

AN UPDATE FROM THE PRESIDENT

As Ausglass members read through this report many will become aware that Ausglass the organisation, financially, has improved. The Board for the past three years has been acutely aware of this issue and has worked extremely hard to cut the running costs of the organisation and encourage state/territory based initiatives. Changes needed to be made and these were changes that were not easily accepted by some members. Such as the decision to alter the format of the newsletter to an e-magazine, wherever possible Ausglass membership renewals are sent via e-mail and in the future it is also planned to send the annual report to members electronically. The need to reduce all photocopying and postal expenditure has been an important step in continuing to cut the running costs of the organisation. But finances dictate actions.

These changes will need membership assistance in regard to ensuring that personnel details are up to date. Members will need to forward changes, in particular changes to e-mail addresses to treasurer@ausglass.org.au to ensure that you as a member receive all membership benefits.

The 35th annual G.A.S. conference "Matters of Substance" is over. The enthusiasm and quality of work presented by the Australian glass community during the conference can only lead to further interest and a greater understanding of glass as a medium. Momentum generated by the conference needs to continue. At a time when most volunteers are exhausted, I think the term is "burn out", members should put into perspective the success of the G.A.S. conference. The success of the G.A.S. conference was reliant on a large number of volunteers, volunteers such as Pauline Mount, Matthew Larwood and Alison Dunne, Co-chairs for the conference and the South Australian Ausglass members. Ausglass thanks them for their time, effort and skills in organising such a successful and enjoyable conference.

It is important that the interest in Australian glass created by the conference continues. Members need to be involved in formulating and instigating initiatives on a state/territory or national level to continue the momentum. As an organisation we are in a position that allows members the opportunity to work with each other to achieve a broader public awareness. Increased public awareness can only benefit artists working in the diverse fields of glass.

Initiatives such as the Flair exhibition organised by Western Australian Ausglass members will again be staged in 2006; the success of the exhibition relies on membership participation. In staging the Flair exhibition the Western Australian members are raising the profile of glass within their state. I ask members to support their efforts and commit work for the exhibition.

Members do not need to be directors of the Board to offer suggestions or put forward initiatives; contact your state/territory representatives or any director with ideas that you feel may be of value. Each state/territory representative has generic e-mail addresses so that contact within the membership is easier.

It is important for members to remember that Ausglass is a not for profit organisation that is run by volunteers and that you, the members, are the organisation. Your input is vital for the continuance and growth of Ausglass.

This is my final report as president and as a director of Ausglass. The past three years as president has been frustrating, tiring, busy and sometimes extremely difficult (and I won't miss having to write these reports) but it has also been an extremely rewarding period. During my terms on the Board I have been introduced to a number of interstate artists who have assisted and supported Ausglass. I thank them for their time and efforts, but also their friendship. I hope to be able to continue to offer assistance to Ausglass as my belief in the organisation and what it can achieve has not diminished.

THINGS YOU SHOULD KNOW ABOUT AUSGLASS

Ours Organisations goals and objectives:

Our vision is to be recognised as the foremost body for the promotion of glass artists and crafts people in Australia. We seek to achieve this by fostering effective communication between our members and interested parties.

Our Organisations structure:

Ausglass (The Australian Association of Glass Artists) Limited is a public company registered in South Australia, which operates pursuant to its Constitution and Articles of Association. It is a company limited by guarantee. Every member therefore undertakes to contribute an amount to the company in the event that it is wound up and does not have sufficient funds to meet various prescribed debts and obligations. This obligation is limited to \$10.00, and applies in the event that the company is wound up whilst he/she is a member or within one year of their membership ceasing. The company operates on a non-profit basis. This means that any profits, income or property of the company cannot be paid or distributed to its members.

Volunteers Run Ausglass:

The company has a Board of volunteer directors, the majority of whom are elected by those members who are eligible to vote, although the directors may occasionally appoint or Co-opt other directors to the board. Elected directors are appointed for a three-year term. Co-opted directors serve until the next elections but may offer themselves up for re-election. To ensure that there are new directors are brought onto the Board at least three directors step down each year whilst maintaining the boards experience and stability. The board meets at a face to face meeting, at least once a year, and by Tele-conference, at least two times a year.

The directors have elected an Executive from their number comprising the President, Vice President, Secretary and Treasurer. The executive is charged with the responsibility of conducting the day to day operations of the company in accordance with policy set by the Board. The Executive meets formally by Tele-conference at least six times a year and corresponds by e-mail or telephone on a regular basis.

Local contact with members is maintained through Volunteer State and Territory Representatives who are appointed by voting members for a period of two years. State and Territory Representatives are charged with the responsibility of implementing state/territory initiatives including activities such as member's meetings, workshops, exhibitions, etc.

