

**ACCOUNTING AND FINANCE ASSOCIATION
OF AUSTRALIA AND NEW ZEALAND LIMITED**

ABN 67 091 255 908

FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2013

**ACCOUNTING AND FINANCE ASSOCIATION OF AUSTRALIA
AND NEW ZEALAND LIMITED
ABN 67 091 255 908**

CONTENTS

	Page No.
Directors' Report	2
Auditor's Independence Declaration	7
Statement of Comprehensive Income	8
Statement of Financial Position	9
Statement of Changes in Equity	10
Statement of Cash Flows	11
Notes to the Financial Statements	12
Directors' Declaration	23
Independent Audit Report	24
Additional Information for the Members	26

**ACCOUNTING AND FINANCE ASSOCIATION OF AUSTRALIA
AND NEW ZEALAND LIMITED
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DIRECTORS' REPORT

Your directors present their report on the company for the financial year ended 31 December 2013.

The names of the directors in office at anytime during or since the end of the year are:

Jacqueline Birt
Mandy Cheng
Raymond da Silva Rosa
Paul de Lange
Christine Jubb (resigned 31/07/13)
David Lont
Robyn Moroney (resigned 31/07/13)
Brad Potter (resigned 31/07/13)
Susan Wright (resigned 31/07/13)
Norman Wong
Millicent Chang (appointed 01/08/13)
David Smith (appointed 01/08/13)
Chris van Staden (appointed 01/08/13)

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

Principal Activities

The principal activity of the company during the year was the administration of a not-for-profit accounting and finance association operated for the advancement of accounting and finance education.

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

Short-term and Long-term Objectives

The primary objectives of Accounting and Finance Association of Australia and New Zealand Limited (AFAANZ), which was established to operate as a public educational institution by supporting and advancing the character, status, teaching and research in the accounting and finance and related disciplines through educational and other activities are:

- To provide education programs and continuing professional development programs for the benefit of both members and non-members.
- To prescribe, adopt, test and recognise by way of diploma, designation or otherwise standards and classifications of attainment and qualifications in accounting and finance and related disciplines.
- To promote to the public, whether by way of publication or otherwise, information on accounting and finance and related disciplines and other subjects of interest or value to accountants, finance and related disciplines by lectures, discussions, books, journals and correspondence and other publications with the public and other bodies and individuals or otherwise.
- To encourage the study of accounting and finance and related disciplines within the general public, and, for that purpose to donate and to encourage the donation, on such terms and conditions as may from time to time be determined or prescribed, of a prize or prizes or other rewards or distinctions.

**ACCOUNTING AND FINANCE ASSOCIATION OF AUSTRALIA
AND NEW ZEALAND LIMITED
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DIRECTORS' REPORT

Strategies

To achieve its stated objectives, the company has adopted the following strategies:

- To provide education and professional development programs in accounting and finance related disciplines.
- To provide accounting and finance related lectures, discussions, books, journals and other publications to the public.
- To donate and encourage donations of prizes and other rewards for the study of accounting and finance related disciplines (research grants and scholarships).
- To conduct annual conference and doctoral symposium.

Key Performance Measures

The company measures its own performance through the use of both quantitative and qualitative benchmarks. The benchmarks are used by the directors to assess the financial sustainability of the company and whether the company's short-term and long-term objectives are being achieved.

Company Performance

During 2013, AFAANZ continued to advance the character, status, teaching and research in the accounting and finance and related disciplines. The advancement occurred by AFAANZ initiated and coordinated activities including:

- An annual conference with approximately 300 delegates attending from numerous countries;
- A & F Journal conference in Queenstown;
- A Doctoral Symposium attended by 38 PhD candidates drawn from a wide range of institutions with an internationally renowned faculty;
- Awarding of approximately \$205,000 in research grants to successful applicants;
- Funding five PhD scholarships;
- Supporting PhD students to attend the European Accounting Association's Colloquium and the American Accounting Association's Consortium; and
- Supporting the establishment of a new Behavioral Finance Special Interest Group.

Additionally, AFAANZ continued to build on relationships with various national and international associations including accounting professional bodies. Several co-badged events were conducted that assisted in bridging the gap between academia and practice.

