

# **Accounting and Finance Association of Australia and New Zealand Limited**

ABN 67 091 255 908

## **Financial Report**

For the Year Ended 31 December 2019

# 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

ABN 67 091 255 908

## Directors' Report 31 December 2019

Your directors present their report on the company for the financial year ended 31 December 2019.

### Directors

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

Jacqueline Birt

David Bond

Maria Cadiz Dyball Appointed 1 August 2019

Millicent Chang Retired 31 July 2019

Charl de Villers

Andrew Jackson

Yaowen Shan Appointed 1 August 2019

Baljit Sidhu Retired 31 July 2019

Marvin Wee

Sumit Lodhia

Tom Scott

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 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 31 December 2019

### 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 2019, 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 405 delegates attending from numerous countries;
- A Doctoral Symposium attended by 40 PhD candidates drawn from a wide range of institutions with an internationally renowned faculty;
- Awarding of approximately \$225,000 in research grants to successful applicants;
- Providing Conference support to Institutional members;
- Supporting PhD students 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 the revenue have decreased during the financial year. The surplus for AFAANZ amounted to \$24,894 (2018 Restated: \$36,938) for the year.

# Accounting and Finance Association of Australia and New Zealand Limited

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## Directors' Report 31 December 2019

### Information on Directors

#### Jacqueline Birt

Qualifications  
Experience  
Special Responsibilities

BEd, BBus, MBus, PhD, CPA  
Professor, University of Western Australia  
AFAANZ Board Member – President (Australia), Educational Portfolio and Doctoral Symposium Co-Director

#### David Bond

Qualifications  
Experience  
Special Responsibilities

BBus (Hons), PhD  
Senior Lecturer, University of Technology Sydney  
AFAANZ Board Member - Educational and Social Media, website and IT Portfolios

#### Maria Cadiz Dyball (appointed on 01 August 2019)

Qualifications  
Experience  
Special Responsibilities

BSc, PhD and MCom (Hons)  
Associate Professor, The University of Sydney  
AFAANZ Board Member - Doctoral Symposium Co-Director

#### Millicent Chang (retired 31 July 2019)

Qualifications  
Experience  
Special Responsibilities

B.Com (Hons), MCom, PhD  
Professor, The University of Wollongong  
AFAANZ Board Member  
Sponsorships and External Relationships portfolio and President (Australia)

#### Charl de Villers

Qualifications  
Experience  
Special Responsibilities

MBA, DCom, CA  
Professor, University of Auckland  
AFAANZ Board Member - Special project journal(s) and President (New Zealand)

#### Andrew Jackson

Qualifications  
Experience  
Special Responsibilities

BCA, MCA, PhD, AMusTCL, CA  
Associate Professor, UNSW Australia  
AFAANZ Board Member – Treasurer, Research Grant Co-ordinator and other projects

#### Sumit Lodhia

Qualifications  
Experience  
Special Responsibilities

BA, PGD A&F Management, MA, PhD  
Professor, University of South Australia  
SIGs Co-ordinator

# Accounting and Finance Association of Australia and New Zealand Limited

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## Directors' Report 31 December 2019

### **Yaowen Shan (appointed on 01 August 2019)**

Qualifications  
Experience  
Special Responsibilities

B.Ec, M.Com(Hons), PhD  
Associate Professor, University of Technology, Sydney  
AFAANZ Board Member - Co-chair Conference Technical Committee

### **Baljit Sidhu (retired 31 July 2019)**

Qualifications  
Experience  
Special Responsibilities

MCom, PhD, FCPA, FCA  
Professor, University of Sydney  
AFAANZ Board Member – AFDEN and Research Portfolios

### **Marvin Wee**

Qualifications  
Experience  
Special Responsibilities

BCom (Hons), MFin, PhD, CPA  
Associate Professor, Australian National University  
AFAANZ Board Member – Doctoral Symposium Co-Director, Co-chair Conference Technical Committee

### **Tom Scott**

Qualifications  
Experience  
Special Responsibilities

BCom, MBus, Doctor of Philosophy  
Associate Professor, Auckland University of Technology  
Co-Chair Conference Technical Committee

# Accounting and Finance Association of Australia and New Zealand Limited

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## Directors' Report 31 December 2019

### Meetings of Directors

During the financial year, 3 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
Jacqueline Birt	3	3
David Bond	3	2
Millicent Chang	2	2
Maria Cadiz Dyball	1	1
Charl de Villers	3	3
Andrew Jackson	3	3
Sumit Lodhia	3	3
Yaowen Shan	1	1
Baljit Sidhu	2	2
Marvin Wee	3	3
Tom Scott	3	3

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 2019, the total amount that members of the company are liable to contribute if the company is wound up is \$8,550 (2018:\$ 6,690).

