

Accounting and Finance Association of Australia and New Zealand Limited

ABN 67 091 255 908

Financial Report

For the Year Ended 31 December 2021

Accounting and Finance Association of Australia and New Zealand Limited

ABN 67 091 255 908

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Accounting and Finance Association of Australia and New Zealand Limited

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Directors' Report 31 December 2021

Your directors present their report on the Company for the financial year ended 31 December 2021.

Directors

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

Jacqueline Birt	resigned 31 July, 2021
Nicola Beatson	
David Bond	
Maria Cadiz Dyball	resigned 31 July, 2021
Michaela Rankin	appointed 1 August, 2021
Andrew Jackson	
Sumit Lodhia	
Tom Scott	
Yaowen Shan	
Lisa McManus	appointed 1 August, 2021
Marvin Wee	

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

Principal Activities

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

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

Short-term and Long-term Objectives

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

- To promote the study of accounting and finance disciplines to members and non-members.
- To disseminate academic accounting and finance research related information of interest and/or importance to the profession and public at large.
- To provide education programs such as the doctoral symposium to members and non-members.
- To promote to the public, whether by way of publication or otherwise, information on accounting and finance and related disciplines and other subjects of interest or value to accountants, finance and related disciplines by lectures, discussions, books, journals and correspondence and other publications with the public and other bodies and individuals or otherwise.
- To encourage the study of accounting and finance and related disciplines within the general public, and, for that purpose to donate and to encourage the donation, on such terms and conditions as may from time to time be determined or prescribed, of a prize or prizes or other rewards or distinctions.

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Directors' Report 31 December 2021

Strategies

To achieve these objectives, the Company has adopted the following strategies:

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

Key Performance Measures

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

Company Performance

During 2021, 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 virtual Conference with approximately 541 delegates attending from numerous countries;
- A Doctoral Symposium attended by 42 PhD candidates drawn from a wide range of institutions with an internationally renowned faculty;
- Awarding of approximately \$400,000 in research grants to successful applicants;
- Providing Conference support to Institutional members;
- Supporting PhD students to attend the European Accounting Association's Colloquium and the American Accounting Association's Consortium; and
- Supporting and funding AFDEN, a PhD Coursework Program

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

AFAANZ made a surplus this year and it appears that revenue has decreased during the financial year. The surplus for AFAANZ amounted to \$38,220 (2020: deficit of \$164,085) for the year.

Accounting and Finance Association of Australia and New Zealand Limited

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Directors' Report 31 December 2021

Information on Directors

Jacqueline Birt

Qualifications

BEd, BBus, MBus, PhD, CPA

Experience

Professor, University of Western Australia

Special Responsibilities

AFAANZ Board Member – President (Australia)

Nicola Beatson

Qualifications

BCom, MCom, PhD

Experience

Senior Lecturer at the University of Otago

Special Responsibilities

AFAANZ Board Member – Co-chair Conference Technical Committee

David Bond

Qualifications

BBus (Hons), PhD

Experience

Senior Lecturer, University of Technology Sydney

Special Responsibilities

AFAANZ Board Member - SIGs/Education & Member Services

Maria Cadiz Dyball

Qualifications

BSc, PhD and MCom (Hons)

Experience

Associate Professor, The University of Sydney

Special Responsibilities

AFAANZ Board Member - Doctoral Symposium Co-Director

Andrew Jackson

Qualifications

BCA, MCA, PhD, AMusTCL, CA

Experience

Associate Professor, UNSW Australia

Special Responsibilities

AFAANZ Board Member – President (Australia)

Sumit Lodhia

Qualifications

BA, PGD A&F Management, MA, PhD

Experience

Professor, University of South Australia

Special Responsibilities

SIGs Co-ordinator

Lisa McManus

Qualifications

B.Bus(Acc), B.Bus(Hons.IA), PhD

Experience

Professor, Queensland University of Technology

Special Responsibilities

AFAANZ Board Member - SIGs/Education & Member Services

Michaela Rankin

Qualifications

BBus(Hons), MEcon, PhD, GCHE

Experience

Professor, Monash University

Special Responsibilities

AFAANZ Board Member – Doctoral Symposium Co-Director

Tom Scott

Qualifications

BCom, MBus, Doctor of Philosophy

Experience

Associate Professor, Auckland University of Technology

Special Responsibilities

AFAANZ Board Member – President (New Zealand)