The organisation does not employ any staff. It may from time to time, however, contract with consultants for various administrative services.

YOUR REPRESENTATIVES DURING 2004-05

President:	Janeen Toner VIC president@ausglass.org.au
Vice-President:	Laurie Young VIC vicepresident@ausglass.org.au
Secretary:	Ruth McCallum Howell VIC secretary@ausglass.org.au
Treasurer:	Damian Connellan VIC treasurer@ausglass.org.au

Other Directors as at October 2005

Chairperson:	George Aslanis VIC
Other Directors:	Beth Newman SA Emma Borland VIC

Office Bearers as at October 2005

E-magazine:	Julien Stannus VIC
E-magazine Co-ordinator:	Beth Newman SA newsletter@ausglass.org.au
Website Managers:	Arthur Sale TAS Julien Stannus VIC webmaster@ausglass.org.au
State/ Territory Representative	

Liaison Officer: Pauline North WA

Ausglass2
Moderators: Pauline Delaney VIC
Pauline Mount SA
moderator@ausglass.org.au
Arthur Sale TAS

Minute Secretary: Beth Newman

Membership
Secretary: Damian Connellan

G.A.S. Liaison
Officer: Janeen Toner

Public Officer: Damian Connellan

Executive Officer,
Vicki Torr
Memorial Fund: Declan Somerville

State and Territory Representatives

As of October 2005

Australian Capital Territory: actrep@ausglass.org.au	Julie Parker
New South Wales: nswrep@ausglass.org.au	Ingrid Cassar Michelle Donde Mark Elliott
Northern Territory: ntrep@ausglass.org.au	Jon Firth
Queensland: qldrep@ausglass.org.au	Terry Eager
South Australia: sarep@ausglass.org.au	Jacqueline Knight
Tasmania: tasrep@ausglass.org.au	James Dobson
Victoria: vicrep@ausglass.org.au	Emma Borland
Western Australia: warep@ausglass.org.au	Pauline North Estelle Dean Anne Clifton Trudy Hardman

THANKS TO

Special thanks to former directors and office bearers and volunteers:

Gerry King (Chairperson and Mentor), Bethany Owen (Secretary), Yvette Van Berkel (Newsletter Co-ordinator), Mark Thiele (Newsletter Co-ordinator), Pauline Mount, Matthew Larwood and Alison Dunne (G.A.S. Conference Co-chairs), Pauline Delaney and Ruth McCallum Howell (Ausglass workshop coordinators), the South Australian Glass community, Arthur Sale (Website manager),

Julien Stannus (Webmaster) and Pauline Mount and Pauline Delaney (Ausglass2 moderators), Declan Somerville, Yvette Van Berkel, Beth Newman, Laurie Young and their teams in organising Ausglass exhibitions, State and Territory Representatives, Jon Firth, Julie Parker, Turyia Orme, Michelle Donde, Mark Elliott, Ingrid Cassar, Emma Borland, James Dobson, Terry Eager, Jacqueline Knight, Anne Clifton, Estelle Dean, Trudy Hardman and Pauline North (State/Territory Representative Liaison Officer).

These few volunteers have assisted Ausglass throughout the year their time like ours is valuable. So on behalf of the Ausglass membership I would like to personally thank them for all their time and effort spent on duties that have assisted in the organisation of events and the running of Ausglass. Volunteer support from members is sadly needed and I hope that each of the volunteers mentioned above are able to continue with their efforts, as they are extremely valuable to Ausglass.

AUSGLASS ACTIVITIES FOR 2004-05

The main event for most Ausglass members would have been the 35th annual G.A.S. Conference hosted by Ausglass and staged in Adelaide. I hope that all members enjoyed and gained from the experience. To organise such an event within Australia was indeed a huge undertaking that the South Australian members of Ausglass accomplished extremely well. Co-chairs Pauline Mount, Matthew Larwood and Alison Dunne lead an enthusiastic team of volunteers in producing a conference not seen before in Australia. Though having not seen much of the conference all reports have been positive and glowing with thanks for those who organised the event. The momentum that was generated by the conference will need to continue so that all the hard work and time put forward from volunteers is not wasted.

THE VICKI TORR MEMORIAL FUND

The Vicki Torr Memorial Fund was first established in 1993 as a memorial to Australian glass artist, Vicki Torr (1949-1992). Its purpose is to reflect the philosophies of Vicki's life and work, and to this end its stated aim as to encourage excellence in Australian studio glass. Past recipients have been Kirstie Ray 1999, Scott Chaseling 2001, and Simon Butler 2003. The recipients of the 2005 award voted at the Ausglass Member's Exhibition were Cobi Cockburn and Daniela Turrin.

