

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

**ABN 67 091 255 908**

**FINANCIAL REPORT**  
FOR THE YEAR ENDED 31 DECEMBER 2012

**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**

Your directors present their report on the company for the financial year ended 31 December 2012.

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  
David Lont  
Robyn Moroney  
Brad Potter  
Sue Wright  
Norman Wong

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  
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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.

**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 2012, AFAANZ continued to advance the character, status, teaching and research in the accounting and finance and related disciplines. Its success in doing so is reflected in the continued strength in the membership base. The advancement occurred by AFAANZ initiated and coordinated activities including:

- An annual conference with approximately 400 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 \$150,000 in research grants to successful applicants;
- Funding five PhD scholarships;
- Funding two conference grants to attend the AFAANZ Conference;
- 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 Public Sector and Not for Profit 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.

**Information on Directors**

**Jacqueline Birt**

- |                          |   |
|--------------------------|---|
| Qualifications           | - BEd, BBus, MBus, PhD, CPA                                     |
| Experience               | - Senior Lecturer, Monash University                            |
| Special Responsibilities | - AFAANZ Board Member - Co-chair Conference Technical Committee |

**Mandy Cheng**

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

**ACCOUNTING AND FINANCE ASSOCIATION OF AUSTRALIA  
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**DIRECTORS' REPORT**

**Raymond Da Silva Rosa**

- Qualifications - BCom, PhD  
Experience - Head of Department, Department of Accounting and Finance,  
The University of Western Australia  
Special Responsibilities - AFAANZ Board Member - Memberships/SIGS Portfolio

**Paul de Lange**

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

**Christine Jubb**

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

**David Lont**

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

**Robyn Moroney**

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

**Brad Potter**

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

**Sue Wright**

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

**Norman Wong**

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

**ACCOUNTING AND FINANCE ASSOCIATION OF AUSTRALIA  
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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:

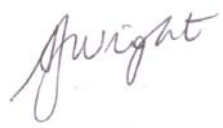
|                       | <b>Directors' Meetings</b>       |                        |
|-----------------------|----------------------------------|------------------------|
|                       | <b>Number eligible to attend</b> | <b>Number attended</b> |
| Jacqueline Birt       | 5                                | 5                      |
| Mandy Cheng           | 5                                | 5                      |
| Raymond da Silva Rosa | 5                                | 3                      |
| Paul de Lange         | 5                                | 4                      |
| Christine Jubb        | 5                                | 4                      |
| David Lont            | 5                                | 5                      |
| Robyn Moroney         | 5                                | 4                      |
| Brad Potter           | 5                                | 4                      |
| Sue Wright            | 5                                | 5                      |
| Norman Wong           | 5                                | 5                      |

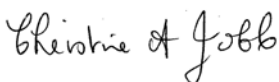
The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the entity. At 31 December 2012, the total amount that members of the company are liable to contribute if the company is wound up is \$8,420 (2011: \$8,230).

**Auditor's Independence Declaration**

The lead auditor's independence declaration for the year ended 31 December 2012 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  
Sue Wright

  
\_\_\_\_\_  
Director  
Christine Jubb

Dated this 11th day of April 2013

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**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE  
CORPORATIONS ACT 2001 TO THE DIRECTORS OF ACCOUNTING AND FINANCE  
ASSOCIATION OF AUSTRALIA AND NEW ZEALAND**

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2012 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 2013