We made a deficit this year and it appears to be due to a combination of revenues being down and expenses being up from 2012. One platinum sponsor was unable to sponsor AFAANZ from 2013 (\$58,500) and we will lose another sponsorship in 2014, being NIZCA, since NZICA and the ICAA are merging. We are working on a new funding model and will be negotiating new agreements with our existing sponsors first and will also be approaching new prospective sponsors. In 2013 we introduced mid-career research grants and offered a further \$55,000 for this. We will be looking at ways to contain expenses going forward, but also in increasing revenues.

Information on Directors

Jacqueline Birt

Qualifications

- BEd, BBus, MBus, PhD, CPA

Experience

- Senior Lecturer, University of Queensland

Special Responsibilities

- AFAANZ Board Member - Co-chair Conference Technical Committee and SIGS

**ACCOUNTING AND FINANCE ASSOCIATION OF AUSTRALIA
AND NEW ZEALAND LIMITED
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DIRECTORS' REPORT

Mandy Cheng

Qualifications

Experience

Special Responsibilities

- PhD, CPA, Grad Dip (Applied Finance), SIA
- Associate Professor, The University of New South Wales
- AFAANZ Board Member - Professions Portfolio and Co-chair Conference Technical Committee

Raymond Da Silva Rosa

Qualifications

Experience

Special Responsibilities

- BCom, PhD
- Head of Department, Department of Accounting and Finance, The University of Western Australia
- AFAANZ Board Member - Memberships/SIGS Portfolio and research portfolio.

Paul de Lange

Qualifications

Experience

Special Responsibilities

- BEd, Grad Dip Acc, MBus.Acc, PhD
- Professor in Accounting, RMIT University
- AFAANZ Board Member - Research and New Sponsorship and Membership Portfolios

Christine Jubb

Qualifications

Experience

Special Responsibilities

- BBus (Accounting), Grad Dip Ed, MBA, Grad Dip Sc in App Statistics, PHD (Melb), CPA, CA
- Research Fellow and Director, Australian National Centre for Audit and Assurance Research, Australian National University
- AFAANZ Board Member - Treasurer and Research Portfolio

David Lont

Qualifications

Experience

Special Responsibilities

- BCom (Hons), PhD (Otago), CA
- Professor, Department of Accountancy and Finance, University of Otago
- AFAANZ Board Member - External/Existing Relationships Portfolio and President (New Zealand)

Robyn Moroney

Qualifications

Experience

Special Responsibilities

- BEc Hons, MCom, PhD, CA, CPA
- Professor, Monash University
- AFAANZ Board Member - Research (Conference Grants and Doctoral Symposium) Portfolio

Brad Potter

Qualifications

Experience

Special Responsibilities

- BCom (Hons), PhD, CPA, CA
- Associate Professor, Director Centre for Accounting and Industry Partnerships, Department of Accounting, The University of Melbourne
- AFAANZ Board Member - Co-chair Conference Technical Committee until 31 July 2012 and Research (Research Grants) Portfolio

Susan Wright

Qualifications

Experience

Special Responsibilities

- BA (Hons), PhD
- Associate Professor in the Department of Applied Finance and Actuarial Studies, Macquarie University
- AFAANZ Board Member - External/Existing Relationships Portfolio and President (Australia)

**ACCOUNTING AND FINANCE ASSOCIATION OF AUSTRALIA
AND NEW ZEALAND LIMITED
ABN 67 091 255 908**

DIRECTORS' REPORT

Norman Wong

Qualifications

Experience

Special Responsibilities

- BCom, MCom, PhD, CA
- Associate Professor and Head of Department,
The University of Auckland
- AFAANZ Board Member - Research (Conference Grants and
Doctoral Symposium) Portfolio

Millicent Chang

Qualifications

Experience

Special Responsibilities

- BCom, MCom, PhD
- Professor and Deputy Head of Discipline, The University of
Western Australia
- AFAANZ Board Member - Treasurer and Research (Research
Grants) Portfolios

David Smith

Qualifications

Experience

Special Responsibilities

- Com(Hons), PhD
- Professor, Monash University
- Special Responsibilities - Co-Director of the Doctoral Symposium