HONORARY LIFE MEMBERSHIP

The Honorary Life Membership Award was first instituted in 1999. It is awarded in recognition of an outstanding contribution to this organisation and/or, more generally, the field of contemporary studio glass.

The recipient is selected by the Ausglass Board on the recommendation of its Honorary Life Membership Sub-Committee. The Committee makes its recommendations based on nominations received from members through a formal nomination process. Where an award is given it is announced at each biennial conference.

THE AUSGLASS NEWSLETTER

Communication between members within the boundaries of a limited budget involves more involvement, support and effort than usually required as it is with the newsletter. The newsletter has been and always will be the major vehicle for the organisation to impart information to the members. The Ausglass Board have the decision to produce the newsletter as an e-magazine. The production time and cost of the newsletter has been halved, but support from members is still needed. All articles, photos and reports that may be of interest to other members can be sent to:
newsletter@ausglass.com.au

THE AUSGLASS WEBSITE AND AUSGLASS2 E-MAIL GROUP

The Ausglass Website incorporates information on the history of Ausglass and membership details and most importantly includes an on-line gallery, which provides members with an opportunity to showcase their work. The gallery is open to all members (other than affiliated members) who are

entitled to include an artist profile, up to two images of their work, contact details and a Website link. Unfortunately, the gallery is currently not being utilised to its full potential. Members should make full use of this benefit as the 35th annual G.A.S. conference has drawn attention to Australian glass artists. Through the generous efforts of Arthur Sale and Julien Stannus the Website will continue to improve and offer more to members. Those interested in obtaining further information regarding the on-line gallery please contact: webmaster@ausglass.org.au

The e-mail group ausglass2, was first established in 2001 and the number of members subscribing to the group has steadily grown to 280 members. Ausglass2 is a channel for quickly and cost effectively disseminating Ausglass-generated information about matters such as changes to Ausglass policy, conference issues, and upcoming opportunities within the organisation. And changes to the Website as well as user-generated notices about matters ranging from workshops to open days, job opportunities, requests for information and the occasional virus-alert. There are two moderators to ensure that information is appropriate and the group is used in an equitable and efficient monitor of content on the e-mail group. The Board is continuing to research the accessibility of Ausglass2 for members with automatic registering of members to the group for new and existing members.

STATE AND TERRITORY ACTIVITIES

The State and Territory representatives have been charged by the Board with the task of identifying and coordinating member activities on a state by state basis. As part of this mandate, State and Territory Representatives endeavour to ensure that at least four state meetings take place each year. All State members are invited to attend. These meetings provide a forum for discussion of organisation- or industry- specific issues, and are usually accompanied by presentations on current topics by a member or industry professional.

In order to ensure that issues discussed and raised by members at state level are effectively communicated to the national body, the board has accepted Pauline North offer to continue as the State/Territory Representative Liaison Officer. This allows an efficient channel of communication between the states/territories, and provides the Board with a sounding post for specific state input to national directives.

Apart from general meetings, State and Territory representatives are also encouraged to discuss other initiatives with the membership. Initiatives such as the Western Australian based Flair exhibition will continue, but initiatives can only continue with the support of the membership.

THE AUSGLASS CONFERENCE

In 2004 a call for interest in hosting the 2007 Ausglass conference was directed to State and Territory Representatives. After reading each proposal put forward the decision was made to hold the conference in Canberra ACT. The conference to coincide with the opening of the Canberra Glass Centre will be organised for 2008 to allow for Ausglass members in ACT to organise the conference. The Board made the decision for the change in the year, to give Ausglass members the opportunity to attend the opening of the Canberra Glass Centre, a major event within the Australian glass community.

Though the change of year may warrant some argument from members, we must consider that the time and commitment involved when organising a conference is extensive and all due consideration for volunteers taking on duties must be given. I hope to see all Ausglass members at the conference, information will be posted on the Website.

Treasurer's Report

For the sixteen month period ended 31 October 2005 Ausglass generated a surplus of \$33,307 which represents a significant improvement over the losses reported over the past few years. There have been times in recent years when Ausglass' financial position has been very poor and appeared irreversible, but, through the commendable efforts of the Board and other volunteer members, this has been turned around. The results for the current reporting period can be compared to prior year results as follows:

	16 months to 31 October 2005	12 months to 30 June 2004	12 months to 30 June 2003	12 months to 30 June 2002
Surplus/(Deficit)	\$33,307	\$(100)	\$(9,679)	\$(14,051)

In effect, Ausglass has stood still financially for the past four and a half years as it has only just recovered to the financial position that it was in when it became an incorporated association in April 2000 and took over the assets of the then unincorporated association.