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

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2012**

|  | Note | 2012<br>\$           | 2011<br>\$           |
|--|------|----------------------|----------------------|
| Service revenue  | 2    | 839,828              | 842,110              |
| Other revenue  | 2    | 81,807               | 105,786              |
|  |      | <u>921,635</u>       | <u>947,896</u>       |
| Conference expenses                                    |      | (298,693)            | (311,516)            |
| Depreciation and amortisation                          |      | (1,923)              | (1,882)              |
| Employee benefits                                      |      | (124,951)            | (111,611)            |
| Research Grants  |      | (152,150)            | (144,767)            |
| PhD scholarships                                       |      | (45,000)             | (75,000)             |
| Doctoral symposium expenses                            |      | (59,634)             | (59,634)             |
| Meeting expenses                                       |      | (16,105)             | (17,035)             |
| Administration expenses                                |      | (28,107)             | (17,331)             |
| Accounting and Finance journal expenses                |      | (31,798)             | (43,421)             |
| AFAANZ Reps  |      | (5,571)              | (4,045)              |
| Rent expense   |      | (35,076)             | (31,198)             |
| Award expenses   |      | (12,015)             | (5,500)              |
| Other expenses   |      | <u>(36,792)</u>      | <u>(54,484)</u>      |
| <b>Surplus for the year</b>                            |      | <u><u>73,820</u></u> | <u><u>70,472</u></u> |
| <b>Other comprehensive income:</b>                     |      | <u>          </u>    | <u>          </u>    |
| <b>Other comprehensive income for the year</b>         |      | <u>          </u>    | <u>          </u>    |
| <b>Total comprehensive income for the year</b>         |      | <u><u>73,820</u></u> | <u><u>70,472</u></u> |
| Total comprehensive income attributable to the company |      | <u><u>73,820</u></u> | <u><u>70,472</u></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 FINANCIAL POSITION  
AS AT 31 DECEMBER 2012**

|                                      | Note | 2012<br>\$              | 2011<br>\$              |
|--------------------------------------|------|-------------------------|-------------------------|
| <b>ASSETS</b>                        |      |                         |                         |
| <b>CURRENT ASSETS</b>                |      |                         |                         |
| Cash and cash equivalents            | 7    | 1,148,733               | 1,089,450               |
| Trade and other receivables          | 8    | 2,220                   | 9,610                   |
| Other current assets                 | 9    | 29,857                  | 38,921                  |
| <b>TOTAL CURRENT ASSETS</b>          |      | <u>1,180,810</u>        | <u>1,137,981</u>        |
| <b>NON-CURRENT ASSETS</b>            |      |                         |                         |
| Property, plant and equipment        | 10   | 3,847                   | 5,770                   |
| <b>TOTAL NON-CURRENT ASSETS</b>      |      | <u>3,847</u>            | <u>5,770</u>            |
| <b>TOTAL ASSETS</b>                  |      | <u><u>1,184,657</u></u> | <u><u>1,143,751</u></u> |
| <b>LIABILITIES</b>                   |      |                         |                         |
| <b>CURRENT LIABILITIES</b>           |      |                         |                         |
| Trade and other payables             | 11   | 202,574                 | 291,126                 |
| Short-term provisions                | 12   | 196,981                 | 175,496                 |
| Other liabilities                    | 13   | 4,225                   | 4,225                   |
| <b>TOTAL CURRENT LIABILITIES</b>     |      | <u>403,780</u>          | <u>470,848</u>          |
| <b>NON-CURRENT LIABILITIES</b>       |      |                         |                         |
| Long-term provisions                 | 12   | 3,330                   | 9,676                   |
| Other liabilities                    | 13   | 63,000                  | 22,500                  |
| <b>TOTAL NON-CURRENT LIABILITIES</b> |      | <u>66,330</u>           | <u>32,176</u>           |
| <b>TOTAL LIABILITIES</b>             |      | <u>470,110</u>          | <u>503,024</u>          |
| <b>NET ASSETS</b>                    |      | <u><u>714,547</u></u>   | <u><u>640,727</u></u>   |
| <b>EQUITY</b>                        |      |                         |                         |
| Accumulated Surplus                  |      | <u>714,547</u>          | <u>640,727</u>          |
| <b>TOTAL EQUITY</b>                  |      | <u><u>714,547</u></u>   | <u><u>640,727</u></u>   |

The accompanying notes form part of these financial statements.

