International Financial Reporting Standards.

In accordance with the requirements of AASB1: First time adoption of Australian equivalents to International Financial Reporting Standards, adjustments resulting from the introduction of AIFRS have been applied retrospectively to 2005 comparative figures excluding cases where optional exemptions available under AASB1 have been applied. These accounts are the first financial statements of Committee for Economic Development of Australia to be prepared in accordance with AIFRS.

Other than stated in 1G the accounting policies set out below have been consistently applied to all years presented.

Reconciliations of the transition from previous Australian GAAP to AIFRS have been included in Note 2 to this report.

COMMITTEE FOR ECONOMIC DEVELOPMENT OF AUSTRALIA
ABN 49 008 600 922
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2006

Reporting Basis and Conventions:

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

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 capitalised 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.

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

COMMITTEE FOR ECONOMIC DEVELOPMENT OF AUSTRALIA

ABN 49 008 600 922

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2006

<u>Class of Fixed Asset</u>	<u>Depreciation Rate</u>
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%

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 capitalized 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.

Where it is not possible to estimate the recoverable amount of any individual asset, the company estimates the recoverable amount of the cash generating unit to which the asset belongs.

COMMITTEE FOR ECONOMIC DEVELOPMENT OF AUSTRALIA

ABN 49 008 600 922

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2006

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.

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 three months or less.

g) Revenue

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

From 1st July 2005, revenue in respect of subscriptions is brought to account in full in the month of joining or renewal. Resignations are written back against revenue in the month that they are incurred. The initial revenue positive impact of this change was \$ 127,678.

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.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

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

COMMITTEE FOR ECONOMIC DEVELOPMENT OF AUSTRALIA

ABN 49 008 600 922

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2006

h) Goods and Services Tax (GST)

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

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

j) Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements 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 \$ 7524 has been made at 30th June 2006.

COMMITTEE FOR ECONOMIC DEVELOPMENT OF AUSTRALIA
ABN 49 008 600 922
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2006

Note 2. **FIRST TIME ADOPTION OF AUSTRALIAN EQUIVALENTS
TO INTERNATIONAL FINANCIAL REPORTING STANDARDS**

Reconciliation of Equity at 1st July 2004.

Assets	Previous GAAP at 1st July 2004	Effect of Transition to AIFRS	AIFRS at 1st July 2004
Current Assets			
	\$	\$	\$
Cash and Cash Equivalents	1,409,049	0	1,409,049
Trade and Other Receivables	208,107	0	208,107
Other Current Assets	84,384	(1) (28,348)	56,036
Total Current Assets	1,701,540	(28,348)	1,673,192

Assets	Previous GAAP at 1st July 2004	Effect of Transition to AIFRS	AIFRS at 1st July 2004
Non Current Assets			
	\$	\$	\$
Plant and Equipment, Leasehold Improvements	244,358	(2) 55,200	299,558
Total Non Current Assets	244,358	55,200	299,558
Total Assets	1,945,898	26,852	1,972,750

- 1) Write off of previously amortised fit out costs.
- 2) Makegood Melbourne Lease.

COMMITTEE FOR ECONOMIC DEVELOPMENT OF AUSTRALIA

ABN 49 008 600 922

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2006

Liabilities	Previous GAAP at	Effect of	AIFRS at 1st July
Current Liabilities	1st July 2004	Transition to	2004
	\$	\$	\$
Trade and Other payables	424,213	0	424,213
Short Term Provisions	110,575	0	110,575
Subscriptions and Income in Advance	164,259	0	164,259
Total Current Liabilities	699,047	0	699,047

Liabilities	Previous GAAP at	Effect of	AIFRS at 1st July
Non Current Liabilities	1st July 2004	Transition to	2004
	\$	\$	\$
Long Term Provisions	25,873	(1) 55,200	81,073
Total Non Current Liabilities	25,873	55,200	81,073
Total Liabilities	724,920	55,200	780,120
Net Assets	1,220,978	(28,348)	1,192,630

Equity	Previous GAAP at	Effect of	AIFRS at 1st July
	1st July 2004	Transition to	2004
	\$	\$	\$
Retained Earnings	397,928	(2) (28,348)	369,580
Reserves	823,050	0	823,050
Total Equity	1,220,978	(28,348)	1,192,630

- 1) Provision for Makegood Melbourne Lease.
- 2) Write off of previously amortised fit out costs.