Chris van Staden

Qualifications

Experience

Special Responsibilities

- BCom(Hons), MCom, DCom, CA
- Professor of Accounting, University of Canterbury
- AFAANZ Board Member - Co-chair Conference Technical
Committee

**ACCOUNTING AND FINANCE ASSOCIATION OF AUSTRALIA
AND NEW ZEALAND LIMITED
ABN 67 091 255 908**

DIRECTORS' REPORT

Meeting of Directors

During the financial year, 5 meetings of directors were held. Attendances by each director were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Jacqueline Birt	5	4
Mandy Cheng	5	4
Raymond da Silva Rosa	5	3
Paul de Lange	5	5
Christine Jubb (resigned 31/07/13)	3	2
David Lont	5	5
Robyn Moroney (resigned 31/07/13)	3	2
Brad Potter (resigned 31/07/13)	3	3
Susan Wright (resigned 31/07/13)	3	3
Norman Wong	5	2
Millicent Chang (appointed 01/08/13)	2	2
David Smith (appointed 01/08/13)	2	2
Chris van Staden (appointed 01/08/13)	2	2

The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the entity. At 31 December 2013, the total amount that members of the company are liable to contribute if the company is wound up is \$7,930 (2012: \$8,420).

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 31 December 2013 has been received and can be found on page 6 of the financial report.

This directors' report is signed in accordance with a resolution of the Board of Directors.



Director

Paul de Lange



Director

Millicent Chang

Dated this 11th day of April 2014

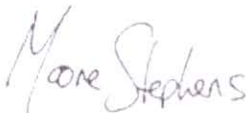
Level 10, 530 Collins Street
Melbourne VIC 3000

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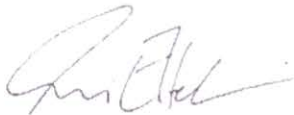
**Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to
the directors of Accounting & Finance Association of Australia and New Zealand**

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2013 there have been:

- (i) No contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit, and
- (ii) No contraventions of any applicable code of professional conduct in relation to the audit.



MOORE STEPHENS
Chartered Accountants



Rami Eltchelebi
Partner

Melbourne, 11 April 2014

**ACCOUNTING AND FINANCE ASSOCIATION OF AUSTRALIA
AND NEW ZEALAND LIMITED
ABN 67 091 255 908**

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Note	2013 \$	2012 \$
Service revenue	2	720,132	839,828
Other revenue	2	90,002	81,807
		<u>810,134</u>	<u>921,635</u>
Conference expenses		(232,136)	(298,693)
Depreciation and amortisation		(2,276)	(1,923)
Donations		(450)	-
Employee benefits	3	(143,626)	(124,951)
Research Grants		(199,533)	(152,150)
PhD scholarships		(45,000)	(45,000)
Doctoral symposium expenses		(71,162)	(59,634)
Meeting expenses		(16,336)	(16,105)
Administration expenses		(26,570)	(28,107)
Accounting and Finance journal expenses		(50,621)	(31,798)
AFAANZ Reps		(3,045)	(5,571)
Rent expense		(35,372)	(35,076)
Award expenses		(10,909)	(12,015)
Other expenses	4	(37,172)	(36,792)
		<u>(874,208)</u>	<u>(847,816)</u>
Surplus/(Deficit) for the year		<u>(64,074)</u>	<u>73,820</u>
Other comprehensive income:		<u> </u>	<u> </u>
Other comprehensive income for the year		<u>-</u>	<u>-</u>
Total comprehensive income/(expense) for the year		<u>(64,074)</u>	<u>73,820</u>
Total comprehensive income/(expense) attributable to the company		<u>(64,074)</u>	<u>73,820</u>

The accompanying notes form part of these financial statements.

