

Accounting and Finance Association of Australia and New Zealand Limited

ABN 67 091 255 908

Financial Report

For the Year Ended 31 December 2022

Accounting and Finance Association of Australia and New Zealand Limited

ABN 67 091 255 908

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Accounting and Finance Association of Australia and New Zealand Limited

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Directors' Report 31 December 2022

Your directors present their report on the Company for the financial year ended 31 December 2022.

Directors

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

Nicola Beatson
David Bond
Michaela Rankin
Andrew Jackson
Sumit Lodhia
Tom Scott
Yaowen Shan
Lisa McManus
Marvin Wee
Nives Botica Redmayne

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 financial 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 promote the study of accounting and finance disciplines to members and non-members.
- To disseminate academic accounting and finance research related information of interest and/or importance to the profession and public at large.
- To provide education programs such as the doctoral symposium to members and non-members.
- 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.

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Directors' Report 31 December 2022

Strategies

To achieve these 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 an 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 2022, 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 hybrid Annual Conference in Melbourne with approximately 284 delegates attending from numerous countries;
- A Doctoral Symposium attended by 46 PhD candidates drawn from AFAANZ Institutional Members with an internationally renowned faculty;
- Awarding of approximately \$250,000 in research grants to successful applicants;
- Providing Conference support of approximately \$6,850 to Institutional members;
- Supporting 2 PhD students to the value of \$6,000 to attend the European Accounting Association's Colloquium and the American Accounting Association's Consortium; and
- Supporting and funding AFDEN, a PhD Coursework Program

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.

AFAANZ made a surplus this year and it appears that revenue has decreased during the financial year. The deficit for AFAANZ amounted to \$59,959 (2021: surplus of \$38,220) for the year.

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Directors' Report 31 December 2022

Information on Directors

Nicola Beatson

Qualifications BCom, MCom, PhD
Experience Senior Lecturer at the University of Otago
Special Responsibilities AFAANZ Board Member – President (New Zealand)

David Bond

Qualifications BBus (Hons), PhD
Experience Senior Lecturer, University of Technology Sydney
Special Responsibilities AFAANZ Board Member – Co-Chair Conference

Michaela Rankin

Qualifications BBus(Hons), MEcon, PhD, GCHE
Experience Professor, Monash University
Special Responsibilities AFAANZ Board Member – Doctoral Symposium Co-Director

Andrew Jackson

Qualifications BCA, MCA, PhD, AMusTCL, CA
Experience Associate Professor, UNSW Australia
Special Responsibilities AFAANZ Board Member – President (Australia)

Sumit Lodhia

Qualifications BA, PGD A&F Management, MA, PhD
Experience Professor, University of South Australia
Special Responsibilities AFAANZ Board Member – Co-Chair Conference

Tom Scott

Qualifications BCom, MBus, Doctor of Philosophy
Experience Associate Professor, Auckland University of Technology
Special Responsibilities AFAANZ Board Member – President (New Zealand)

Yaowen Shan

Qualifications B.Ec, M.Com(Hons), PhD
Experience Professor, University of Technology, Sydney
Special Responsibilities AFAANZ Board Member – Treasurer, Research Grant Coordinator

Lisa McManus

Qualifications B.Bus(Acc), B.Bus(Hons.IA), PhD
Experience Professor, Queensland University of Technology
Special Responsibilities AFAANZ Board Member - SIGs/Education & Member Services

Marvin Wee

Qualifications BCom (Hons), MFin, PhD, CPA
Experience Associate Professor, Australian National University
Special Responsibilities AFAANZ Board Member – Doctoral Symposium Co-Director

Nives Botica Redmayne

Qualifications Doctor of Philosophy – Massey University
Experience Financial reporting and assurance
Special Responsibilities Director – SIGs/Education & Member Services

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Directors' Report 31 December 2022

Meetings of Directors

During the financial year, 4 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:


| | Directors' Meetings | |
|-----------------------|---------------------------|-----------------|
| | Number eligible to attend | Number attended |
| Nicola Beatson | 4 | 4 |
| David Bond | 4 | 4 |
| Andrew Jackson | 4 | 4 |
| Michaela Rankin | 4 | 4 |
| Lisa McManus | 4 | 4 |
| Sumit Lodhia | 4 | 4 |
| Tom Scott | 3 | 3 |
| Yaowen Shan | 4 | 4 |
| Marvin Wee | 4 | 4 |
| Nives Botica Redmayne | 1 | 1 |


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 2022, the total amount that members of the Company are liable to contribute if the company is wound up is \$8,900 (2021: \$8,790).