**ACCOUNTING AND FINANCE ASSOCIATION OF AUSTRALIA  
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**STATEMENT OF CHANGES IN EQUITY**

**AS AT 31 DECEMBER 2012**

|   | Accumulated<br>Surplus<br>\$ | Total Equity<br>\$ |
|---|------------------------------|--------------------|
| <b>Balance at 1 January 2011</b>        | 570,255                      | 570,255            |
| Surplus attributable to the company     | 70,472                       | 70,472             |
| Total comprehensive income for the year | 70,472                       | 70,472             |
| <b>Balance at 31 December 2011</b>      | 640,727                      | 640,727            |
| <b>Balance at 1 January 2012</b>        | 640,727                      | 640,727            |
| Surplus attributable to the company     | 73,820                       | 73,820             |
| Total comprehensive income for the year | 73,820                       | 73,820             |
| <b>Balance at 31 December 2012</b>      | 714,547                      | 714,547            |

The accompanying notes form part of these financial statements.

**ACCOUNTING AND FINANCE ASSOCIATION OF AUSTRALIA  
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**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2012**

|  | 2012      | 2011      |
|--|-----------|-----------|
|  | \$        | \$        |
| <b>Cash Flows from Operating Activities</b>                  |           |           |
| Cash receipts in the course of operations                    | 780,918   | 739,780   |
| Sponsorship by professional accounting bodies                | 166,933   | 168,653   |
| Interest received  | 59,233    | 58,848    |
| Cash payments in the course of operations                    | (872,801) | (966,271) |
| PhD scholarships   | (75,000)  | (45,000)  |
| <b>Net cash provided by / (used in) operating activities</b> | 59,283    | (43,990)  |
| <b>Cash Flows from Investing Activities</b>                  |           |           |
| Payment for plant and equipment                              | -         | (2,831)   |
| <b>Net cash provided by / (used in) investing activities</b> | -         | (2,831)   |
| Net increase / (decrease) in cash held                       | 59,283    | (46,821)  |
| Cash and cash equivalents at beginning of financial year     | 1,089,450 | 1,136,271 |
| Cash and cash equivalents at end of financial year           | 1,148,733 | 1,089,450 |

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 2012**

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**

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 April 2013 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  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012**

**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:

| <b>Class of Fixed Asset</b> | <b>Depreciation Rate</b> |
|-----------------------------|--------------------------|
| 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 income statement 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 profit or loss.

The company does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

**ACCOUNTING AND FINANCE ASSOCIATION OF AUSTRALIA  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012**

*(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.

**Fair value**

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

**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.

**ACCOUNTING AND FINANCE ASSOCIATION OF AUSTRALIA  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012**

**(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 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. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is 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.

Revenue recognition relating to the provision of a service is determined with reference to the stage of completion of the transaction at the end of the reporting period and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

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.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012**

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.

**Correction of Prior Period Error in Statement of Financial Position**

Income in advance amounting to \$22,500 was incorrectly classified as current in the 30 June 2011 financial statements. The comparatives have been restated as follows:

|                                | 30 June 2011 | Reclassification | 30 June 2011<br>Restated |
|--------------------------------|--------------|------------------|--------------------------|
|                                | \$           | \$               | \$                       |
| <b>Current Liabilities</b>     |              |                  |                          |
| Trade and other payables       | 313,626      | (22,500)         | 291,126                  |
| <b>Non-current Liabilities</b> |              |                  |                          |
| Other liabilities              | -            | 22,500           | 22,500                   |

This reclassification had no impact on the net assets of the company.