The key factors contributing to the surplus for the current sixteen month period were:

- The GAS Conference held in Adelaide in May 2005 that boosted membership from 357 at 30 June 2004 to 401 at the time of the conference resulting in a significant increase in membership revenue together with the conference fee paid by GAS to Ausglass to compensate us for foregoing the most significant event in our calendar, our own bi-annual conference. Thanks and best wishes are due to all those people who assisted in making the GAS Conference a success from those who initially put forward the idea and negotiated the GAS Conference agreement to those who tirelessly and selflessly worked on the ground in Adelaide and elsewhere to make the conference the resounding success that it was;
- The fact that the exhibitions and workshops held in conjunction with the conference and at other times and places during the sixteen months were able to generate an overall surplus;
- That expenditure not related to the conference, exhibitions and workshops were able to be controlled and reduced from \$30,400 for the twelve months ended 30 June 2004 to \$24,800 for the sixteen month period ended 31 October 2005.

Given that having financial strength is a key to determining what Ausglass' can do for its members, it is important that Ausglass' financial base, as at 31 October 2005, be preserved and increased whenever possible. To this end it is the policy of the Board of Ausglass that the association should, at least, break even in non-conference years and that it should make a surplus in conference years.

With this in mind a number of changes have been instituted since the conference. The first of these included changing Ausglass' financial year from 30 June to 31 October. The accompanying financial report for the sixteen month period ended 31 October 2005 is the transition year for this change as a result of approval from the Australia Securities and Investment Commission (ASIC) in June 2005. Although this may seem a simple change it provides significant benefits to Ausglass in reducing administrative time and cost because, since incorporation, Ausglass has had to seek ASIC approval to hold its AGM at the same time as its conference and, since ASIC stopped providing that approval during 2004, the logistics and cost of holding an AGM and establishing a quorum at another time and place were significant.

The second change which is currently being implemented is converting the membership billing process from monthly invoicing on the anniversary of a member's successful application for membership to all members being invoiced on a common renewal date of 31 May each year. Those that have been receiving renewal notices over the past few months would have noticed that they have been invoiced a different amount to the annual renewal amount to reflect this transition.

The reasons for making this change include:

- A significant reduction in the administrative burden of the monthly billing cycle and constant follow up of unpaid balances to a single billing month;
- Allowing Ausglass, by August of each year, to determine how many paid up members it will have for the year and, therefore, what financial resources it will be able to include in a budget for the services it can provide to members without incurring an operating deficit. Under the monthly billing system this was never able to be determined with certainty due to the high turnover of members making budgeting uncertain;

- Allowing the Ausglass Board to advise the State Representatives as to how many paid up members they have in their State and, crucially, who they are and what funding is available to those State Representatives to service their members. Once again this has not been able to be determined with certainty in the past and, no doubt, this has caused much frustration for State Representatives and members;
- Allowing Ausglass to determine with certainty what its annual expenditure can be on its website, its new electronic forum, the electronic newsletter and Ausglass2. The internet and electronic communication have been identified by the Board as a key tool to enable Ausglass to provide better services to its members and to communicate better with them in a cost effective manner.

The third change, which is currently being completed with the help of Daniela Turrin, is a slight redesign of the membership application form. The changes are simple and straight forward and include allowing members to tick the box to indicate their area of interest or speciality. The old form catered for this in narrative form but the MYOB membership database did not really have the necessary data fields to allow the information to be used. The above changes to the membership billing system has freed up sufficient extra data fields to allow members in future to be categorised by interest and speciality in addition to being categorised by member type and State.

Each of the above changes may seem simple and straight forward but these tasks always take more time than would be expected with the Board's limited capacity and the limited volunteer support it receives from members to carry out specific tasks. The message here is that you can only expect to get out of Ausglass what you are prepared to put in and that Ausglass would be a stronger organisation if members would get behind the Board and provide it with more volunteer support.

The key areas that Ausglass needs support in over the next twelve months is in its electronic communications, moderators for the electronic forum, assistance with news articles for the electronic newsletter and generally information coming into Ausglass in such a way that Ausglass can then disseminate it to members electronically similarly to the way the recent e-notice went out for the forthcoming Flair exhibition in Perth in May 2006. Those of you who can assist should start a dialogue with the Board so that suitable tasks can be assigned and, even if there is nothing immediately to be done then, when something comes up, the Board has an idea of where to turn. As a non-glass person I ask myself why I should put in any volunteer effort at all when the members are so apathetic about supporting their own organisation with volunteer help. What about it?

That's it for this year. Ausglass has made important steps forward during the current year resulting in it being in a more stable financial position and the Board is determined, with the help of members, to maintain this position. This hopefully means that I will be able to report to you again next year as to what progress Ausglass is making.

