ACCOUNTING AND FINANCE ASSOCIATION OF AUSTRALIA AND NEW ZEALAND LIMITED

ABN 67 091 255 908

Financial Report

For the Year Ended 31 December 2017

ACCOUNTING AND FINANCE ASSOCIATION OF AUSTRALIA AND NEW ZEALAND LIMITED

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For the Year Ended 31 December 2017

Accounting and Finance Association of Australia and New Zealand

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Directors' Report
31 December 2017

Your directors present their report on the company for the financial year ended 31 December 2017.

Directors

The names of the directors in office at any time during, or since the end of, the year are:
Jacqueline Birt
David Bond (appointed 1 August 2017)
Millicent Chang
Raymond da Silva Rosa (resigned 10 July 2017)
Charl de Villers
Carolyn Fowler
Andrew Jackson
David Smith (resigned 31 July 2017)
Baljit Sidhu
Chris van Staden
Marvin Wee (appointed 1 August 2017)

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.

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 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 2017, 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 400 delegates attending from numerous countries;
- A Doctoral Symposium attended by 30 PhD candidates drawn from a wide range of institutions with an internationally renowned faculty;
- Awarding of approximately $180,000 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 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 to be due to increased revenues during the financial year. The surplus for AFAANZ amounted to $134,667 (2016: $170,567) for the year.

Information on Directors

Jacqueline Birt

Qualifications	BEd, BBus, MBus, PhD, CPA
Experience	Associate Professor, The University of Queensland
Special Responsibilities	AFAANZ Board Member - Educational Portfolio and Doctoral Symposium Co-Director

David Bond (appointed 1 August 2017)

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

Millicent Chang

Qualifications	BCom(Hons), MCom, PhD
Experience	Associate Professor, The University of Western Australia
Special Responsibilities	AFAANZ Board Member – Treasurer (until 31 July 2017), Doctoral Symposium Co-Director, Sponsorships and External Relationships portfolio and President Australia (from 1 August 2017)

Raymond da Silva Rosa (resigned 10 July 2017)

Qualifications	BCom, PhD
Experience	Winthorp Professor of Finance, The University of Western Australia
Special Responsibilities	AFAANZ Board Member - President Australia (till 10 July 2017)

Charl de Villers

Qualifications	MBA, DCom, CA
Experience	Professor, University of Auckland
Special Responsibilities	AFAANZ Board Member - Co-chair Conference Technical Committee and Special project journal(s)

Carolyn Fowler

Qualifications	B.Com, M.Com, PhD, FCA, CMA
Experience	Associate Professor, Victoria University of Wellington
Special Responsibilities	AFAANZ Board Member - SIGs Portfolio

Andrew Jackson

Qualifications	BCA, MCA, PhD, AMusTCL, CA
Experience	Senior lecturer, UNSW Australia
Special Responsibilities	AFAANZ Board Member - Co-chair Conference Technical Committee (till 31 July 2017), Treasurer, Rookie camp and other projects (from 1 August 2017)

Information on Directors (continued)

David Smith (resigned 31 July 2017)

Qualifications	BCom(Hons), PhD, CA
Experience	Professor, The University of Queensland
Special Responsibilities	AFAANZ Board Member - Co-Director of the Doctoral Symposium (till 31 July 2017)

Baljit Sidhu

Qualifications	MCom, PhD, FCPA, FCA
Experience	Professor, UNSW Australia
Special Responsibilities	AFAANZ Board Member – AFDEN and Research Portfolios

Chris van Staden

Qualifications	BCom(Hons), MCom, DCom, CA
Experience	Professor of Accounting, Auckland University of Technology
Special Responsibilities	AFAANZ Board Member – Sponsorships and External Relationships portfolio and President (New Zealand)

Marvin Wee (appointed 1 August 2017)

Qualifications	BCom (Hons), MFin, PhD, CPA
Experience	Associate Professor, Australian National University
Special Responsibilities	AFAANZ Board Member – Co-chair Conference Technical Committee

Meetings of Directors

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

	Directors' Meetings	
	Number eligible to attend	**Number attended**
Jacqueline Birt	4	4
David Bond	2	2
Millicent Chang	4	4
Raymond da Silva Rosa	2	2
Charl de Villers	4	4
Carolyn Fowler	4	4
Andrew Jackson	4	4
David Smith	2	1
Baljit Sidhu	4	4
Chris van Staden	4	4
Marvin Wee	2	2

Accounting and Finance Association of Australia and New Zealand

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Directors' Report
31 December 2017

Meetings of Directors (continued)

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 2017, the total amount that members of the company are liable to contribute if the company is wound up is $6,700 (2016: $7,310).