### Auditor's Independence Declaration

The auditor's independence declaration for the year ended 31 December 2019 has been received and can be found on page 6 of the financial report.

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

Director: .....  
Andrew Jackson

Director: .....  
Jacqueline Birt

Dated the 8<sup>th</sup> day of May 2020

## **Accounting and Finance Association of Australia and New Zealand Limited**

**ABN 67 091 255 908**

### **Auditors 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 2019 there has 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.

[Enter place of signing]



# 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 2019

			Restated <sup>(1)</sup>
		2019	2018
	Note	\$	\$
Service revenue	2	719,761	769,089
Other income	2	161,027	123,511
<b>Total Revenue</b>		<b>880,788</b>	892,600
Conference expenses		(351,327)	(348,336)
Depreciation and amortisation		(523)	(783)
Employee benefits		(108,909)	(96,556)
Research Grants		(225,044)	(212,122)
PhD and AFDEN scholarships		(18,578)	(14,149)
Doctoral symposium expenses		(500)	(15,688)
Meeting expenses		(13,930)	(20,443)
Administration expenses		(32,914)	(44,856)
Accounting and Finance journal expenses		(27,244)	(32,005)
Award expenses		(13,100)	(16,040)
Other expenses		(63,825)	(54,684)
<b>Total Expenses</b>		<b>(855,894)</b>	(855,662)
<b>Surplus for the year</b>		<b>24,894</b>	36,938
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>24,894</b>	36,938

<sup>(1)</sup> Certain comparatives were restated – refer to Note 1(p) for details.

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 Profit or Loss and Other Comprehensive Income For the Year Ended 31 December 2019

				Restated <sup>(1)</sup>
	Note	2019 \$	2018 \$	
<b>ASSETS</b>				
CURRENT ASSETS				
Cash and cash equivalents	5	202,373	204,629	
Financial assets	6	1,091,256	1,051,941	
Trade and other receivables	7	24,411	11,832	
Other assets	8	87,612	109,866	
<b>TOTAL CURRENT ASSETS</b>		<b>1,405,652</b>	1,378,268	
NON-CURRENT ASSETS				
Property, plant and equipment	9	1,044	1,567	
<b>TOTAL NON-CURRENT ASSETS</b>		<b>1,044</b>	1,567	
<b>TOTAL ASSETS</b>		<b>1,406,696</b>	1,379,835	
<b>LIABILITIES</b>				
CURRENT LIABILITIES				
Trade and other payables	10	73,201	53,948	
Provisions	11	255,331	270,954	
<b>TOTAL CURRENT LIABILITIES</b>		<b>328,532</b>	324,902	
NON-CURRENT LIABILITIES				
Provisions	11	-	1,663	
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>-</b>	1,663	
<b>TOTAL LIABILITIES</b>		<b>328,532</b>	326,565	
<b>NET ASSETS</b>		<b>1,078,164</b>	1,053,270	
<b>EQUITY</b>				
Accumulated Surplus		1,078,164	1,053,270	
<b>TOTAL EQUITY</b>		<b>1,078,164</b>	1,053,270	

<sup>(1)</sup> Certain comparatives were restated – refer to Note 1(p) for details.

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 Profit or Loss and Other Comprehensive Income For the Year Ended 31 December 2019

	Accumulated Surplus	Total Equity
	\$	\$
<b>Balance at 1 January 2018 (restated)</b>	1,016,332	1,016,332
Surplus for the year (restated)	36,938	36,938
Other comprehensive income for the year	-	-
<b>Balance at 31 December 2018 – Restated<sup>(1)</sup></b>	<u>1,053,270</u>	<u>1,053,270</u>
	Accumulated Surplus	Total Equity
	\$	\$
<b>Balance at 1 January 2019 – Restated<sup>(1)</sup></b>	1,053,270	1,053,270
Surplus for the year	24,894	24,894
Other comprehensive income for the year	-	-
<b>Balance at 31 December 2019</b>	<u>1,078,164</u>	<u>1,078,164</u>

<sup>(1)</sup> Certain comparatives were restated – refer to Note 1(p) for details.