**(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.

**(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.



**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 2012**

|   | 2012             | 2011             |
|---|------------------|------------------|
|   | \$               | \$               |
| <b>2. REVENUE AND OTHER INCOME</b>                  |                  |                  |
| Rendering of services                               | 839,828          | 842,110          |
| Other revenue                                       |                  |                  |
| Interest income                                     | 59,233           | 64,915           |
| Other revenue                                       | <u>22,574</u>    | <u>40,871</u>    |
|   | <u>81,807</u>    | <u>105,786</u>   |
| <b>3. KEY MANAGEMENT PERSONNEL<br/>COMPENSATION</b> |                  |                  |
| Short-term benefits                                 | 106,223          | 92,794           |
| Other long-term benefits                            | <u>15,000</u>    | <u>15,000</u>    |
| Total compensation                                  | <u>121,223</u>   | <u>107,794</u>   |
| <b>4. AUDITORS' REMUNERATION</b>                    |                  |                  |
| Auditors' remuneration                              | <u>11,000</u>    | <u>8,500</u>     |
|   | <u>11,000</u>    | <u>8,500</u>     |
| <b>5. CASH AND CASH EQUIVALENTS</b>                 |                  |                  |
| Cash on hand  | 350              | 350              |
| Cash at bank  | 134,504          | 45,513           |
| Cash on deposit                                     | <u>1,013,879</u> | <u>1,043,587</u> |
|   | <u>1,148,733</u> | <u>1,089,450</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 2012**

|  | 2012<br>\$   | 2011<br>\$   |
|--|--------------|--------------|
| <b>6. TRADE AND OTHER RECEIVABLES</b>      |              |              |
| <b>CURRENT</b>                             |              |              |
| Security Deposits                          | 2,220        | 2,220        |
| Other Receivables                          | -            | 7,390        |
|  | 2,220        | 9,610        |
|  | 2,220        | 9,610        |
| <b>7. OTHER ASSETS</b>                     |              |              |
| <b>CURRENT</b>                             |              |              |
| Accrued income                             | 10,807       | 8,791        |
| Prepayments                                | 19,050       | 30,130       |
|  | 29,857       | 38,921       |
|  | 29,857       | 38,921       |
| <b>8. PROPERTY, PLANT AND EQUIPMENT</b>    |              |              |
| Plant and equipment                        | 68,435       | 68,435       |
| Less accumulated depreciation              | (64,588)     | (62,665)     |
| <b>Total property, plant and equipment</b> | <b>3,847</b> | <b>5,770</b> |

**Movement in carrying amounts**

Movement in carrying amounts for each class of property, plant and equipment.

|  | Plant and<br>equipment<br>\$ | Total<br>\$  |
|--|------------------------------|--------------|
| Balance at 1 January 2011                  | 4,821                        | 4,821        |
| Additions                                  | 2,831                        | 2,831        |
| Depreciation expense                       | (1,882)                      | (1,882)      |
| <b>Carrying amount at 31 December 2011</b> | <b>5,770</b>                 | <b>5,770</b> |
| Depreciation expense                       | (1,923)                      | (1,923)      |
| <b>Carrying amount at 31 December 2012</b> | <b>3,847</b>                 | <b>3,847</b> |

**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 2012**

|                                     | <b>2012</b>    | <b>2011</b>    |
|-------------------------------------|----------------|----------------|
|                                     | <b>\$</b>      | <b>\$</b>      |
| <b>9. TRADE AND OTHER PAYABLES</b>  |                |                |
| <b>CURRENT</b>                      |                |                |
| Goods and services tax              | 5,286          | 3,177          |
| Trade creditors                     | 8,966          | 1,131          |
| Income in Advance                   | 103,500        | 180,648        |
| Accrued Expenses                    | 35,157         | 25,059         |
| Credit Card                         | 4,664          | 6,112          |
| PhD Scholarships Payable            | 45,000         | 75,000         |
|                                     | <u>202,573</u> | <u>291,126</u> |
|                                     | <u>202,573</u> | <u>291,126</u> |
| <b>10. PROVISIONS</b>               |                |                |
| Research Grants Provision           | 150,000        | 150,000        |
| Provision for holiday pay           | 35,382         | 25,496         |
| Provision for long service leave    | 14,929         | 9,676          |
|                                     | <u>200,311</u> | <u>185,172</u> |
|                                     | <u>200,311</u> | <u>185,172</u> |
| <b>Analysis of Total Provisions</b> |                |                |
| Current                             | 196,981        | 175,496        |
| Non-current                         | 3,330          | 9,676          |
|                                     | <u>200,311</u> | <u>185,172</u> |
|                                     | <u>200,311</u> | <u>185,172</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.