AUSGLASS (THE AUSTRALIAN ASSOCIATION OF GLASS ARTISTS) LTD
ABN 72 087 134 656

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 OCTOBER 2005

DIRECTORS' REPORT	1
STATEMENT OF FINANCIAL PERFORMANCE	3
STATEMENT OF FINANCIAL POSITION	4
STATEMENT OF CASH FLOWS	5
NOTES TO THE FINANCIAL STATEMENTS	6
DIRECTORS' DECLARATION	12
INDEPENDENT AUDIT REPORT	13
AUDITORS INDEPENDENCE DECLARATION	14
DETAILED PROFIT AND LOSS STATEMENT	15

DIRECTORS' REPORT

Your directors present their report on the company for the 16 month financial period ended 31 October 2005.

The names of the directors in office at the date of this report are:

George Aslanis (Chairman)	Janeen Toner (President)
Damian Connellan (Treasurer)	Laurie Young (Vice President)
Ruth McCallum Howell (Secretary)	Emma Borland
Beth Newman	

Since 1 July 2004 the following directors have retired from the Board:

Gerry King	Marcus Hughes
Yvette van Berkel	Megan Bottari
Bethany Owen	

The Board would like to thank the retiring Directors for their contributions to Ausglass.

The surplus for the 16 month financial period after providing for income tax amounted to \$33,307 (2004 - \$100 deficit for the twelve month period ended 30 June 2004).

A review of the operations of the company during the 16 month financial period and the results of those operations found that Ausglass did not hold its biannual conference during the current reporting period (the last Ausglass conference was held in Fremantle, WA in 2003) as it had the privilege of hosting the Glass Artists Society's "GAS Conference" in Adelaide, in May 2005, the first time that GAS has held its conference in Australia.

On 23 June 2005 the Australian Securities and Investments Commission made an order, pursuant to subsection 340 (1) of the Corporations Act 2001("the Act"), relieving Ausglass of the need to comply with paragraph 323D (2) (b) of the Act and allowing Ausglass to complete a 16 month financial reporting period ending 31 October 2005 rather than the normal 12 month reporting period required under the Act. After the completion of the transitional period ended 31 October 2005 Ausglass will revert to 12 month reporting periods ending on each subsequent 31 October.

No other significant changes in the entity's state of affairs occurred during the financial year.

The principal activity of the company during the financial year was to contribute to the advancement of Australian studio glass. No significant change in the nature of these activities occurred during the year.

No matters or circumstances have arisen since the end of the financial year which have 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.

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.

The company's operations are not regulated by any significant environment regulation under a law of the Commonwealth or of a State or Territory.

No dividends have been paid or declared since the start of the financial year.

No options to shares in the company have been granted during the financial year and there were no options outstanding at the end of the financial year.

DIRECTORS' REPORT (CONTINUED)

During or since the end of the financial year the company has given an indemnity or entered an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

The company has paid premiums of \$1,423 to insure each of the directors and officers against liabilities for costs and expenses, incurred by them in defending any legal proceedings arising out of their conduct whilst acting in the capacity of director of the company, other than conduct involving a wilful breach of duty in relation to the company.

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

Auditors Independence Declaration

The auditor's independence declaration for the period ended 31 October 2005 has been received and can be found on page 14 of the financial statements.

Signed in accordance with a resolution of the Board of Directors:

Director:

Director:

Janeen Toner

Damian Connellan

Dated this 31st day of January 2006

AUSGLASS (THE AUSTRALIAN ASSOCIATION OF GLASS ARTISTS) LTD
 ABN 72 087 134 656

**STATEMENT OF FINANCIAL PERFORMANCE
 FOR THE 16 MONTH PERIOD ENDED 31 OCTOBER 2005**

	Note	2005 (16 Months) \$	2004 (12 Months) \$
Revenues from ordinary activities	2	100,052	51,770
Other expenses from ordinary activities		66,745	51,870
Surplus/(deficit) from ordinary activities before income tax	3	33,307	(100)
Income tax expense relating to ordinary activities	1(b)	-	-
Net surplus/(deficit) from ordinary activities after income tax attributable to members of the company		33,307	(100)
Total changes in equity other than those resulting from transactions with owners as owners		33,307	(100)

AUSGLASS (THE AUSTRALIAN ASSOCIATION OF GLASS ARTISTS) LTD
 ABN 72 087 134 656

STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2005

	Note	31 October 2005 \$	30 June 2004 \$
Current Assets			
Cash Assets	4	141,458	97,913
Receivables	5	4,297	5,484
Total Current Assets		145,755	103,397
Total Assets		145,755	103,397
Current Liabilities			
Payables	6	15,236	6,185
Total Current Liabilities		15,236	6,185
Total Liabilities		15,236	6,185
Net Assets		130,519	97,212
Equity			
Reserves	7		
Reserves	8	122,566	122,707
Retained Surplus/(Accumulated Deficit)	9	7,953	(25,495)
Total Equity		130,519	97,212