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 31 December 2017 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: ....
Chris van Staden

Director: ....
Millicent Chang

Dated this ....4th............. day of ....May............. 2018

ShineWing Australia
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Auditor's Independence Declaration under Section 60 of the *Australian Charities and Not-for-profits Commission Act 2012* 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 2017 there have been:

(i) No contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit, and

(ii) No contraventions of any applicable code of professional conduct in relation to the audit.

ShineWing Australia

ShineWing Australia
Chartered Accountants

Hayley Underwood
Partner

Melbourne, 4 May 2018

Accounting and Finance Association of Australia and New Zealand

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Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 31 December 2017

	Note	2017 $	2016 $
Service revenue	2	**802,864**	930,007
Other revenue	2	**59,175**	66,667
		862,039	996,674
Conference expenses		**(281,625)**	(271,419)
Depreciation and amortisation		**(1,039)**	(1,370)
Employee benefits	3	**(102,716)**	(157,139)
Research Grants		**(189,128)**	(175,000)
PhD and AFDEN scholarships		**(11,567)**	(9,822)
Doctoral symposium expenses		**(30,874)**	(32,740)
Meeting expenses		**(18,483)**	(20,968)
Administration expenses		**(54,451)**	(28,275)
Accounting and Finance journal expenses		**35,782**	(28,660)
Rent expense		**-**	(26,257)
Award expenses		**(23,576)**	(32,000)
Other expenses		**(49,695)**	(39,532)
Loss on disposal of assets		**-**	(2,925)
		(727,372)	(826,107)
Surplus for the year		**134,667**	170,567
Other comprehensive income:			
Other comprehensive income for the year		**-**	-
Total comprehensive income attributable to the company		**134,667**	170,567

The accompanying notes form part of these financial statements.

Accounting and Finance Association of Australia and New Zealand

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Statement of Financial Position
As At 31 December 2017

	Note	2017 $	2016 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	**294,358**	351,997
Financial assets	6	**1,039,143**	1,030,958
Trade and other receivables	7	**123,754**	2,920
Other assets	8	**16,631**	978
TOTAL CURRENT ASSETS		**1,473,886**	1,386,853
NON-CURRENT ASSETS			
Property, plant and equipment	9	**2,350**	2,848
Other assets	8	**33,894**	-
TOTAL NON-CURRENT ASSETS		**36,244**	2,848
TOTAL ASSETS		**1,510,130**	1,389,701
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	**321,108**	320,582
Provisions	11	**222,545**	195,954
TOTAL CURRENT LIABILITIES		**543,653**	516,536
NON-CURRENT LIABILITIES			
Trade and other payables	10	**6,000**	48,000
Provisions	11	**645**	-
TOTAL NON-CURRENT LIABILITIES		**6,645**	48,000
TOTAL LIABILITIES		**550,298**	564,536
NET ASSETS		**959,832**	825,165
EQUITY			
Accumulated Surplus		**959,832**	825,165
TOTAL EQUITY		**959,832**	825,165

The accompanying notes form part of these financial statements.

Accounting and Finance Association of Australia and New Zealand

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Statement of Changes in Equity
For the Year Ended 31 December 2017

	Accumulated Surplus	Total Equity
	$	$
Balance at 1 January 2016	654,598	654,598
Surplus for the year	170,567	170,567
Other comprehensive income for the year	-	-
Balance at 31 December 2016	825,165	825,165
Balance at 1 January 2017	**825,165**	**825,165**
Surplus for the year	**134,667**	**134,667**
Other comprehensive income for the year	**-**	**-**
Balance at 31 December 2017	**959,832**	**959,832**

The accompanying notes form part of these financial statements.