**ACCOUNTING AND FINANCE ASSOCIATION OF AUSTRALIA
AND NEW ZEALAND LIMITED
ABN 67 091 255 908**

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013**

	Note	2013 \$	2012 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	1,137,390	1,148,733
Trade and other receivables	6	2,220	2,220
Other current assets	7	8,726	29,857
TOTAL CURRENT ASSETS		<u>1,148,336</u>	<u>1,180,810</u>
NON-CURRENT ASSETS			
Property, plant and equipment	8	5,281	3,847
TOTAL NON-CURRENT ASSETS		<u>5,281</u>	<u>3,847</u>
TOTAL ASSETS		<u><u>1,153,617</u></u>	<u><u>1,184,657</u></u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	277,840	202,574
Provisions	10	221,079	196,981
Other liabilities	11	4,225	4,225
TOTAL CURRENT LIABILITIES		<u>503,144</u>	<u>403,780</u>
NON-CURRENT LIABILITIES			
Provisions	10	-	3,330
Other liabilities	11	-	63,000
TOTAL NON-CURRENT LIABILITIES		<u>-</u>	<u>66,330</u>
TOTAL LIABILITIES		<u>503,144</u>	<u>470,110</u>
NET ASSETS		<u><u>650,473</u></u>	<u><u>714,547</u></u>
EQUITY			
Accumulated Surplus		<u>650,473</u>	<u>714,547</u>
TOTAL EQUITY		<u><u>650,473</u></u>	<u><u>714,547</u></u>

The accompanying notes form part of these financial statements.

**ACCOUNTING AND FINANCE ASSOCIATION OF AUSTRALIA
AND NEW ZEALAND LIMITED
ABN 67 091 255 908**

STATEMENT OF CHANGES IN EQUITY

AS AT 31 DECEMBER 2013

	Accumulated Surplus \$	Total Equity \$
Balance at 1 January 2012	640,727	640,727
Total comprehensive income for the year	73,820	73,820
Balance at 31 December 2012	714,547	714,547
Balance at 1 January 2013	714,547	714,547
Total comprehensive income/(expense) for the year	(64,074)	(64,074)
Balance at 31 December 2013	650,473	650,473

The accompanying notes form part of these financial statements.

**ACCOUNTING AND FINANCE ASSOCIATION OF AUSTRALIA
AND NEW ZEALAND LIMITED
ABN 67 091 255 908**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2013**

	2013	2012
	\$	\$
Cash Flows from Operating Activities		
Cash receipts in the course of operations	673,544	780,918
Sponsorship by professional accounting bodies	116,170	166,933
Interest received	47,176	59,233
Cash payments in the course of operations	(844,523)	(947,801)
Net cash provided by / (used in) operating activities	(7,633)	59,283
Cash Flows from Investing Activities		
Payment for plant and equipment	(3,710)	-
Net cash provided by / (used in) investing activities	(3,710)	-
Net increase / (decrease) in cash held	(11,343)	59,283
Cash and cash equivalents at beginning of financial year	1,148,733	1,089,450
Cash and cash equivalents at end of financial year	1,137,390	1,148,733

The accompanying notes form part of these financial statements.

**ACCOUNTING AND FINANCE ASSOCIATION OF AUSTRALIA
AND NEW ZEALAND LIMITED
ABN 67 091 255 908**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

The financial statements cover Accounting and Finance Association of Australia and New Zealand Limited as an individual entity. Accounting and Finance Association of Australia and New Zealand Limited is a company limited by guarantee, incorporated and domiciled in Australia.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

AFAANZ has elected to early adopt the Australia Standards - Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards and other applicable Amending standards, including AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board and the *Corporations Act 2001*. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

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

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts in the financial statements have been rounded to the nearest dollar and are presented in Australian dollars.

The financial statements were authorised for issue on 11/04/2014 by the directors of the company.

(a) Income Tax

No provision for income tax has been raised as the entity is exempt from income tax under Div 50 of the Income Tax Assessment Act 1997.

(b) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated, less, where applicable, accumulated depreciation and any impairment losses.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in the income statement in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to accumulated surplus.

**ACCOUNTING AND FINANCE ASSOCIATION OF AUSTRALIA
AND NEW ZEALAND LIMITED
ABN 67 091 255 908**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over the assets' useful life to the entity commencing from the time the asset is held ready for use. 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:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	20% to 35%

(c) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs, where the instrument is classified 'at fair value through profit or loss' in which case transactions costs are expensed to the statement of comprehensive income immediately.