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 31 December 2022 has been received and can be found on page 5 of the financial report.

The directors' report is signed in accordance with a resolution of the Board of Directors:

Director: 
.....
Andrew Jackson

Director: 
.....
Nicola Beatson

Dated this 12th day of April 2023

AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF ACCOUNTING AND FINANCE ASSOCIATION OF AUSTRALIA AND NEW ZEALAND LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2022 there have been:

- i. No contraventions of the auditor independence requirements as set out in *the Australian Charities and Not-for-profits Commission Act 2012*, in relation to the audit, and
- ii. No contraventions of any applicable code of professional conduct in relation to the audit.



SW Audit (formerly ShineWing Australia)
Chartered Accountants



Tom Mullarkey
Partner

Melbourne, 12 April 2023

Brisbane
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240 Queen Street
Brisbane QLD 4000
T + 61 7 3085 0888

Melbourne
Level 10
530 Collins Street
Melbourne VIC 3000
T + 61 3 8635 1800

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197 St Georges Terrace
Perth WA 6000
T + 61 8 6184 5980

Sydney
Level 7, Aurora Place
88 Phillip Street
Sydney NSW 2000
T + 61 2 8059 6800



Accounting and Finance Association of Australia and New Zealand Limited

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Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 31 December 2022

| | | 2022 | 2021 |
|---|------|------------------|------------------|
| | Note | \$ | \$ |
| Service revenue | 2 | 754,301 | 583,123 |
| Other income | 2 | 15,855 | 2,468 |
| Total revenue | | 770,156 | 585,591 |
| Conference expenses | | (323,189) | (52,533) |
| Depreciation and amortisation | | (154) | (232) |
| Employee benefits | 3 | (109,798) | (111,996) |
| Research Grants | | (243,118) | (250,000) |
| PhD and AFDEN scholarships | | - | - |
| Meeting expenses | | (13,050) | (902) |
| Administration expenses | | (39,796) | (19,427) |
| Accounting and Finance journal expenses | | (43,585) | (75,939) |
| Award expenses | | (12,840) | (4,250) |
| Other expenses | | (44,585) | (32,092) |
| Total expenses | | (830,115) | (547,371) |
| Surplus/(deficit) for the year | | (59,959) | 38,220 |
| Other comprehensive income | | - | - |
| Total comprehensive income/(loss) for the year | | (59,959) | 38,220 |

The accompanying notes form part of these financial statements.

Accounting and Finance Association of Australia and New Zealand Limited

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Statement of Financial Position As At 31 December 2022

| | Note | 2022 \$ | 2021 \$ |
|--------------------------------------|------|------------------|------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 5 | 199,202 | 216,843 |
| Trade and other receivables | 6 | 10,620 | 8,529 |
| Financial assets | 7 | 851,994 | 1,105,712 |
| Other assets | 8 | 185,332 | 112,526 |
| TOTAL CURRENT ASSETS | | 1,247,148 | 1,443,610 |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 9 | 1,582 | 464 |
| TOTAL NON-CURRENT ASSETS | | 1,582 | 464 |
| TOTAL ASSETS | | 1,248,730 | 1,444,074 |
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 10 | 36,990 | 90,523 |
| Provisions | 11 | 298,106 | 381,839 |
| TOTAL CURRENT LIABILITIES | | 335,096 | 472,362 |
| NON-CURRENT LIABILITIES | | | |
| Provisions | 11 | 1,881 | - |
| TOTAL NON-CURRENT LIABILITIES | | 1,881 | - |
| TOTAL LIABILITIES | | 336,977 | 472,362 |
| NET ASSETS | | 911,753 | 971,712 |
| EQUITY | | | |
| Accumulated surplus | | 911,753 | 971,712 |
| TOTAL EQUITY | | 911,753 | 971,712 |

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity For the Year Ended 31 December 2022

| | Accumulated Surplus | Total Equity |
|---|------------------------|----------------|
| | \$ | \$ |
| Balance at 1 January 2021 | 933,492 | 933,492 |
| Surplus for the year | 38,220 | 38,220 |
| Other comprehensive income for the year | - | - |
| Balance at 31 December 2021 | <u>971,712</u> | <u>971,712</u> |
| | | |
| | Accumulated Surplus | Total Equity |
| | \$ | \$ |
| Balance at 1 January 2022 | 971,712 | 971,712 |
| Deficit for the year | (59,959) | (59,959) |
| Other comprehensive income for the year | - | - |
| Balance at 31 December 2022 | <u>911,753</u> | <u>911,753</u> |

The accompanying notes form part of these financial statements.