**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 2012**

|  | 2012<br>\$     | 2011<br>\$     |
|--|----------------|----------------|
| <b>11. OTHER LIABILITIES</b>   |                |                |
| <b>CURRENT</b>   |                |                |
| Deposits payable   | <u>4,225</u>   | <u>4,225</u>   |
| <b>NON-CURRENT</b>   |                |                |
| Income in Advance  | <u>63,000</u>  | <u>22,500</u>  |
| <b>12. LEASING COMMITMENTS</b>   |                |                |
| <b>(a) Operating Lease Commitments</b>   |                |                |
| Non-cancellable operating leases contracted for but not capitalised in the financial statements  |                |                |
| Payable:   |                |                |
| not later than 12 months   | 35,801         | 33,900         |
| between 12 months and five years   | <u>71,505</u>  | <u>86,749</u>  |
|  | <u>107,306</u> | <u>120,649</u> |
| 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>(b) Operating Lease Commitments</b>   |                |                |
| Non-cancellable operating leases contracted for but not capitalised in the financial statements  |                |                |
| Receivable:  |                |                |
| not later than 12 months   | 13,093         | 15,768         |
|  | <u>13,093</u>  | <u>15,768</u>  |
| 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).  |                |                |
| <b>13. CONTINGENT LIABILITIES</b>  |                |                |
| Estimates of the potential financial effect of contingent liabilities that may become payable:   |                |                |
| <b>Guarantee by bank facility</b>  | <u>9,768</u>   | <u>9,768</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 2012**

**14. EVENTS AFTER THE REPORTING PERIOD**

There has been no matter or circumstance, which has arisen since 31 December 2012 that has significantly affected or may significantly affect:

- (a) the operations, in financial years subsequent to 31 December 2012, of the company, or
- (b) the results of those operations, or
- (c) the state of affairs, in financial years subsequent to 31 December 2012, 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:

|                                    | <b>2012</b>      | <b>2011</b>      |
|------------------------------------|------------------|------------------|
|                                    | <b>\$</b>        | <b>\$</b>        |
| <b>Financial Assets</b>            |                  |                  |
| Cash and cash equivalents          | 1,148,733        | 1,089,450        |
| Loans and receivables              | 2,220            | 9,610            |
| <b>Total Financial Assets</b>      | <u>1,150,953</u> | <u>1,099,060</u> |
| <br>                               |                  |                  |
| Trade and other payables           | <u>202,573</u>   | <u>291,126</u>   |
| <b>Total Financial Liabilities</b> | <u>202,573</u>   | <u>291,126</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

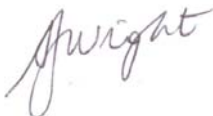
**ACCOUNTING AND FINANCE ASSOCIATION OF AUSTRALIA  
AND NEW ZEALAND LIMITED  
ABN 67 091 255 908**


**DIRECTORS' DECLARATION**

The directors of the company declare that:

- 1 The financial statements and notes, as set out on pages 7 to 20, 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 2012 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**   
\_\_\_\_\_  
Sue Wright

**Director**   
\_\_\_\_\_  
Christine Jubb

Dated this 11th day of April 2013

Level 10, 530 Collins Street  
Melbourne VIC 3000

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F +61 (0)3 8102 3400

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

**Report on the Financial Report**

We have audited the accompanying financial report of Accounting and Finance Association of Australia and New Zealand (AFAANZ), which comprises the statement of financial position as at 31 December 2012, 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 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 and Finance Association of Australia and New Zealand is in accordance with the *Corporations Act 2001*, including:
  - i. the company's financial position as at 31 December 2012 and of its performance for the period ended on that date; and
  - ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.