Classification and subsequent measurement

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

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

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

**ACCOUNTING AND FINANCE ASSOCIATION OF AUSTRALIA
AND NEW ZEALAND LIMITED
ABN 67 091 255 908**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

(i) Loans and receivables

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

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

(ii) Financial liabilities

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

Impairment

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

(d) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. 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. 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. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

(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. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

**ACCOUNTING AND FINANCE ASSOCIATION OF AUSTRALIA
AND NEW ZEALAND LIMITED
ABN 67 091 255 908**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

(f) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

(g) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed.

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

Revenue from the rendering of a service is recognised upon delivery of the service to members. Grant Income is recognised when control of the contribution or right to receive the contribution is received

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

(h) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(i) 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 Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(j) Comparative Figures

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

(k) Critical Accounting Estimates and Adjustments

The directors evaluate estimates and judgments incorporated into the financial statements 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.

**ACCOUNTING AND FINANCE ASSOCIATION OF AUSTRALIA
AND NEW ZEALAND LIMITED
ABN 67 091 255 908**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

(l) Leases

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

Finance leases are capitalised, recognising an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the entity will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses on a straight-line basis over the lease term. Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(m) Fair Value of Assets and Liabilities

The company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard. "Fair value" is the price the company would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability). In the absence of such a market, market information is extracted from the most advantageous market available to the entity at reporting date (i.e. the market that maximises the receipts from the sale of the asset or minimises the payment made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

**ACCOUNTING AND FINANCE ASSOCIATION OF AUSTRALIA
AND NEW ZEALAND LIMITED
ABN 67 091 255 908**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

	2013 \$	2012 \$
2. REVENUE AND OTHER INCOME		
Rendering of services	720,132	839,828
Other revenue		
Interest income	47,176	59,233
Other revenue	42,826	22,574
	<u>90,002</u>	<u>81,807</u>
	<u><u>90,002</u></u>	<u><u>81,807</u></u>
3. KEY MANAGEMENT PERSONNEL COMPENSATION		
Short-term benefits	136,567	119,698
Other long-term benefits	7,059	5,253
	<u>143,626</u>	<u>124,951</u>
	<u><u>143,626</u></u>	<u><u>124,951</u></u>
4. AUDITORS' REMUNERATION		
Auditors' remuneration	11,500	11,000
	<u>11,500</u>	<u>11,000</u>
	<u><u>11,500</u></u>	<u><u>11,000</u></u>
5. CASH AND CASH EQUIVALENTS		
CURRENT		
Cash on hand	350	350
Cash at bank	112,454	134,504
Cash on deposit	1,024,586	1,013,879
	<u>1,137,390</u>	<u>1,148,733</u>
	<u><u>1,137,390</u></u>	<u><u>1,148,733</u></u>
6. TRADE AND OTHER RECEIVABLES		
CURRENT		
Security Deposits	2,220	2,220
	<u>2,220</u>	<u>2,220</u>
	<u><u>2,220</u></u>	<u><u>2,220</u></u>
7. OTHER ASSETS		
CURRENT		
Accrued income	8,273	10,807
Prepayments	453	19,050
	<u>8,726</u>	<u>29,857</u>
	<u><u>8,726</u></u>	<u><u>29,857</u></u>

**ACCOUNTING AND FINANCE ASSOCIATION OF AUSTRALIA
AND NEW ZEALAND LIMITED
ABN 67 091 255 908**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

	2013	2012
	\$	\$
8. PROPERTY, PLANT AND EQUIPMENT		
Plant and equipment	71,529	68,435
Less accumulated depreciation	<u>(66,248)</u>	<u>(64,588)</u>
Total property, plant and equipment	<u><u>5,281</u></u>	<u><u>3,847</u></u>
Movement in carrying amounts		
Movement in carrying amounts for each class of property, plant and equipment.		
	Plant and equipment	Total
	\$	\$
Balance at 1 January 2012	5,770	5,770
Depreciation expense	<u>(1,923)</u>	<u>(1,923)</u>
Carrying amount at 31 December 2012	<u>3,847</u>	<u>3,847</u>
Additions	3,710	3,710
Depreciation expense	<u>(2,276)</u>	<u>(2,276)</u>
Carrying amount at 31 December 2013	<u><u>5,281</u></u>	<u><u>5,281</u></u>
9. TRADE AND OTHER PAYABLES		
CURRENT		
Goods and services tax	5,001	5,286
Sundry creditors	920	0
Trade creditors	4,336	8,966
Income in Advance	172,125	103,500
Accrued Expenses	43,437	35,157
Credit Card	7,021	4,664
PhD Scholarships Payable	<u>45,000</u>	<u>45,000</u>
	<u>277,840</u>	<u>202,573</u>
10. PROVISIONS		
Research Grants Provision	150,000	150,000
Provision for holiday pay	49,091	35,382
Provision for long service leave	<u>21,988</u>	<u>14,929</u>
	<u>221,079</u>	<u>200,311</u>
Analysis of Total Provisions		
Current	221,079	196,981
Non-current	<u>-</u>	<u>3,330</u>
	<u>221,079</u>	<u>200,311</u>