COMMITTEE FOR ECONOMIC DEVELOPMENT OF AUSTRALIA

ABN 49 008 600 922

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2006

Reconciliation of Equity at 30 June 2005

Assets	Previous GAAP at 30th June 2005	Effect of Transition to AIFRS	AIFRS at 30th June 2005
Current Assets			
	\$	\$	\$
Cash and Cash Equivalents	1,804,236	0	1,804,236
Trade and Other Receivables	299,626	0	299,626
Other Current Assets	105,916	(1) (28,348)	77,568
Total Current Assets	2,209,778	(28,348)	2,181,430

Assets	Previous GAAP at 30th June 2005	Effect of Transition to AIFRS	AIFRS at 30th June 2005
Non Current Assets			
	\$	\$	\$
Plant and Equipment, Leasehold Improvements	210,398	(2) 46,000	256,398
Total Non Current Assets	210,398	46,000	256,398
Total Assets	2,420,176	17,652	2,437,828

- 1) Write off of previously amortised fit out costs.
- 2) Net effect of write down of Makegood Melbourne Lease.

COMMITTEE FOR ECONOMIC DEVELOPMENT OF AUSTRALIA

ABN 49 008 600 922

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2006

Liabilities	Previous GAAP at	Effect of	AIFRS at 30th
Current Liabilities	30th June 2005	Transition to	June 2005
	\$	\$	\$
Trade and Other payables	600,266	0	600,266
Short Term Provisions	131,377	0	131,377
Subscriptions and Income in Advance	327,154	0	327,154
Total Current Liabilities	1,058,797	0	1,058,797

Liabilities	Previous GAAP at	Effect of	AIFRS at 1st July
Non Current Liabilities	1st July 2004	Transition to	2004
	\$	\$	\$
Long Term Provisions	15,919	(1) 55,200	71,119
Total Non Current Liabilities	15,919	55,200	71,119
Total Liabilities	1,074,716	55,200	1,129,916
Net Assets	1,345,460	(37,548)	1,307,912

Equity	Previous GAAP at	Effect of	AIFRS at 1st July
	1st July 2004	Transition to	2004
	\$	\$	\$
Retained Earnings	522,410	(2) (37,548)	484,862
Reserves	823,050	0	823,050
Total Equity	1,345,460	(37,548)	1,307,912

- 1) Provision for Makegood Melbourne Lease.
- 2) Write off of previously amortised fit out costs plus first year write down of Makegood Melbourne Lease.

COMMITTEE FOR ECONOMIC DEVELOPMENT OF AUSTRALIA
ABN 49 008 600 922
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2006

Reconciliation of Profit for 2005

	Previous GAAP	Effect of Transition to AIFRS	AIFRS
	\$	\$	\$
Revenues from Ordinary Activities	5,293,698	0	5,293,698
Expenses from Ordinary Activities	(5,169,199)	0	(5,169,199)
Expense relating to make good costs – Melb Lease	0	(1) (9,200)	(9,200)
Finance Costs	(17)	0	(17)
Profit from Ordinary Activities	124,482	(9,200)	115,282

- 1) Write down of Melbourne Makegood Lease.