MOORE STEPHENS  
Chartered Accountants



Rami Eltchelebi  
Partner

Melbourne, 11 April 2013



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

**ADDITIONAL INFORMATION FOR THE MEMBERS  
ON THE 2012 FINANCIAL STATEMENTS**

**TRADING AND SURPLUS AND DEFICIT ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2012**

|  | 2012                 | 2011                 |
|--|----------------------|----------------------|
|  | \$                   | \$                   |
| <b>INCOME</b>                              |                      |                      |
| Member and institutional fees              | 258,185              | 267,000              |
| Sponsorship by professional bodies         | 174,730              | 169,641              |
| Interest received                          | 59,233               | 64,915               |
| Other revenue including royalties and rent | 22,574               | 40,871               |
| Conference income                          | 328,935              | 327,871              |
| Doctoral symposium                         | 55,264               | 55,224               |
| SIG fees                                   | 22,714               | 22,374               |
| <b>Total income</b>                        | <u>921,635</u>       | <u>947,896</u>       |
| <b>LESS EXPENDITURE</b>                    |                      |                      |
| Administration costs                       | 28,107               | 17,332               |
| AFAANZ Representatives                     | 5,571                | 4,045                |
| Awards Expenses                            | 12,015               | 5,500                |
| Auditors' remuneration                     | 11,000               | 8,500                |
| Bank charges                               | 12,049               | 12,687               |
| Conference Expenses                        | 298,692              | 311,516              |
| Depreciation                               | 1,923                | 1,882                |
| Doctoral symposium expenses                | 59,634               | 59,634               |
| Employees entitlement                      | 15,139               | 8,019                |
| Insurance                                  | 2,712                | 3,671                |
| Journal Expenses                           | 31,798               | 43,421               |
| Meeting Expenses                           | 16,105               | 17,034               |
| PhD Scholarships                           | 45,000               | 75,000               |
| Professional fees                          | 3,385                | 659                  |
| Rent                                       | 35,076               | 31,198               |
| Research grants                            | 152,150              | 144,767              |
| SIG Expenses                               | 6,747                | 27,075               |
| Sundry expenses                            | 900                  | 1,892                |
| Superannuation contributions               | 3,192                | 8,506                |
| Wages                                      | 106,223              | 95,086               |
| Worker's insurance                         | 397                  | -                    |
| <b>Total expenses</b>                      | <u>847,815</u>       | <u>877,424</u>       |
| <b>NET OPERATING SURPLUS</b>               | <u><u>73,820</u></u> | <u><u>70,472</u></u> |

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

Level 10, 530 Collins Street  
Melbourne VIC 3000

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F +61 (0)3 8102 3400

[www.moorestephens.com.au](http://www.moorestephens.com.au)

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

**COMPILATION REPORT AND DISCLAIMER TO ACCOUNTING AND FINANCE  
ASSOCIATION OF AUSTRALIA AND NEW ZEALAND LIMITED**

We have compiled the accompanying additional financial information in accordance with the books and records of Accounting and Finance Association of Australia and New Zealand Limited, which have been subject to auditing procedures applied in our statutory audit of Accounting and Finance Association of Australia and New Zealand Limited for the year ended 31 December 2012.

Our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express opinion on such financial data and we give no warrant of accuracy or reliability in respect of the data provided. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than Accounting and Finance Association of Australia and New Zealand Limited) in respect of such data, including any errors or omissions therein however caused.

*The Responsibility of the Directors*

The directors of Accounting and Finance Association of Australia and New Zealand Limited are solely responsible for the additional financial data and have determined that it is appropriate to meet their needs.

*Our Responsibility*

Our procedures use accounting expertise to collect, classify and summarise the financial information provided to us, to compile the additional financial data in accordance with *APES 315 Compilation of Financial Information*. Our procedures do not include verification or validation procedures. No auditor review has been performed and accordingly no assurance is expressed.



MOORE STEPHENS  
Chartered Accountants



Rami Eltchelebi  
Partner  
Melbourne, 11 April 2013