**ACCOUNTING AND FINANCE ASSOCIATION OF AUSTRALIA
AND NEW ZEALAND LIMITED
ABN 67 091 255 908**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

	2013	2012
	\$	\$
Movement in carrying amounts		
Movement in carrying amounts for long service leave balances.		
	Long Service Leave	Total
	\$	\$
Balance at 1 January 2012	9,676	9,676
Additional Provisions Raised	10,506	10,506
Amounts used	<u>(5,253)</u>	<u>(5,253)</u>
Carrying amount at 31 December 2012	<u>14,929</u>	<u>14,929</u>
Additional Provisions Raised	14,118	14,118
Amounts used	<u>(7,059)</u>	<u>(7,059)</u>
Carrying amount at 31 December 2013	<u>21,988</u>	<u>21,988</u>

Provision for Employee Benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the company does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the company does not have an unconditional right to defer the settlement of these amounts.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

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.

11. OTHER LIABILITIES

CURRENT

Deposits payable	<u>4,225</u>	<u>4,225</u>
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NON-CURRENT

Income in Advance	<u>-</u>	<u>63,000</u>
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**ACCOUNTING AND FINANCE ASSOCIATION OF AUSTRALIA
AND NEW ZEALAND LIMITED
ABN 67 091 255 908**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

	2013	2012
	\$	\$
12. LEASING COMMITMENTS		
(a) Operating Lease Commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements		
Payable:		
not later than 12 months	37,054	35,801
between 12 months and five years	14,381	51,435
	51,435	87,236

Lease of premises - Level 1, 156 Bouverie Street, Carlton

The property lease commitments are non-cancellable operating leases contracted for but not capitalised in the financial statements with a five-year term. Increase in lease commitments may occur in line with the consumer price index (CPI).

(b) Operating Lease Commitments

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

Receivable:

not later than 12 months	14,533	13,093
	14,533	13,093

Lease of premises - Level 1, 156 Bouverie Street, Carlton

The property lease commitments are non-cancellable operating leases contracted for but not capitalised in the financial statements with a 12 month term. Increase in lease commitments may occur in line with the consumer price index (CPI).

Retrospective restatement of operating lease commitments

During the reporting period ended 31 December 2013, a prior period error was identified in respect of the operating lease commitments payable. In the 31 December 2012 financial report, the company recorded operating lease commitments which were not calculated correctly. The comparative column for the 31 December 2013 financial report has therefore been adjusted to restate this commitment amount. This correction has been made retrospectively in accordance with AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors. The effect of this correction is a decrease to operating commitments greater than 12 months of \$20,070. This correction however, has no impact on profit/(loss) or net assets for the company as at 31 December 2012.

**ACCOUNTING AND FINANCE ASSOCIATION OF AUSTRALIA
AND NEW ZEALAND LIMITED
ABN 67 091 255 908**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