COMMITTEE FOR ECONOMIC DEVELOPMENT OF AUSTRALIA

A.B.N 49 008 600 922
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2006

	<u>2006</u>	<u>2005</u>
	\$	\$
Note 3		
<u>CASH AND CASH EQUIVALENTS</u>		
Cash at Bank and in Hand	200,415	383,603
Short Term Bank Deposits	<u>1,375,183</u>	<u>1,420,633</u>
	<u>1,575,598</u>	<u>1,804,236</u>
Note 4		
<u>TRADE AND OTHER RECEIVABLES:</u>		
Trade Debtors - Subscriptions	106,919	65,865
Provision for Doubtful Debts	(7,524)	0
Function Registration Fees	138,133	76,843
Sponsorship	48,373	64,709
GST Input Credits	89,571	92,209
Other	4,910	0
	<u>380,382</u>	<u>299,626</u>
Note 5		
<u>OTHER CURRENT ASSETS</u>		
Prepayments	<u>92,270</u>	<u>77,568</u>
	<u>92,270</u>	<u>77,568</u>
Note 6		
<u>PLANT AND EQUIPMENT, LEASEHOLD IMPROVEMENTS</u>		
Plant and Equipment - At Cost	440,515	313,103
<u>Less: Accumulated Depreciation</u>	<u>(250,879)</u>	<u>(200,763)</u>
<u>TOTAL PLANT & EQUIPMENT</u>	<u>189,636</u>	<u>112,340</u>
Leasehold Improvements	268,960	268,960
<u>Less: Accumulated Depreciation</u>	<u>(204,522)</u>	<u>(170,902)</u>
<u>TOTAL LEASEHOLD IMPROVEMENTS</u>	<u>64,438</u>	<u>98,058</u>
Makegood Melbourne Lease	55,200	55,200
<u>Less: Accumulated Depreciation</u>	<u>(18,400)</u>	<u>(9,200)</u>
	<u>36,800</u>	<u>46,000</u>
<u>TOTAL PLANT AND EQUIPMENT, LEASEHOLD IMPROVEMENT</u>	<u>290,874</u>	<u>256,398</u>

COMMITTEE FOR ECONOMIC DEVELOPMENT OF AUSTRALIA

A.B.N 49 008 600 922

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2006

a) Movements in Carrying Amounts

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

	Plant & Equipment	Leasehold Improvement	Makegood Melb Lease	Total
	\$	\$	\$	\$
Balance at the beginning of the year	112,340	98,058	46,000	256,398
Additions	128,544	0	0	128,544
Disposals	(1,132)	0	0	(1,132)
Depreciation Expense	<u>(50,116)</u>	<u>(33,620)</u>	<u>(9,200)</u>	<u>(92,936)</u>
Carrying Amount at the end of year	<u>189,636</u>	<u>64,438</u>	<u>36,800</u>	<u>290,874</u>

COMMITTEE FOR ECONOMIC DEVELOPMENT OF AUSTRALIA

ABN 49 008 600 922

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2006

		<u>2006</u>	<u>2005</u>
		\$	\$
Note 7	<u>TRADE AND OTHER PAYABLES</u>		
	Unsecured Liabilities		
	Trade Payables	332,095	352,260
	Sundry Payables and Accrued Expenses	38,761	59,196
	G.S.T Collected	<u>185,731</u>	<u>188,810</u>
		<u>556,587</u>	<u>600,266</u>
Note 8	<u>PROVISIONS:</u>		
		Employee Benefits	Make Good Melbourne Lease
		\$	\$
	Opening Balance at 1st July 2005	147,296	55,200
	Additional Provisions	158,451	0
	Amounts Used	<u>(165,911)</u>	<u>0</u>
	Balance at 30th June 2006	<u>139,836</u>	<u>55,200</u>
			Total
			\$
			202,496
			158,451
			<u>(165,911)</u>
			<u>195,036</u>
		<u>2006</u>	<u>2005</u>
		\$	\$
	Current	133,466	131,377
	Non Current	61,570	71,119
		<u>195,036</u>	<u>202,496</u>

Provision for Long Term Employee Benefits.

A provision has been recognised for non current employee benefits relating to long service leave for employees. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits has been included in note 1.

COMMITTEE FOR ECONOMIC DEVELOPMENT OF AUSTRALIA

ABN 49 008 600 922

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2006

	<u>2006</u>	<u>2005</u>
	\$	\$
Note 9		
<u>SUBSCRIPTIONS AND INCOME IN ADVANCE:</u>		
Subscriptions in Advance	119,603	87,925
Sponsorship & Conference Centre Income in Advance	<u>358,801</u>	<u>239,229</u>
	<u>478,404</u>	<u>327,154</u>
Note 10		
<u>CAPITAL AND LEASING COMMITMENTS:</u>		
a) Operating Lease and Rental Commitments		
Non - cancellable operating leases contracted for but not capitalised in the Financial Statements		
Payable: Minimum Lease Payments		
Not later than 12 months	434,297	410,743
Between 12 months and 5 years	1,220,285	1,317,935
Greater than 5 years	<u>311,988</u>	<u>375,360</u>
	<u>1,966,570</u>	<u>2,104,038</u>

COMMITTEE FOR ECONOMIC DEVELOPMENT OF AUSTRALIA

ABN 49 008 600 922

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2006

Note 10 CAPITAL AND LEASING COMMITMENTS:
(cont.)