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 Profit or Loss and Other Comprehensive Income For the Year Ended 31 December 2019

		2019	Restated <sup>(1)</sup> 2018
	Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from customers		730,722	550,081
Sponsorship by professional accounting bodies		91,500	132,000
Interest received		40,957	11,822
Cash payments in the course of operations		<u>(826,120)</u>	<u>(770,834)</u>
Net cash (used in)/provided by operating activities	16	<u>37,059</u>	<u>(76,931)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Purchase of investments		<u>(39,315)</u>	<u>(12,798)</u>
Net cash (used in)/provided by investing activities		<u>(39,315)</u>	<u>(12,798)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Net cash (used in)/ provided by financing activities		<u>-</u>	<u>-</u>
Net (decrease)/increase in cash and cash equivalents held		<b>(2,256)</b>	(89,729)
Cash and cash equivalents at beginning of financial year		<u>204,629</u>	294,358
Cash and cash equivalents at end of financial year	5	<u><u>202,373</u></u>	<u><u>204,629</u></u>

<sup>(1)</sup> Certain comparatives were restated – refer to Note 1(p) for details.

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 2019

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 a 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 - Reduced Disclosure 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.

#### 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%

# 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 2019

### 1 Summary of Significant Accounting Policies (Continued)

#### (c) Financial Instruments

##### Financial assets at amortised cost

Financial assets are classified and measured at amortised cost when both of the following criteria are met:

- the business model's objective is hold the financial asset to collect contractual cash flows; and
- the contractual cash flows consist solely of payments of principal and interest.

Trade and other receivables with maturities of less than 12 months are initially recognised at their transaction price less lifetime expected losses and subsequently measured at amortised cost financial assets.

##### Impairment of Financial Assets

Impairment of financial assets is recognised based on the lifetime expected credit loss which is determined when the credit risk on a financial asset has increased significantly since initial recognition. In order to determine whether there has been a significant increase in credit risk since initial recognition, the entity compares the risk of default as at the reporting date with risk of default as at initial recognition using reasonable and supportable data, unless the financial asset is determined to have a low credit risk at the reporting date.

For trade and other receivables, the simplified approach is used, which requires recognition of a loss allowance based on the lifetime expected credit losses. As a practical expedient, the Group uses a provision matrix based on historical information and adjusted for forward looking estimates in order to determine the lifetime expected credit losses.

Any change in expected credit losses between the previous reporting period and the current reporting period is recognised as an impairment gain or loss in profit or loss.

##### Financial Liabilities at Amortised Cost

Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30-45 days of recognition. Other payables not due within a year are measured less cumulative amortisation calculated using the effective interest method.

##### De-recognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

# 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 2019

### 1 Summary of Significant Accounting Policies (Continued)

#### (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.

#### (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

##### Policy applicable from 1 January 2019

The College 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 College 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:

##### Membership revenue

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

# 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 2019

### 1 Summary of Significant Accounting Policies (Continued)

#### (g) Revenue and other income (Continued)

##### 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.

##### 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.

#### Policy applicable from 1 January 2018 to 31 December 2018

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 services 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 for goods or services received by the company during the reporting period that remain unpaid at the end of the reporting period.

#### (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.



# 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 2019

### 1 Summary of Significant Accounting Policies (Continued)

#### (i) Trade and Other Receivables (continued)

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 1(f) 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.

#### (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 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.

# 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 2019

### 1 Summary of Significant Accounting Policies (Continued)

#### (n) Leases

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of 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.

#### (o) Adoption of new and revised accounting standards

##### (i) Initial application of AASB 15: Revenue from Contracts with Customers and AASB 1058: Income for Not-for-Profit Entities

AASB 15: Revenue from Contracts with Customers and AASB 1058: Income for Not-for-Profit Entities became mandatorily effective on 1 July 2018. Accordingly, these standards apply for the first time to this set of financial statements. AASB 15: Revenue from Contracts with Customers replaces AASB 118: Revenue, AASB 111 Construction Contracts and several revenue-related interpretations

##### (ii) Impact on retained profits and changes in classification due to transition to AASB 15 and AASB 1058

The company has assessed the impact of AASB 15 and AASB 1058 and determined that there is no financial impact as a result of the adoption. Therefore the company has made no changes to the financial statements in respect of the standards.