Accounting and Finance Association of Australia and New Zealand

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Statement of Cash Flows

For the Year Ended 31 December 2017

	Note	2017 $	2016 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash receipts in the course of operations		**572,228**	833,763
Sponsorship by professional accounting bodies		**104,000**	104,455
Interest received		**25,670**	31,976
Cash payments in the course of operations		**(750,811)**	(876,264)
Net cash (used in)/provided by operating activities	14	**(48,913)**	93,930
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment		**(541)**	(2,990)
Purchase of investments		**(8,185)**	(15,319)
Net cash used in investing activities		**(8,726)**	(18,309)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net cash used by financing activities		**-**	-
Net (decrease)/increase in cash and cash equivalents held		**(57,639)**	75,621
Cash and cash equivalents at beginning of financial year		**351,997**	276,376
Cash and cash equivalents at end of financial year	5	**294,358**	351,997

The accompanying notes form part of these financial statements.

The financial report covers Accounting and Finance Association of Australia and New Zealand as an individual entity. Accounting and Finance Association of Australia and New Zealand is a 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 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.

The financial statements were authorised for issue on 4 May, 2018 by the directors of the company.

(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%

1 Summary of Significant Accounting Policies (continued)

(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 the equivalent to the date that the Company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

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

Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method, or cost.

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.

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 costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in the statement of comprehensive income.

(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.

(ii) *Financial liabilities*

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

Impairment

At the end of the reporting period the Company assesses whether there is any objective evidence that a financial instrument is 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.

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

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.

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.

1 Summary of Significant Accounting Policies (continued)

(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.

Within the prior year Statement of Financial Position, a reclassification between current Trade and Other Payables and non-current Trade and Other Payables has occurred. The reclassification is a result of income received in advance for greater than the next 12 months. The impact on the Statement of Financial Position for the year ending 31 December 2015 was that current Trade and Other Payables decreases by $49,500 and non-current Trade and Other Payables increases by $49,500. These restatements have no impact on the prior year financial results.

Within the prior year Statement of Financial Position, a reclassification in Cash and cash equivalents has occurred. The reclassification is a result of term deposits which have a maturity date greater than three months, as per Note 1 (f) The impact on the Statement of Financial Position for the year ending 31 December 2015 was that Cash and cash equivalents decreases by $1,015,639 and Term deposits increases by $1,015,639. These restatements have no impact on the prior year financial results.

(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) 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.

(n) 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.

1 Summary of Significant Accounting Policies (continued)

(n) Fair Value of Assets and Liabilities (continued)

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.

(o) New Accounting Standards and Interpretations

The AASB has issued a number of new and amended Accounting Standards that have mandatory application dates for future reporting periods, some of which are relevant to the company. The directors have decided not to early adopt any of the new and amended pronouncements. Their assessment of the pronouncements that are relevant to the company but applicable in future reporting periods is set out below:

- AASB 9: *Financial Instruments* and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2018).

  The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments, and simplified requirements for hedge accounting.

  The key changes that may affect the company on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge that will allow greater flexibility in the ability to hedge risk, particularly with respect to the hedging of non-financial items. Should the company elect to change its hedge policies in line with the new hedge accounting requirements of the Standard, the application of such accounting would be largely prospective.

  Although the directors anticipate that the adoption of AASB 9 may have an impact on the company's financial instruments, it is impracticable at this stage to provide a reasonable estimate of such impact.

- AASB 16: *Leases* (applicable to annual reporting periods beginning on or after 1 January 2019).

  When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

1 Summary of Significant Accounting Policies (continued)

(o) New Accounting Standards and Interpretations (continued)

The main changes introduced by the new Standard are as follows:

- recognition of a right-of-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-of-use assets in line with AASB 116: Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;
- inclusion of variable lease payments that depend on an index or a rate in the initial measurement of the lease liability using the index or rate at the commencement date;
- application of a practical expedient to permit a lessee to elect not to separate non-lease components and instead account for all components as a lease; and
- inclusion of additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

Although the directors anticipate that the adoption of AASB 16 will impact the Group's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

- AASB 1058: *Income of Not-for-Profit Entities* (applicable to annual reporting periods beginning on or after 1 January 2019).