DETAILS OF PROPERTY LEASES

i) Melbourne

The lease is a non cancellable lease with an eight year term commencing 1st June 2000, with rent payable monthly in advance. Contingent rental provisions within the lease agreement require that the lease payments shall be increased by the CPI with the exception of year four which is subject to an open market review. An option exists to renew the lease at the end of the eight year term for an additional term of four years.

ii) Sydney

The lease is a non cancellable lease with a five year term commencing 18th August 2001, 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 three years. Rent review dates included in the lease are Feb 2004, Aug 2006 and Feb 2008. In addition the company has leased an additional property. It is a non cancellable lease with rent payable monthly in advance expiring in February 2007. The company has given a bank guarantee to the landlord for \$ 4,868.

iii) Adelaide

The lease is a non cancellable lease with a five year term commencing 1st 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.

iv) Brisbane

The lease is a non cancellable lease with a one year term commencing August 2004. Thereafter it reverts to a month to month basis with 4% yearly increases.

v) Perth

The lease is a non cancellable lease with a two year term commencing 1st July 2005.

COMMITTEE FOR ECONOMIC DEVELOPMENT OF AUSTRALIA

ABN 49 008 600 922

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2006

	<u>2006</u>	<u>2005</u>
	\$	\$
Note 11		
<u>LOSS FROM ORDINARY ACTIVITIES</u>		
Loss from Ordinary Activities has been determined after:		
a) Expenses:		
Finance Costs:		
Other Parties	22	17
	<u>22</u>	<u>17</u>
Depreciation of Plant and Equipment	59,316	59,216
Amortisation of Leasehold Improvements	33,620	33,620
Doubtful Debts - Trade Receivables	7,524	0
Net Loss on Disposal of Plant & Equipment	587	0
Rental Expense on Operating Leases		
Minimum Lease Payments	442,020	439,764
Rental Expense for Sub Lease	0	0
Remuneration of the Auditors:		
Audit or Reviewing the Financial Report	12,000	12,000
Other Services	4,250	0
b) Significant Revenue and Expenses:		
The following significant revenue and expense items are relevant in explaining the financial performance:		
Amounts paid to past employees outside normal statutory requirements	156,115	0

COMMITTEE FOR ECONOMIC DEVELOPMENT OF AUSTRALIA

ABN 49 008 600 922

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2006

	<u>2006</u>	<u>2005</u>
	\$	\$
Note 12 <u>RESERVES</u>		
The Research Reserve has been set up to finance future research.		
The Research Reserve is also accessible at the Board's discretion for emergency purposes.		
Note 13 <u>REVENUE:</u>		
Operating Activities		
Subscriptions	2,255,178	2,047,456
Research and Related Conferences and Briefings	<u>3,444,885</u>	<u>3,190,212</u>
	<u>5,700,063</u>	<u>5,237,668</u>
Non Operating Activities		
Interest	61,201	56,030
Proceeds on disposal of Plant and Equipment	545	0
Total Revenue	<u>5,761,809</u>	<u>5,293,698</u>
a) Interest From:		
Other Persons	<u>61,201</u>	<u>56,030</u>
	<u>61,201</u>	<u>56,030</u>

COMMITTEE FOR ECONOMIC DEVELOPMENT OF AUSTRALIA

ABN 49 008 600 922

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2006

	<u>2006</u>	<u>2005</u>
	\$	\$
Note 14		
<u>REMUNERATION AND RETIREMENT BENEFITS:</u>		
A) Remuneration of Directors		
Remuneration received or receivable by all the directors of the company: - from the company or any related party in connection with the management of the company	208,888	270,152

The names of directors who have held
office during the financial year are:

I.A.	Deveson, AO
D.S.	Adamsas
C.A.	Baldwin (Appointed 20.03.2006)
R.G.	Besley
R.	Chapman (Appointed 1.12.2005) (Resigned 1.2.2006)
P.F.	Doyle
D.N.	Edwards, AM (Resigned 30.8.2005)
J.L.	Floyd
G.	Franklin
N.	Hatherly
J.H.	Heard (Resigned 1.12.2005)
A.J.	Kloeden
D.C.	McKenzie
V.J.	Nissen
J.A.	Poulson
P.K.G.	Ruthven
A.	Smith (Appointed 27.2.2006)
T.W.	Tappenden
D.	Yerbury, AO