AUSGLASS (THE AUSTRALIAN ASSOCIATION OF GLASS ARTISTS) LTD
 ABN 72 087 134 656

STATEMENT OF CASH FLOWS
FOR THE 16 MONTH PERIOD ENDED 31 OCTOBER 2005

	Note	31/10/2005 (16 Months) \$	30/6/2004 (12 Months) \$
Cash Flow From Operating Activities			
Receipts from customers		109,618	61,768
Interest Received		5,518	4,010
Payments to suppliers and employees		<u>(71,591)</u>	<u>(59,463)</u>
Net cash provided by operating activities	12(b)	<u>43,545</u>	<u>6,315</u>
Net Increase/(decrease) in cash held		43,545	6,315
Cash at beginning of year		<u>97,913</u>	<u>91,598</u>
Cash at end of year	12(a)	<u><u>141,458</u></u>	<u><u>97,913</u></u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 16 MONTH PERIOD ENDED 31 OCTOBER 2005**

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 Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report covers Ausglass (The Australian Association of Glass Artists) Ltd as an individual entity. Ausglass (The Australian Association of Glass Artists) Ltd is a company limited by guarantee, incorporated and domiciled in Australia.

The financial report has been prepared on an accrual basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair value of the consideration given in exchange for assets.

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

(a) Company

The company was incorporated to takeover and to continue the activities of The Australian Association of Glass Artists Inc.

(b) Income Tax

The Company is an exempt association for income tax purposes pursuant to Section 50-45 of the Income Tax Assessment Act 1997.

(c) Cash

For the purposes of the statement of cash flows, cash includes cash on hand and in at call deposits with banks or financial institutions, investments in money market instruments maturing within less than two months and net of bank overdrafts.

(d) Revenue

Revenue from the rendering of a service is recognised upon the delivery of the service to the members. 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 the goods and services tax (GST). Consistent with the accrual basis of accounting Ausglass has changed its accounting policy in regard to prepaid membership fees. Any membership fees relating to future financial years are now shown as income received in advance and included in the statement of financial position.

(e) 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 the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

(f) Adoption of Australian Equivalents to International Financial Reporting Standards

Australia adopted International Financial Reporting Standards (IFRS) effective for financial years commencing 1 January 2005.

The company's management, along with its auditors, have assessed the significance of these changes and prepared for their implementation.

The Directors are of the opinion that there will be no material differences in the company's accounting policies with the adoption of IFRS.

AUSGLASS (THE AUSTRALIAN ASSOCIATION OF GLASS ARTISTS) LTD
 ABN 72 087 134 656

**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE 16 MONTH PERIOD ENDED 31 OCTOBER 2005**

	Note	31/10/2005 (16 Months) \$	30/6/2004 (12 Months) \$
Note 2: Revenue			
Operating activities			
- interest	2(a)	5,518	4,010
- rendering of services		71,063	30,791
- other revenue		23,471	16,969
Total revenue		100,052	51,770
a) Interest from:			
- Commonwealth Bank		2,159	331
- Commonwealth Bank, Vicki Torr Deposit		3,359	3,679
		5,518	4,010
Note 3: Surplus/(Deficit) from Ordinary Activities			
Surplus/(deficit) from ordinary activities before income tax expense has been determined after:			
a) Expenses			
- Bad and doubtful debts		750	4,718
b) Remuneration of auditor			
- auditing		2,000	1,000
- other services		-	-
		2,000	1,000
Note 4: Cash Assets			
Cash on hand		-	200
Deposits at call		5,626	5,374
Vicki Torr Memorial Fund		83,323	83,464
Cash at bank		52,509	8,875
		141,458	97,913
Note 5: Receivables			
Current			
Trade debtors		6,642	6,199
Provision for doubtful debts		(2,345)	(2,345)
		4,297	3,854
Sundry debtors		-	1,630
		4,297	5,484
Note 6: Payables			
Current			
Input tax credits		(74)	(387)
GST payable		-	902
Income received in advance		14,310	1,250
Other		1,000	4,420
		15,236	6,185

AUSGLASS (THE AUSTRALIAN ASSOCIATION OF GLASS ARTISTS) LTD
 ABN 72 087 134 656

**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE 16 MONTH PERIOD ENDED 31 OCTOBER 2005**

Note 7: Members Guarantee

The company is limited by guarantee. If the company is wound up each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the company. At 31 October 2005 the number of members was 356 (June 2004, 357).

	31/10/2005	30/6/2004
	(16 Months)	(12 Months)
	\$	\$

Note 8: Reserves

General Reserve	9(a)	39,243	39,243
Vicki Torr Memorial Reserve	9(b)	83,323	83,464
		122,566	122,707

a) General Reserve

There was no movement in the reserves during the year. The amount represents the transfer of assets from the Association in April 2000.

b) Vicki Torr Memorial Reserve

Movements during the year			
Opening balance		83,464	68,261
Allocation to Vicki Torr Prize		(3,500)	-
Transfers from retained surplus		3,359	15,203
Closing balance		83,323	83,464

The movement represents the income earned during the year net of administration costs.