  This Standard is applicable to transactions that do not arise from enforceable contracts with customers involving performance obligations.

  The significant accounting requirements of AASB 1058 are as follows:

  - Income arising from an excess of the initial carrying amount of an asset over the related contributions by owners, increases in liabilities, decreases in assets and revenue should be immediately recognised in profit or loss. For this purpose, the assets, liabilities and revenue are to be measured in accordance with other applicable Standards.
  - Liabilities should be recognised for the excess of the initial carrying amount of a financial asset (received in a transfer to enable the entity to acquire or construct a recognisable non-financial asset that is to be controlled by the entity) over any related amounts recognised in accordance with the applicable Standards. The liabilities must be amortised to profit or loss as income when the entity satisfies its obligations under the transfer.

  An entity may elect to recognise volunteer services or a class of volunteer services as an accounting policy choice if the fair value of those services can be measured reliably, whether or not the services would have been purchased if they had not been donated. Recognised volunteer services should be measured at fair value and any excess over the related amounts (such as contributions by owners or revenue) immediately recognised as income in profit or loss.

1 Summary of Significant Accounting Policies (continued)

(o) New Accounting Standards and Interpretations (continued)

The transitional provisions of this Standard permit an entity to either: restate the contracts that existed in each prior period presented in accordance with AASB 108 (subject to certain practical expedients); or recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application. For this purpose, a completed contract is a contract or transaction for which the entity has recognised all of the income in accordance with AASB 1004 Contributions.

Although the directors anticipate that the adoption of AASB 1058 may have an impact on the company's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

- AASB 2016-4: *Amendments to Australian Accounting Standards* - Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities (applicable to annual reporting periods beginning on or after 1 January 2017).

  This Standard amends AASB 136: Impairment of Assets to remove references to depreciated replacement cost as a measure of value in use for not-for-profit entities; and clarify that AASB 136 does not apply to non-cash-generating specialised assets that are regularly revalued to fair value under the revaluation model in AASB 116 and AASB 138: Intangible Assets, but applies to such assets accounted for under the cost model in those Standards.

  AASB 2016-4 is not expected to have a significant impact on the company's financial statements.

Accounting and Finance Association of Australia and New Zealand

ABN 67 091 255 908

Notes to the Financial Statements
For the Year Ended 31 December 2017

2 Revenue and Other Income

	2017	2016
	$	$
Membership and institutional fees	**318,665**	369,546
Sponsorship by professional bodies	**104,000**	104,455
Conference income	**330,475**	392,978
Doctoral symposium	**36,508**	54,991
SIG fees	**13,216**	8,037
	802,864	930,007
Interest income	**25,670**	31,976
Other revenue	**33,505**	34,691
	59,175	66,667

3 Key Management Personnel Compensation

Short-term benefits	**102,071**	153,157
Other long-term benefits	**645**	3,982
Total compensation	**102,716**	157,139

4 Auditors' Remuneration

Auditor's remuneration	**13,300**	13,000

5 Cash and Cash Equivalents

Cash at bank	**294,358**	351,997

6 Other Financial Assets

CURRENT		
Cash on deposit	**1,039,143**	1,030,958

7 Trade and Other Receivables

CURRENT		
Security Deposits	**2,220**	2,220
Other receivables	**121,534**	700
	123,754	2,920

8 Other Assets

CURRENT		
Accrued income	**1,623**	978
Prepayments	**15,008**	-
	16,631	978
NON-CURRENT		
Prepayments	**33,894**	-

9 Property, Plant and Equipment

	2017	2016
	$	$
Plant and equipment		
At cost	**48,109**	47,568
Less: accumulated depreciation	**(45,759)**	(44,720)
Total plant and equipment	**2,350**	2,848

Movements in carrying amounts of property, plant and equipment

	Plant and equipment	Total
	$	$
Balance at 1 January 2016	4,152	4,152
Additions	2,990	2,990
Depreciation expense	(4,294)	(4,294)
Carrying amount at 31 December 2016	2,848	2,848
Additions	**541**	**541**
Depreciation expense	**(1,039)**	**(1,039)**
Carrying amount at 31 December 2017	**2,350**	**2,350**