Accounting and Finance Association of Australia and New Zealand Limited

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Directors' Report 31 December 2021

Information on Directors (continued)

Yaowen Shan

Qualifications
Experience
Special Responsibilities

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

Marvin Wee

Qualifications
Experience
Special Responsibilities

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

Meetings of Directors

During the financial year, 5 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Jacqueline Birt	3	3
Nicola Beatson	5	4
David Bond	5	5
Maria Cadiz Dyball	3	2
Andrew Jackson	5	4
Michaela Rankin	2	2
Lisa McManus	2	2
Sumit Lodhia	5	5
Tom Scott	5	5
Yaowen Shan	5	5
Marvin Wee	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 2021, the total amount that members of the Company are liable to contribute if the company is wound up is \$8,790 (2020: \$9,240).

Accounting and Finance Association of Australia and New Zealand Limited


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Directors' Report 31 December 2021

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 31 December 2021 has been received and can be found on page 6 of the financial report.

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


Director:
Andrew Jackson


Director:
Tom Scott

Dated this 30 day of March 2022



Accountants & Advisors

 Take the lead

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

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2021 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

Tom Mullarkey

Tom Mullarkey
Partner

Melbourne, 30 March 2022

Brisbane
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240 Queen Street
Brisbane QLD 4000
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Melbourne
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Melbourne VIC 3000
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T + 61 8 6184 5980

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Sydney NSW 2000
T + 61 2 8059 6800



Accounting and Finance Association of Australia and New Zealand Limited

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Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 31 December 2021

		2021	2020
	Note	\$	\$
Service revenue	2	583,123	563,716
Other income	2	2,468	45,003
Total revenue		585,591	608,719
Conference expenses		(52,533)	(26,464)
Depreciation and amortisation		(232)	(348)
Employee benefits		(111,996)	(106,456)
Research Grants		(250,000)	(550,000)
PhD and AFDEN scholarships		-	(1,500)
Meeting expenses		(902)	(1,243)
Administration expenses		(19,427)	(19,537)
Accounting and Finance journal expenses		(75,939)	(39,416)
Award expenses		(4,250)	(3,000)
Other expenses		(32,092)	(24,840)
Total expenses		(547,371)	(772,804)
Surplus/(deficit) for the year		38,220	(164,085)
Other comprehensive income		-	-
Total comprehensive income/(loss) for the year		38,220	(164,085)

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 2021

	Note	2021 \$	2020 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	216,843	1,472,838
Trade and other receivables	6	8,529	30,391
Financial assets	7	1,105,712	-
Other assets	8	112,526	89,498
TOTAL CURRENT ASSETS		1,443,610	1,592,727
NON-CURRENT ASSETS			
Property, plant and equipment	9	464	696
TOTAL NON-CURRENT ASSETS		464	696
TOTAL ASSETS		1,444,074	1,593,423
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	90,523	121,712
Provisions	11	381,839	538,219
TOTAL CURRENT LIABILITIES		472,362	659,931
NON-CURRENT LIABILITIES			
TOTAL NON-CURRENT LIABILITIES		-	-
TOTAL LIABILITIES		472,362	659,931
NET ASSETS		971,712	933,492
EQUITY			
Accumulated surplus		971,712	933,492
TOTAL EQUITY		971,712	933,492

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 Changes in Equity For the Year Ended 31 December 2021

	Accumulated Surplus	Total Equity
	\$	\$
Balance at 1 January 2020	1,097,577	1,097,577
Deficit for the year	(164,085)	(164,085)
Other comprehensive income for the year	-	-
Balance at 31 December 2020	<u>933,492</u>	<u>933,492</u>
	Accumulated Surplus	Total Equity
	\$	\$
Balance at 1 January 2021	933,492	933,492
Surplus for the year	38,220	38,220
Other comprehensive income for the year	-	-
Balance at 31 December 2021	<u>971,712</u>	<u>971,712</u>

The accompanying notes form part of these financial statements.