The Vicki Torr Memorial Fund and The Vicki Torr Memorial Prize are wholly owned by Ausglass Ltd and managed by the Executive Officer of the Fund.

The Fund monies are to only be used for;

- a) Administration of the Fund and/or Prize.
- b) Award of a prize [or prizes] to an exhibitor, [or exhibitors] at an Ausglass Ltd Members Exhibition shown at an Ausglass National Conference.

Note 9: Retained Surplus/(Accumulated Deficit)

Retained surplus/(accumulated deficit) at the beginning of the financial year		(25,495)	(10,192)
Net surplus (deficit) for the year		33,307	(100)
Transfer from Vicki Torr Memorial Reserve		3,500	-
Transfer to the Vicki Torr Memorial reserve		(3,359)	(15,203)
Retained surplus/(accumulate deficit) at the end of the financial year		7,953	(25,495)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 16 MONTH PERIOD ENDED 31 OCTOBER 2005

31/10/2005 (16 Months) \$	30/6/2004 (12 Months) \$
---------------------------------	--------------------------------

Note 10: Remuneration and Retirement Benefits

a) Directors' Remuneration

Income paid or payable to all directors of the company
and any related parties:

_____ - _____

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

George Aslanis (Chairman)
Janeen Toner (President)
Damian Connellan (Treasurer)

Ruth McCallum Howell (Secretary)
Laurie Young (Vice President)

Beth Newman
Emma Borland

Megan Bottari (retired)
Gerry King (retired)

Marcus Hughes (retired)
Bethany Owen (retired)

Yvette van Berkel (retired)

(b) Retirement and Superannuation Payments

Amounts of a prescribed benefit given during the year by the company or a
related party of a director or prescribed superannuation fund in connection
with the retirement from a prescribed office.

_____ - _____

Note 11: Change of Financial Year

On 23 June 2005 the Australian Securities and Investments Commission made an order, pursuant to subsection 340 (1) of the Corporations Act 2001("the Act"), relieving Ausglass of the need to comply with paragraph 323D (2) (b) of the Act and allowing Ausglass to complete a 16 month financial reporting period ending 31 October 2005 rather than the normal 12 month reporting period required under the Act. After the completion of the transitional period ended 31 October 2005 Ausglass will revert to 12 month reporting periods ending on each subsequent 31 October.

**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE 16 MONTH PERIOD ENDED 31 OCTOBER 2005**

	31/10/2005	30/6/2004
	(16 Months)	(12 Months)
	\$	\$
Note 12: Cash Flow Information		
a) Reconciliation of Cash		
Cash at the end of the financial year as shown in the statements of cash flows is reconciled to the related items in the statement of financial position as follows:		
Cash on hand	-	200
Deposits at call	5,626	5,374
Vicki Torr Memorial Fund	83,323	84,524
Cash at bank	52,509	7,815
	141,478	97,913
b) Reconciliation of cash flow from operations with surplus/(deficit) from ordinary activities after income tax		
Surplus/(deficit) from ordinary activities after income tax	33,307	(100)
Non-cash flows in surplus/(deficit) from ordinary activities		
Doubtful debts	-	(7,432)
Changes in assets and liabilities		
(Increase)/decrease in receivables	1,187	14,009
Increase/(decrease) in payables	9,051	(162)
Cash flows from operations	43,545	6,315

Note 13: Contingent Liabilities

As at 31 October 2005, the Company has no contingent liabilities.

Note 14: Events Subsequent to Reporting Date

No significant events have occurred subsequent to 31 October 2005 requiring amendment to the accounts.

Note 15: Segment Reporting

The company operates predominantly in one business and geographical segment being the contribution to the advancement of studio glass in Australia.

**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE 16 MONTH PERIOD ENDED 31 OCTOBER 2005**

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 and financial liabilities is as follows:

	Weighted average effective interest rate		Floating interest rate		Fixed interest rate	
	2005 (16 mths) %	2004 (12 mths) %	31 October 2005 \$	30 June 2004 \$	Maturing within 1 year	Maturing 1 to 5 years
Financial Assets						
Cash at bank	0.03	Nil	52,509	8,875	-	-
Deposits at call	4.60	4.28	5,626	5,374	-	-
Vicki Torr Fund	4.03	3.58	83,323	83,464	-	-
Total Financial Assets			<u>141,458</u>	<u>97,713</u>	-	-

(b) Credit Risk

The maximum exposure to credit risk at balance date to recognised financial assets is the carrying amount of those assets as disclosed in the statement of financial position and notes to the financial statements.