Accounting and Finance Association of Australia and New Zealand Limited

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Statement of Cash Flows For the Year Ended 31 December 2022

| | Note | 2022 \$ | 2021 \$ |
|---|------|------------------|--------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | |
| Receipts from customers | | 576,864 | 519,579 |
| Sponsorship by professional accounting bodies | | 107,000 | 63,000 |
| Government grants | | - | - |
| Interest received | | 11,395 | 1,846 |
| Cash payments in the course of operations | | <u>(965,346)</u> | <u>(734,708)</u> |
| Net cash (used in)/provided by operating activities | 15 | <u>(270,087)</u> | <u>(150,283)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | |
| Purchase/(Disposal) of investments | | 253,718 | (1,105,712) |
| Sale of investments | | - | - |
| Purchase of PPE | | <u>(1,272)</u> | |
| Net cash (used in)/provided by investing activities | | <u>252,446</u> | <u>(1,105,712)</u> |
| Net increase/(decrease) in cash and cash equivalents held | | (17,641) | (1,255,995) |
| Cash and cash equivalents at beginning of financial year | | <u>216,843</u> | <u>1,472,838</u> |
| Cash and cash equivalents at end of financial year | 5 | <u>199,202</u> | <u>216,843</u> |

The accompanying notes form part of these financial statements.

Accounting and Finance Association of Australia and New Zealand Limited

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Notes to the Financial Statements For the Year Ended 31 December 2022

The financial report covers 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 limited by guarantee, incorporated and domiciled in Australia.

The financial statements were authorised for issue on the date of the Directors' Declaration.

1 Summary of Significant Accounting Policies

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Simplified Disclosures Requirements of the Australian Accounting Standards Board and the Australian Charities and Not-for-profits Commission Act 2012. 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 presented in the financial statements have been rounded to the nearest dollar and are presented in Australian dollars.

(a) Income Tax

No provision for income tax has been raised as the Company is exempt from income tax under Division 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 statement of comprehensive income 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.

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Notes to the Financial Statements For the Year Ended 31 December 2022

1 Summary of Significant Accounting Policies continued

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 asset are shown below:

| Class of fixed asset | Depreciation rate |
|----------------------|-------------------|
| Plant and equipment | 20% to 35% |

(c) Financial Instruments

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs.

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through other comprehensive income - equity instrument (FVOCI - equity)

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

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Notes to the Financial Statements For the Year Ended 31 December 2022

Financial instruments (Continued)

Fair value through other comprehensive income

Equity instruments

The Company has a number of strategic investments in listed and unlisted entities over which they do not have significant influence nor control. The Company has made an irrevocable election to classify these equity investments as fair value through other comprehensive income as they are not held for trading purposes.

These investments are carried at fair value with changes in fair value recognised in other comprehensive income (financial asset reserve). On disposal any balance in the financial asset reserve is transferred to retained earnings and is not reclassified to profit or loss.

Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables and contract assets

Impairment of trade receivables and contract assets have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

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Notes to the Financial Statements For the Year Ended 31 December 2022

Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

(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 wholly 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.

Defined contribution schemes

Obligations for contributions to defined contribution superannuation plans are recognised as an employee benefit expense in profit or loss in the periods in which services are provided by employees.

(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.

(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 short-term borrowings in current liabilities on the statement of financial position.

(g) Revenue and Other Income

The Company recognises revenue under AASB 15 when the rights and obligations created under the agreement are enforceable and the performance obligations are sufficiently specific. To determine whether to recognise revenue, the Company follows a 5-step process:

1. Identify the contract with the customer;
2. identify the performance obligations in the contract;
3. determine the transaction price;
4. allocate the transaction price to the performance obligations in the contract; and
5. recognise revenue as and when the performance obligations are satisfied.

Revenue is recognised for the major business activities as follows:

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Notes to the Financial Statements For the Year Ended 31 December 2022

(g) Revenue and Other Income (Continued)

Membership revenue

Members are billed in advance for a calendar year subscription. Revenue is recognised over the year when the performance obligation is satisfied.