COMMITTEE FOR ECONOMIC DEVELOPMENT OF AUSTRALIA

ABN 49 008 600 922

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2006

	<u>2006</u>	<u>2005</u>
	\$	\$
B) Retirement Benefits		
Amounts paid to a superannuation plan for the provision of retirement benefits by:		
- The company or any related party for directors of the company	<u>33,697</u>	<u>25,252</u>

Note 15 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:

Cash at Bank and in Hand	200,415	383,603
Short Term Deposits including accrued interest with Financial Institutions	<u>1,375,183</u>	<u>1,420,633</u>
	<u>1,575,598</u>	<u>1,804,236</u>

COMMITTEE FOR ECONOMIC DEVELOPMENT OF AUSTRALIA

ABN 49 008 600 922

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2006

	<u>2006</u>	<u>2005</u>
	\$	\$
Note 15 <u>CASH FLOW INFORMATION:</u>		
(Cont.)		
B) Reconciliation of Cash Flow from Operations with Loss from Ordinary Activities		
Profit (Loss) from ordinary activities	(198,815)	115,282
Non - Cash Flows in Loss from Ordinary Activities		
Amortisation	33,620	33,620
Depreciation	59,316	59,216
Net Loss on Disposal of: Plant & Equipment	587	0
Changes in Assets and Liabilities:		
Decrease / (Increase)		
In Trade and Other Receivables	(80,756)	(91,519)
Decrease / (Increase) in Prepayments	(14,702)	(21,532)
Increase / (Decrease)		
In Trade and Other Payables	(43,679)	176,053
Increase / (Decrease) in Other		
Subscriptions and Fees in Advance	151,250	162,895
Increase / (Decrease) in Provisions	(7,460)	10,848
<u>CASH FLOWS FROM OPERATIONS</u>	<u>(100,639)</u>	<u>444,863</u>

COMMITTEE FOR ECONOMIC DEVELOPMENT OF AUSTRALIA

ABN 49 008 600 922

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2006

Note 16. FINANCIAL INSTRUMENTS:

a) Interest Rate Risk

The company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets, is as follows:

	WEIGHTED AVERAGE EFFECTIVE INTEREST RATE		FLOATING INTEREST RATE		FIXED INTEREST RATE MATURING WITHIN 1 YEAR	
	2006	2005	2006	2005	2006	2005
Financial Assets	%	%	\$	\$	\$	\$
Cash	2.0	2.1	200,414	383,603	0	0
Short Term Deposits	5.27	5.1	303,444	452,733	1,071,740	967,900
Total Financial Assets			503,858	836,336	1,071,740	967,900

COMMITTEE FOR ECONOMIC DEVELOPMENT OF AUSTRALIA

ABN 49 008 600 922

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2006

Note 16. FINANCIAL INSTRUMENTS:
(Cont.)

b) 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 group of receivables under financial instruments entered into by the company.

c) Net Fair Values

The net fair values of financial assets and financial liabilities approximates their carrying values.

Note 17. COMPANY DETAILS

The registered office of the company is:
10th Floor, St George Centre
60 Marcus Clarke Street
Canberra ACT 2600

The principal place of business is:
CEDA
Level 5, 136 Exhibition Street
Melbourne Victoria 3000

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

COMMITTEE FOR ECONOMIC DEVELOPMENT OF AUSTRALIA

ABN 49 008 600 922

DIRECTORS' REPORT

To the Members of Committee for Economic Development of Australia.

Your Directors have pleasure in presenting their report on the Company for the financial year ended 30th June 2006.

1) The names of the Directors in office at the date of this report are:

I.A. Deveson, AO
D.S. Adamsas
C.A. Baldwin
R.G. Besley
P.F. Doyle
J.L. Floyd
G. Franklin
N. Hatherly
A.J. Kloeden
D.C. McKenzie
V.J. Nissen
J.A. Poulsen
P.K.G. Ruthven
A. Smith
T.W. Tappenden
D. Yerbury, AO

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

President	I.A. Deveson, AO
Chair, Board of Directors	I.A. Deveson, AO
Honorary Treasurer	T.W. Tappenden

The name of the Secretary at the date of this report is:

N. Dimopoulos	Chief Financial Officer
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COMMITTEE FOR ECONOMIC DEVELOPMENT OF AUSTRALIA

ABN 49 008 600 922

- 2) 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.