The company does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the company.

(c) Net Fair Values

The net fair value approximates carrying value.

The aggregate net fair values in carrying amounts of financial assets are disclosed in the statements of financial position and in the notes to the financial statements.

Note 17: Company Details

The registered office of the company is:

5th Floor, 574 St Kilda Road
 Melbourne
 Victoria, 3004

The principal place of business is:

12 Fulham Close
 Hampton Park
 Victoria, 3976

DIRECTORS' DECLARATION

The directors of the company declare that:

- 1 The financial statements and notes, as set out on pages 3 to 11 are in accordance with the Corporations Act 2001:
 - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 31 October 2005 and of the performance for the 16 month period ended on that date of the company.
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.

Director:

Janeen Toner

Director:

Damian Connellan

Dated this 31st day of January 2006

INDEPENDENT AUDIT REPORT

TO THE MEMBERS OF

AUSGLASS (THE AUSTRALIAN ASSOCIATION OF GLASS ARTISTS) LIMITED

A.C.N. 087 134 656

Scope

We have audited the financial report of Ausglass (The Australian Association of Glass Artists) Ltd for the 16 months ended 31 October 2005 as set on pages 3 to 12. The company's directors are responsible for the financial report. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form opinion whether in all material respects, the financial report is presented fairly in accordance Accounting Standards and other mandatory professional reporting requirements in Australia and statutory requirements so as to present a view which is consistent our understanding of the company's financial position, and performance as represented by the results of their operations and their cash flows.

The audit opinion expressed in this report has been formed on the above basis.

In our opinion, the financial report of Ausglass Limited is in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the company's financial position as at 31 October 2005 and of its performance for the 16 months ended on that date; and
 - (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001 and;
- (b) other mandatory professional reporting requirements in Australia.

Name of Firm: D G Scott & Co.
Chartered Accountants

Name of Partner: Dean M Standish

Address: Level 2
83-89 Currie Street
ADELAIDE, SA 5000

Dated this 1st day of February 2006



D.G. SCOTT & CO.

CHARTERED ACCOUNTANTS

Dean G. Scott F.C.A.
Dean M. Standish F.C.A.
Trevor D. Hirth F.C.A.

AUDITOR'S INDEPENDENCE DECLARATION

To the Directors of Ausglass (The Australian Association of Glass Artists) Ltd

As lead engagement partner for the audit of Ausglass (The Australian Association of Glass Artists) Ltd for the period ended 31 October 2005, I declare that, to the best of my knowledge and belief, there have been:

- i) no contraventions of the independence requirements of the Corporation Act in relation to the audit; and
- ii) no contraventions of any applicable code of professional conduct in relation to the audit.

D G Scott & Co
Chartered Accountants

Dean M Standish
Partner

Signed this 1st day of February 2006

14

Dowie House, 83-89 Currie Street,
Adelaide 5000, South Australia
Tel (08) 8231 4725 Fax (08) 8231 2916
GPO Box 216, Adelaide SA 5001
E-mail: mail@dgscottco.com.au

AUSGLASS (THE AUSTRALIAN ASSOCIATION OF GLASS ARTISTS) LTD
ABN 72 087 134 656

DETAILED PROFIT AND LOSS STATEMENT
FOR THE 16 MONTH PERIOD ENDED 31 OCTOBER 2005

	31/10/2005	30/6/2004
	(16 Months)	(12 Months)
	\$	\$
INCOME		
Advertising in the newsletter	285	2,559
Conference income	31,961	-
Interest received	5,518	4,010
Members subscriptions	23,471	16,969
Other revenue	515	4,303
Exhibition, workshop & directory revenue	38,302	23,929
Total Income	<u>100,052</u>	<u>51,770</u>
EXPENDITURE		
Accountancy fees	-	2,150
Advertising	1,607	450
Auditor's remuneration	2,300	1,000
Bank charges	1,953	868
Conference expenses	4,731	-
Contracted administration assistance	-	2,816
Doubtful and bad debts	750	4,718
Exhibition, workshop & directory payments	33,532	21,449
Filing fees	743	400
Insurance	4,926	2,125
Internet and web expenses	714	517
Miscellaneous expenses	388	1,776
Newsletter printing	4,535	5,596
Postage	1,469	1,535
Photocopying, printing and typing	1,460	1,507
Prizes - Vicki Torr Memorial	3,636	-
State representative expenses	100	384
Subscriptions	345	441
Telephone	1,004	2,719
Travel	2,552	1,419
Total Expenditure	<u>66,745</u>	<u>51,870</u>
Surplus/(deficit) from ordinary activities		
before income tax	<u>33,307</u>	<u>(100)</u>