The financial liabilities of the Company comprise trade payables, bank and other loans and lease liabilities.

Sponsorship revenue

Sponsorship revenue is recognised when performance obligations in the sponsorship agreements are satisfied.

Journal revenue

Journal revenue is recognised when the journal is purchased and therefore satisfying the performance obligation.

Conference revenue

Conference revenue is recognised upon completion of the annual conference.

Doctoral symposium revenue

Doctoral symposium revenue is recognised upon completion of the annual symposium.

Government revenue

Government revenue is recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. The Company presents government grant income in the Statement of Profit or Loss and Other Comprehensive Income on a gross basis and as "Other income".

Interest revenue

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

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

(h) Trade and Other Payables

Trade and other payables represent the liability for goods or services received by the Company during the reporting period that remain unpaid at the end of the reporting period.

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Notes to the Financial Statements For the Year Ended 31 December 2022

(i) Trade and Other Receivables

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from customers for goods sold in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 2(c) for further discussion on the determination of impairment losses.

(j) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable 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 as part of 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 and financing activities which are recoverable from, or payable to, ATO are presented as operating cash flows in receipts from customers or payment suppliers.

(k) Comparative Figures

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

(l) Critical Accounting Estimates and Adjustments

The directors evaluate estimates and judgements 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.

(a) Provision for research grants

The Company has recognised a provision for estimated research grants to be awarded during 2021. provision for research grants has been based upon the amount approved by the board of directors. Based on past experience, the Company does not expect the full balance of the provision for research grants to be settled within 12 months.

(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 (i.e. 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

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Notes to the Financial Statements For the Year Ended 31 December 2022

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 (i.e. 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.

2 Revenue and Other Income

| | 2022 | 2021 |
|---------------------------------------|----------------|----------------|
| | \$ | \$ |
| Sales revenue | | |
| Membership and institutional fees | 307,749 | 328,765 |
| Sponsorship by professional bodies | 107,000 | 63,000 |
| Conference income | 171,551 | 46,022 |
| SIG fees | 6,183 | 5,657 |
| Journal revenue | 150,171 | 139,679 |
| Doctoral Symposium | 11,647 | - |
| Total service revenue | 754,301 | 583,123 |
| Other income | | |
| Interest income | 11,395 | 1,846 |
| Cash flow boost | - | - |
| Other income | 4,460 | 622 |
| Total other income | 15,855 | 2,468 |
| Total revenue and other income | 770,156 | 585,591 |

3 Key Management Personnel Compensation

| | | |
|---------------------------|----------------|----------------|
| Short-term benefits | 100,005 | 102,560 |
| Other long-term benefits | 9,793 | 9,436 |
| Total compensation | 109,798 | 111,996 |

4 Auditors' Remuneration

| | | |
|------------------------|--------|--------|
| Auditor's remuneration | 16,350 | 15,250 |
|------------------------|--------|--------|

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Notes to the Financial Statements For the Year Ended 31 December 2022

5 Cash and Cash Equivalents

| | | |
|--------------|---------|---------|
| Cash at bank | 199,202 | 216,843 |
|--------------|---------|---------|

6 Trade and Other Receivables

| | | |
|-------------------|--------|-------|
| CURRENT | | |
| GST receivable | 10,420 | 8,329 |
| Other receivables | 200 | 200 |
| | 10,620 | 8,529 |

7 Financial Assets

| | | |
|-----------------|---------|-----------|
| Financial asset | 851,994 | 1,105,712 |
|-----------------|---------|-----------|

8 Other Assets

| | | |
|----------------|---------|---------|
| CURRENT | | |
| Accrued income | 129,538 | 97,658 |
| Prepayments | 55,794 | 14,868 |
| | 185,332 | 112,526 |

9 Property, Plant and Equipment

| | | |
|--------------------------------|----------|----------|
| Plant and equipment | | |
| At cost | 49,381 | 48,109 |
| Less: accumulated depreciation | (47,799) | (47,645) |
| Total plant and equipment | 1,582 | 464 |

Movements in carrying amounts of property, plant and equipment

| | Plant and Equipment \$ | Total \$ |
|---------------------------------------|------------------------------|--------------|
| Year ended 30 December 2022 | | |
| Balance at the beginning of year | 464 | 464 |
| Additions | 1,272 | 1,272 |
| Depreciation expense | (154) | (154) |
| Balance at the end of the year | 1,582 | 1,582 |