No significant change in the nature of these activities occurred during the year.

- 3) The net loss of the company, was \$ 198,815 (2005 - \$115,282 profit). CEDA is an approved research institute under Section 73A of the Income Tax Assessment Act. CEDA is a company limited by guarantee and in the event of winding up each member is liable for any sum not exceeding \$500.
- 4) The Memorandum of Association specifically prohibits the payment of any dividend to Members.
- 5) Information on Directors:

Ivan.A. Deveson, AO - National President and Chair of The Board, CEDA
- Patron, Melbourne City Mission.

COMMITTEE FOR ECONOMIC DEVELOPMENT OF AUSTRALIA

ABN 49 008 600 922

- Dieter S Adamsas - Bcomm (Accounting)
FAICD
Deputy Chief Executive Officer & CFO, Leighton Holdings Limited, Director, Leighton Contractors Pty Limited and Leighton Properties Pty Limited
President, Financial Executives International of Australia.
- Catherine A Baldwin - Chief Executive Officer, CEDA
- Rodney G. Besley - B.A LLB, (Hons)
Managing Partner, Hogan Besley Boyd.
- Peter F. Doyle - FASCPA, FCIS, FCIM
Chief Executive Officer of:
Hella Australia Pty.Ltd
Hella Asia Pacific Pty. Ltd
Hella Asia Pacific Holdings Pty. Ltd and
Director Australian Automotive Aftermarket Association. Counciller (Victoria) Australian Industry Group.
- Jeffrey L. Floyd - FAIM, FIPAA
Chief Executive Officer, Australian Motoring Services Pty. Ltd
Adjunct Professor Tourism and Marketing, Victoria University.
- Gillian Franklin - Managing Director, The Heat Group Pty Ltd
Director, Cosmetic, Toiletry and Fragrance Association of Australia, Microsurgery Foundation and the Australian Grand Prix.
Awarded "Global Entrepreneur of the Year – Australia" in 2000.

COMMITTEE FOR ECONOMIC DEVELOPMENT OF AUSTRALIA

ABN 49 008 600 922

- Neil Hatherly - BSc (HONS), FAICD, FAIM, FAus IMM,
Managing Director of RNH Consulting
Council Member, University of Newcastle
Director Brisbane Transport, Brisbane
Polo Club, Indooroopilly Golf Club, Tarong
Energy (1999 – 2005)
- Adrian. J. Kloeden - FAIM, MAICD
M.Sc (Business Studies) – London Business
School, London University.
B.Sc (Forestry), First Class Honours – Australian
National University CEO, Serco Asia Pacific
Member of Council of Deakin University
Member Finance Committee of Deakin Prime.
Director, Forestry Tasmania
- Donald C.McKenzie - BA (Applied Psychology) Monash
FAICD
Managing Director
Executive Dimensions.
Chairman and Director, Community Connections
Australia (CCA)
- Varina J. Nissen - M.B.A., Melbourne Business School
Managing Director, Manpower Australia / New
Zealand. Manpower Inc. is a world leader in the
employment services industry.

COMMITTEE FOR ECONOMIC DEVELOPMENT OF AUSTRALIA

ABN 49 008 600 922

- John. A. Poulsen - B.Juris (Hons), LLB UWA
Managing Partner and Head of Finance
Minter Ellison Perth,
Winner 2002 Wendy Middleton Award for
Individual service excellence, W.A. Customer
Service Council.
- Phil. K. G. Ruthven - FAIM, FAICD
Chairman IBIS World Pty Ltd
Key Public Speaker at 50 – 60 conferences
and conventions each year within Australia and
Overseas. Writes monthly for the BRW.
- Anthony Smith -
- Trevor W. Tappenden - ACA, FAICD
Chairman Heide Museum of Modern Art; Director
Victorian Interpreting and Translation Service;
Councilor RMIT University; Director RMIT
Vietnam P/L; Member Southern Rural Water
Audit Committee; Trustee The Ernest Heine
Family Foundation; former Melbourne Managing
Partner Ernst & Young, Director Vision Gateway
Inc; Dairy Food Safety Victoria.
- Professor Di Yerbury, AO - LLB (Hons) Lond, PhD Melb, Grad Dip Tech Sci
Mang. Vice – Chancellor Macquarie University,
President, Australian Vice – Chancellor's
Committee. Chair, Golden Key International
Honours Society (World President), Aust. Higher
Education Industrial Assoc. Winner 2002 Telstra
NSW Business Woman of the Year.