# 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 2019

### 1 Summary of Significant Accounting Policies (Continued)

#### (p) Prior year restatement

During the year the Company identified that revenue for prior year had not been correctly accounted for in the statement of profit and loss and other comprehensive income. Royalty revenue from Wiley for 2017 was recorded in the 2018 statement of profit and loss and 2018 royalty revenue was recorded in the 2019 financial year. The correction of this error has been applied to the prior period affected comparative amounts. The aggregate effect of these corrections on the financial statements is as follows:

#### Statement of Financial Position

	31 December 2018	Adjustment	31 December 2018 (restated)
Total Assets	1,303,863	75,972	1,379,835
Total Liabilities	326,565	-	326,565
Net Assets	977,298	75,972	1,053,270
Accumulated Surplus	977,298	75,972	1,053,270
Total equity	977,298	75,972	1,053,270

#### Statement of Profit or Loss and Other Comprehensive Income

Other income	139,403	(15,892)	123,511
Surplus for the year	52,830	(15,892)	36,938
Total comprehensive income	52,830	(15,892)	36,938

#### Statement of Cash Flows

Cash receipts in the course of operations	626,937	(76,856)	550,081
Cash payments in the course of operations	(847,690)	76,856	(770,834)
Net cash used in operating activities	(76,931)	-	(76,931)
Net decrease in cash and cash equivalents held	(89,729)	-	(89,729)

# 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 2019

### 2 Revenue and Other Income

	2019	2018
	\$	\$
<b>Sales revenue</b>		
Membership and institutional fees	346,142	332,093
Sponsorship by professional bodies	91,500	132,000
Conference income	254,532	255,903
Doctoral symposium	15,295	41,053
SIG fees	12,292	8,040
<b>Total service revenue</b>	<u>719,761</u>	<u>769,089</u>
<b>Other income</b>		
Interest income	40,957	11,822
Other revenue	120,070	111,689
<b>Total other income</b>	<u>161,027</u>	<u>123,511</u>

### 3 Key Management Personnel Compensation

Short-term benefits	117,623	95,538
Other long-term benefits	-	1,018
<b>Total compensation</b>	<u>117,623</u>	<u>96,556</u>

### 4 Auditors' Remuneration

Auditor's remuneration	14,500	18,000
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### 5 Cash and Cash Equivalents

Cash at bank	202,373	204,629
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### 6 Other Financial Assets

CURRENT		
Term deposits		
Term deposits	1,091,256	1,051,941

### 7 Trade and Other Receivables

CURRENT		
Security deposits	2,220	2,220
GST receivable	1,564	5,838
Other receivables	20,627	3,774
	<u>24,411</u>	<u>11,832</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 2019

### 8 Other Assets

	2019	Restated <sup>(1)</sup> 2018
	\$	\$
CURRENT		
Accrued income	87,612	75,972
Prepayments	-	33,894
	<u>87,612</u>	<u>109,866</u>

### 9 Property, Plant and Equipment

Plant and equipment		
At cost	48,109	48,109
Less: accumulated depreciation	(47,065)	(46,542)
Total plant and equipment	<u>1,044</u>	<u>1,567</u>

#### Movements in carrying amounts of property, plant and equipment

	Plant and Equipment	Total
	\$	\$
Balance at 1 January 2018	2,350	2,350
Depreciation expense	(783)	(783)
<b>Carrying amount at 31 December 2018</b>	<u>1,567</u>	<u>1,567</u>
Depreciation expense	(523)	(523)
<b>Carrying amount at 31 December 2019</b>	<u>1,044</u>	<u>1,044</u>

### 10 Trade and Other Payables

	2019	2018
	\$	\$
CURRENT		
Trade creditors	13,127	-
Income in Advance	25,180	18,570
Accrued expense	24,447	35,378
Other payables	10,447	-
	<u>73,201</u>	<u>53,948</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 2019

### 11 Provisions

	2019	2018
	\$	\$
CURRENT		
Research Grants Provision	250,000	264,000
Provision for Annual leave	5,331	6,954
	<u>255,331</u>	<u>270,954</u>
NON-CURRENT		
Provision for Long Service Leave	-	1,663
	<u>-</u>	<u>1,663</u>

	Annual Leave	Long Service Leave	Research Grants	Total
	\$	\$	\$	\$
<b>Current</b>				
Opening balance at 1 January 2019	6,954	1,663	264,000	272,617
Additional provisions	5,331	-	225,044	230,375
Amounts used	(6,954)	(1,663)	(239,044)	(247,661)
<b>Balance at 31 December 2019</b>	<u>5,331</u>	<u>-</u>	<u>250,000</u>	<u>255,331</u>

#### Provision for Research Grants

A provision of \$250,000 at 31 December 2019 has been recognised by the Company for estimated research grants to be awarded during 2019. 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 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 Group 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 Group does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

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. The measurement and recognition criteria for employee benefits have been discussed in Note 1(d).