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Notes to the Financial Statements For the Year Ended 31 December 2022

10 Trade and Other Payables

| | | |
|-------------------|--------|--------|
| CURRENT | | |
| Trade creditors | 1,520 | 40,752 |
| Income in advance | 6,810 | 25,520 |
| Accrued expense | 16,500 | 16,000 |
| Other payables | 12,160 | 8,251 |
| | 36,990 | 90,523 |
| | 36,990 | 90,523 |

11 Provisions

| | | |
|----------------------------|---------|---------|
| CURRENT | | |
| Research grants provision | 279,500 | 367,698 |
| Provision for annual leave | 18,606 | 14,141 |
| | 298,106 | 381,839 |
| | 298,106 | 381,839 |

| | Annual Leave | Research Grants | Total |
|------------------------------------|---------------|-----------------|----------------|
| | \$ | \$ | \$ |
| CURRENT | | | |
| Opening balance at 1 January 2022 | 14,141 | 367,698 | 381,839 |
| Additional provisions | 9,000 | 250,000 | 259,000 |
| Amounts used | (4,535) | (338,198) | (342,733) |
| Balance at 31 December 2022 | 18,606 | 279,500 | 298,106 |
| | 18,606 | 279,500 | 298,106 |

Provision for Research Grants

A provision of \$250,000 at 31 December 2022 has been recognised by the Company for estimated research grants to be awarded during 2023. The provision for research grants has been based upon the amount approved by the board of directors.

Based on past experience, the Company does not expect the full balance of the provision for research grants to be settled within 12 months. However, as the Company does not have an unconditional right to defer settlement if a claim is made, the full amount is presented as current.

Provision for employee benefits

Provision for employee benefits represents amounts accrued for annual leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements. Based on past experience, the Company does not expect the full amount of annual leave classified as current liabilities to be settled within the next 12 months. However, this amount must be classified as a current liability since the Company does not have an unconditional right to defer the settlement of the amount in the event employees wish to use their leave entitlement.

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 2022

12 Events after the Reporting Period

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

13 Contingent Liabilities

In the opinion of the Directors, the Company did not have any contingencies at 31 December 2022 (31 December 2021: None).

14 Related Party Transactions

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 parties unless otherwise stated.

The Company has no related party transactions or balances for the financial year.

15 Cash Flow Information

Reconciliation of Cash Flows from Operating Activities with Net Current Year Surplus

| | 2022 | 2021 |
|--|------------------|------------------|
| | \$ | \$ |
| Net current year surplus/(deficit) | (59,959) | 38,220 |
| Adjustment for: | | |
| - Depreciation | 154 | 232 |
| Changes in assets and liabilities: | | |
| (Increase)/decrease in trade and other receivables | (2,091) | 21,862 |
| (Increase)/decrease in other assets | (72,806) | (23,028) |
| Increase/(decrease) in trade and other payables | (53,533) | (31,189) |
| Increase/(decrease) in provisions | (81,852) | (156,380) |
| | <u>(270,087)</u> | <u>(150,283)</u> |

16 Company Details

The registered office of the Company is:

Accounting and Finance Association of Australia and New Zealand Limited
Level 7, 198 Berkeley Street
Carlton VIC 3053
Australia

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 6 to 22, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:
 - a. comply with Accounting Standards - Simplified Disclosures; and
 - b. give a true and fair view of the financial position of the Company as at 31 December 2022 and of the 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.....

Andrew Jackson



Director

Nicola Beatson

Dated this 12th day of April 2023

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

Opinion

We have audited the financial report of Accounting and Finance Association of Australia and New Zealand Limited (the Company) which comprises the statement of financial position as at 31 December 2022, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- a. giving a true and fair view of the Company's financial position as at 31 December 2022 and of its financial performance for the year then ended, and
- b. complying with Australian Accounting Standards – Simplified Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's directors report for the year ended 31 December 2022, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Melbourne
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530 Collins Street
Melbourne VIC 3000
T + 61 3 8635 1800

Perth
Level 25
108 St Georges Terrace
Perth WA 6000
T + 61 8 6184 5980

Sydney
Level 7, Aurora Place
88 Phillip Street
Sydney NSW 2000
T + 61 2 8059 6800



Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards – Simplified Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012*, 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.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

SW

SW Audit (formerly ShineWing Australia)
Chartered Accountants

Tom Mullarkey

Tom Mullarkey
Partner

Melbourne, 13 April 2023