COMMITTEE FOR ECONOMIC DEVELOPMENT OF AUSTRALIA

ABN 49 008 600 922

6) Meetings of Directors:

	<u>Directors' Meetings</u>	
	Number Eligible	Number Attended
I.A. Deveson, AO	5	5
D.S. Adamsas	5	2
C.A. Baldwin	1	1
R.G. Besley	5	5
P.F. Doyle	5	4
J. L. Floyd	5	5
G. Franklin	5	4
N. Hatherly	5	4
A.J. Kloeden	5	4
D.C. McKenzie	5	5
V.J. Nissen	5	2
J.A. Poulsen	5	4
P.K.G. Ruthven	5	4
T.W. Tappenden	5	5
A. Smith	2	2
D. Yerbury, AO	5	2

- 7) No significant changes in the company's state of affairs occurred during the financial year.
- 8) 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.

COMMITTEE FOR ECONOMIC DEVELOPMENT OF AUSTRALIA

ABN 49 008 600 922

- 9) Likely developments in the operations of the company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the company.
- 10) The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.
- 11) No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the company.

With the exception of the following matters:

During this financial year the company has paid premiums to insure all directors and officers against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director or officer of the company other than conduct involving willful breach of duty in relation to the company.

Signed at *SYDNEY* this *15* day of September, 2006

In accordance with a Resolution of the Board of Directors.

 
DIRECTOR DIRECTOR

T.W. Tappenden
Director

I.A. Deveson, AO
Chair

COMMITTEE FOR ECONOMIC DEVELOPMENT OF AUSTRALIA

ABN 49 008 600 922

DIRECTORS' DECLARATION

- 1) The directors of the company declare that the financial statements and notes, as set out on pages 1 to 27 present fairly the company's financial position as at 30th June, 2006 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 *Sydney* this *15* day of September, 2006

In accordance with a Resolution of the Board of Directors.

Director *T.W. Tappenden* Director *I.A. Deveson*

T.W. Tappenden

I.A. Deveson, AO

Director

Director

INDEPENDENT AUDIT REPORT

To the Members of

COMMITTEE FOR ECONOMIC DEVELOPMENT OF AUSTRALIA

SCOPE

The Financial Report and Directors' Responsibility.

The financial report comprises the income statement, balance sheet, statement of changes in equity, cash flow statement, accompanying notes to the financial statements, and the directors' declaration for Committee for Economic Development of Australia (the company) for the year ended 30th June 2006.

The directors of the company are responsible for the preparation and true and fair presentation of the financial report in accordance with the company's constitution. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

AUDIT APPROACH

I have conducted an independent audit in order to express an opinion to the members of the company. My audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of the audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

I performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the company's constitution, including compliance with accounting standards and other mandatory financial reporting requirements in Australia, a view which is consistent with my

understanding of the company's financial position, and of its performance as represented by the results of its operations and cash flows.

I formed my audit opinion on the basis of these procedures, which included:

- Examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- Assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

While I considered the effectiveness of managements internal controls over financial reporting when determining the nature and extent of my procedures, my audit was not designed to provide assurance on internal controls.

INDEPENDENCE

In conducting my audit, I followed applicable independence requirements of Australian professional ethical pronouncements.

AUDIT OPINION

In my opinion, the financial report presents fairly in accordance with applicable accounting standards and other mandatory professional reporting requirements in Australia, the financial position of Committee for Economic Development of Australia as at 30th June 2006, and the results of its operations and its cash flows for the year then ended.

Signed at Melbourne the day of September 2006.



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Terry J Reeve CPA
Partner
Turville Reeve & Associates.