10 Trade and Other Payables

	2017	2016
	$	$
CURRENT		
Goods and services tax	**7,410**	16,145
Trade creditors	**16,600**	1,359
Income in Advance	**268,225**	186,918
Accrued expense	**28,873**	116,160
	321,108	320,582
Non-Current		
Income in advance	**6,000**	48,000

11 Provisions

CURRENT		
Research Grants Provision	**220,000**	195,954
Provision for Annual leave	**2,545**	-
	222,545	195,954
NON-CURRENT		
Provision for Long Service Leave	**645**	-

11 Provisions (continued)

	2017	2016
	$	$
Analysis of Total Provisions		
Current	**222,545**	195,954
Non-current	**645**	-
	223,190	195,954

12 Events after the Reporting Period

There has been no matter or circumstance, which has arisen since 31 December 2017 that has significantly affected or may significantly affect:

(a) the operations, in financial years subsequent to 31 December 2017, of the company, or

(b) the results of those operations, or

(c) the state of affairs, in financial years subsequent to 31 December 2017, of the company.

13 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.

14 Cash Flow Information

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

	2017	2016
	$	$
Net current year surplus	**134,667**	170,567
Non-cash flows:		
Depreciation	**1,039**	4,294
Changes in assets and liabilities:		
Increase in trade and other receivables	**(120,834)**	(700)
(Increase)/decrease in other assets	**(49,547)**	6,640
Decrease in trade and other payables	**(41,474)**	(22,305)
Increase/(decrease) in provisions	**27,236**	(60,342)
Decrease in other liabilities	**-**	(4,225)
	(48,913)	93,929

15 Company Details

The registered office of the company is:
Accounting and Finance Association of Australia and New Zealand
Level 7, 198 Berkeley Street
Carlton VIC 3053
Australia

Accounting and Finance Association of Australia and New Zealand

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 21, 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 2017 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 ....

Millicent Chang

Director ....

Chris van Staden

Dated this ....4th.... day of ....May.... 2018

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ACCOUNTING AND FINANCE ASSOCIATION OF AUSTRALIA AND NEW ZEALAND

Opinion

We have audited the financial report of Accounting and Finance Association of Australia and New Zealand ("the Company") which comprises the statement of financial position as at 31 December 2017, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors declaration.

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

a) giving a true and fair view of the Company's financial position as at 31 December 2017 and of its financial performance and cash flows for the year then ended; and

b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013.*

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, which has been given to directors, would be in the same terms if given as at the time of this auditor's report.

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

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

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 31 December 2017, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors 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 the Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

We identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

We conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them, all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

ShineWing Australia

ShineWing Australia
Chartered Accountants

Hayley Underwood
Partner

Melbourne, 9 May 2018

Accounting and Finance Association of Australia and New Zealand

ABN 67 091 255 908

Additional Information for the Members on the 2017 Financial Statements

Trading and Surplus and Deficit account for the year ended 31 December 2017

	2017	2016
	$	$
INCOME		
Member and Institutional fees	**318,665**	369,546
Sponsorship by professional bodies	**104,000**	104,455
Interest received	**25,670**	31,976
Other revenue including royalties and rent	**33,505**	34,691
Conference income	**330,475**	392,978
Doctoral Symposium	**36,508**	54,991
SIG fees	**13,216**	8,037
TOTAL INCOME	**862,039**	996,674
LESS: EXPENDITURE		
Administrative Expenses	**54,451**	28,275
Award expenses	**35,143**	41,822
Conference expenses	**281,625**	271,419
Depreciation	**1,039**	1,370
Doctoral Symposium expenses	**30,874**	32,740
Employee benefits	**102,716**	157,139
Journal expenses	**(35,782)**	28,660
Meeting expenses	**18,483**	20,968
Rent	**-**	26,257
Research Grants	**189,128**	175,000
SIG expenses	**14,885**	7,420
Other expenses	**34,810**	32,112
Loss on disposal of assets	**-**	2,925
TOTAL EXPENDITURE	**727,372**	826,107
NET OPERATING SURPLUS	**134,667**	170,567