	2013	2012
	\$	\$
13. CONTINGENT LIABILITIES		
Estimates of the potential financial effect of contingent liabilities that may become payable:		
Guarantee by bank facility	<u>9,768</u>	<u>9,768</u>
14. EVENTS AFTER THE REPORTING PERIOD		
There has been no matter or circumstance, which has arisen since 31 December 2013 that has significantly affected or may significantly affect:		
(a) the operations, in financial years subsequent to 31 December 2013, of the company, or		
(b) the results of those operations, or		
(c) the state of affairs, in financial years subsequent to 31 December 2013, of the company.		
15. RELATED PARTY TRANSACTIONS		
Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel individually or collectively with their close family members.		
Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other persons unless otherwise stated.		
16. FINANCIAL RISK MANAGEMENT		
The company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, and leases.		
The carrying amounts for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:		
Financial Assets		
Cash and cash equivalents	1,137,390	1,148,733
Loans and receivables	<u>2,220</u>	<u>2,220</u>
Total Financial Assets	<u>1,139,610</u>	<u>1,150,953</u>
Trade and other payables	<u>277,840</u>	<u>202,574</u>
Total Financial Liabilities	<u>277,840</u>	<u>202,574</u>
17. COMPANY DETAILS		
The registered office of the company is:		
Accounting and Finance Association of Australia and New Zealand Limited		
Level 1, 156 Bouverie Street		
Carlton VIC 3053		


**ACCOUNTING AND FINANCE ASSOCIATION OF AUSTRALIA
AND NEW ZEALAND LIMITED
ABN 67 091 255 908**

DIRECTORS' DECLARATION

The directors of the company declare that:

- 1 The financial statements and notes, as set out on pages 7 to 22, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
 - b. give a true and fair view of the financial position of the company as at 31 December 2013 and of its performance for the year ended on that date.
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 _____
Paul de Lange


Director _____
Millicent Chang

Dated this 11th day of April 2014

Level 10, 530 Collins Street
Melbourne VIC 3000

+61 (0)3 8635 1800

+61 (0)3 8102 3400

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACCOUNTING & FINANCE ASSOCIATION OF AUSTRALIA AND NEW ZEALAND

Report on the Financial Report

We have audited the accompanying financial report of Accounting & Finance Association of Australia and New Zealand (AFAANZ), which comprises the statement of financial position as at 31 December 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

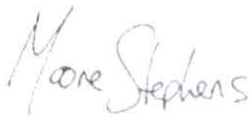
Independence

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


Opinion

In our opinion:

- a) the financial report of Accounting & Finance Association of Australia and New Zealand is in accordance with the *Corporations Act 2001*, including:
 - i. giving a true and fair view of the company's financial position as at 31 December 2013 and of its performance for the period ended on that date; and
 - ii. complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001*.



MOORE STEPHENS
Chartered Accountants



Rami Eltchelebi
Partner

Melbourne, 11 April 2014

**ACCOUNTING AND FINANCE ASSOCIATION OF AUSTRALIA
AND NEW ZEALAND LIMITED
ABN 67 091 255 908**

**ADDITIONAL INFORMATION FOR THE MEMBERS
ON THE 2013 FINANCIAL STATEMENTS**

**TRADING AND SURPLUS AND DEFICIT ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2013**

	2013	2012
	\$	\$
INCOME		
Member and institutional fees	253,331	258,185
Sponsorship by professional bodies	116,170	174,730
Interest received	47,176	59,233
Other revenue including royalties and rent	42,826	22,574
Conference income	290,518	328,935
Doctoral symposium	53,839	55,264
SIG fees	6,274	22,714
Total income	<u>810,134</u>	<u>921,635</u>
LESS EXPENDITURE		
Administration costs	26,570	28,107
AFAANZ Representatives	3,045	5,571
Awards Expenses	10,909	12,015
Auditors' remuneration	11,500	11,000
Bank charges	9,873	12,049
Conference Expenses	232,136	298,692
Depreciation	2,276	1,923
Doctoral symposium expenses	71,162	59,634
Donations	450	-
Employees entitlement	20,768	15,139
Insurance	2,817	3,109
Journal Expenses	50,621	31,798
Meeting Expenses	16,336	16,105
PhD Scholarships	45,000	45,000
Professional fees	8,589	3,385
Rent	35,372	35,076
Research grants	199,533	152,150
SIG Expenses	4,042	6,747
Sundry expenses	352	900
Superannuation contributions	10,268	9,315
Wages	112,589	100,100
Total expenses	<u>874,208</u>	<u>847,815</u>
NET OPERATING SURPLUS/(DEFICIT)	<u>(64,074)</u>	<u>73,820</u>

These statement should be read in conjunction with the attached compilation report of Moore Stephens Melbourne Pty Ltd.