# 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 2019

### 12 Events after the Reporting Period

On 11 March 2020, the World Health Organisation declared COVID-19 a global health pandemic. Since this time, we have witnessed unprecedented measures implemented by government on public gatherings, travel restrictions, social distancing and lock downs in the community. Circumstances are changing daily and the duration of COVID-19 crisis is unknown. These measures are likely to have a significant impact on the Company's income for the year ending 31 December 2020. As of this date, it is the expectation of management that the annual conference and doctoral symposium will be replaced by a virtual conference and symposium.

Management are unable to realise the full extent of COVID-19 at this stage, however given the cash reserves and forecasts prepared by the management, the financial report has been prepared on a going concern basis.

### 13 Contingent Liabilities

In the opinion of the Directors, the Company did not have any contingencies at 31 December 2019 (31 December 2018: None).

### 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 parties unless otherwise stated.

### 16 Cash Flow Information

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

	2019	2018
	\$	\$
Net current year surplus	24,894	36,938
Adjustment for:		
- Depreciation	523	783
Changes in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(12,579)	111,922
Decrease in other assets	22,254	32,523
Increase/(decrease) in trade and other payables	19,253	(308,524)
(Decrease)/increase in provisions	(17,286)	49,427
	<u>37,059</u>	<u>(76,931)</u>

### 17 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 7 to 22 are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:
  - (a) comply with Accounting Standards - Reduced Disclosure Requirements; and
  - (b) give a true and fair view of the financial position of the company as at 31 December 2019 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 .....  
Jacqueline Birt

Dated the 8<sup>th</sup> day of May 2020



**Accounting and Finance Association of Australia and New Zealand Limited**

ABN 67 091 255 908

**Independent Audit Report to the members of Accounting and Finance Association of Australia and New Zealand Limited**

[Enter place of signing]

Dated this.....day of.....2020

**Accounting and Finance Association of Australia and New Zealand  
ABN 67 091 255 908**

**Additional information for the members on the 2019 Financial Statements  
Trading and Surplus and Deficit account for the year ended 31 December 2019**

	2019	Restated 2018
	\$	\$
<b>INCOME</b>		
Member and Institutional fees	<b>\$346,142</b>	\$332,093
Sponsorship by professional bodies	<b>\$91,500</b>	\$132,000
Interest received	<b>\$40,957</b>	\$11,822
Other revenue including royalties and rent	<b>\$120,070</b>	\$111,689
Conference income	<b>\$254,532</b>	\$255,903
Doctoral Symposium	<b>\$15,295</b>	\$41,053
SIG fees	<b>\$12,292</b>	\$8,040
<b>TOTAL INCOME</b>	<b>\$880,788</b>	<b>\$892,600</b>
<b>LESS: EXPENDITURE</b>		
Administrative Expenses	<b>\$32,914</b>	\$44,856
Award expenses	<b>\$13,100</b>	\$16,040
Conference expenses	<b>\$351,327</b>	\$348,336
Depreciation	<b>\$523</b>	\$783
Doctoral Symposium expenses	<b>\$500</b>	\$15,688
Employee benefits	<b>\$108,909</b>	\$96,556
Journal expenses	<b>\$27,244</b>	\$32,005
Meeting expenses	<b>\$13,930</b>	\$20,443
Research Grants	<b>\$225,044</b>	\$212,122
SIG expenses	<b>\$18,578</b>	\$14,149
Other expenses	<b>\$63,825</b>	\$54,684
<b>TOTAL EXPENDITURE</b>	<b>\$855,894</b>	<b>\$855,662</b>
<b>NET OPERATING SURPLUS</b>	<b>\$24,894</b>	<b>\$36,938</b>

(1) Certain comparatives were restated – refer to Note 1(p) for detail