Accounting and Finance Association of Australia and New Zealand Limited

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Statement of Cash Flows For the Year Ended 31 December 2021

	Note	2021 \$	2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		519,579	528,069
Sponsorship by professional accounting bodies		63,000	66,000
Government grants		-	29,574
Interest received		1,846	11,443
Cash payments in the course of operations		<u>(734,708)</u>	<u>(455,877)</u>
Net cash (used in)/provided by operating activities	15	<u>(150,283)</u>	179,209
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of investments		(1,105,712)	-
Sale of investments		-	1,091,256
Net cash (used in)/provided by investing activities		<u>(1,105,712)</u>	<u>1,091,256</u>
Net increase/(decrease) in cash and cash equivalents held		(1,255,995)	1,270,465
Cash and cash equivalents at beginning of financial year		<u>1,472,838</u>	202,373
Cash and cash equivalents at end of financial year	5	<u><u>216,843</u></u>	<u><u>1,472,838</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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Notes to the Financial Statements For the Year Ended 31 December 2021

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

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

1 Summary of Significant Accounting Policies

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board and the *Australian Charities and Not-for-profits Commission Act 2012*. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

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

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

(a) Income Tax

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

(b) Property, Plant and Equipment

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

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

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

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the assets' useful life to the entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable asset are shown below:

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

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Notes to the Financial Statements For the Year Ended 31 December 2021

1 Summary of Significant Accounting Policies (Continued)

(c) Financial Instruments

Financial assets at amortised cost

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

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

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

Impairment of financial assets

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

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

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

Financial liabilities at amortised cost

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

De-recognition

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

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Notes to the Financial Statements For the Year Ended 31 December 2021

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

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

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

Revenue is recognised for the major business activities as follows:

Membership revenue

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

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Notes to the Financial Statements For the Year Ended 31 December 2021

1 Summary of Significant Accounting Policies (Continued)

(g) Revenue and Other Income (Continued)

Sponsorship revenue

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

Journal revenue

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

Conference revenue

Conference revenue is recognised upon completion of the annual conference.

Doctoral symposium revenue

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

Government revenue

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

Interest revenue

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

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

(h) Trade and Other Payables

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

(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(c) for further discussion on the determination of impairment losses.

Accounting and Finance Association of Australia and New Zealand Limited

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Notes to the Financial Statements For the Year Ended 31 December 2021

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.

(l) Critical Accounting Estimates and Adjustments

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

(a) *Provision for research grants*

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

(m) Fair Value of Assets and Liabilities

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

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the 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.

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Notes to the Financial Statements For the Year Ended 31 December 2021

1 Summary of Significant Accounting Policies (Continued)

(n) Accounting standards not yet adopted by the Company

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Company. The Company has decided not to early adopt any of these new and amended pronouncements.

- AASB 1060 *general Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Entities*
- AASB 2021-1 *Amendments to Australian Accounting Standards – Transition to Tier 2: Simplified Disclosures for Not-for-Profit Entities*

Accounting and Finance Association of Australia and New Zealand Limited

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Notes to the Financial Statements For the Year Ended 31 December 2021

2 Revenue and Other Income

	2021	2020
	\$	\$
Sales revenue		
Membership and institutional fees	328,765	351,421
Sponsorship by professional bodies	63,000	66,000
Conference income	46,022	41,393
SIG fees	5,657	5,337
Journal revenue	139,679	99,565
Total service revenue	<u>583,123</u>	<u>563,716</u>
Other income		
Interest income	1,846	11,443
Cash flow boost	-	31,759
Other income	622	1,801
Total other income	<u>2,468</u>	<u>45,003</u>
Total revenue and other income	<u>585,591</u>	<u>608,719</u>

3 Key Management Personnel Compensation

Short-term benefits	102,560	117,602
Other long-term benefits	9,436	10,835
Total compensation	<u>111,996</u>	<u>128,437</u>

4 Auditors' Remuneration

Auditor's remuneration	<u>15,250</u>	<u>14,500</u>
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5 Cash and Cash Equivalents

Cash at bank	<u>216,843</u>	<u>1,472,838</u>
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6 Trade and Other Receivables

CURRENT		
Security deposits	-	2,220
GST receivable	8,329	8,771
Other receivables	200	19,400
	<u>8,529</u>	<u>30,391</u>

7 Financial Assets

Term deposits	<u>1,105,712</u>	<u>-</u>
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Accounting and Finance Association of Australia and New Zealand Limited

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Notes to the Financial Statements For the Year Ended 31 December 2021

8 Other Assets

	2021	2020
	\$	\$
CURRENT		
Accrued income	97,658	70,085
Prepayments	14,868	19,413
	<u>112,526</u>	<u>89,498</u>

9 Property, Plant and Equipment

Plant and equipment		
At cost	48,109	48,109
Less: accumulated depreciation	(47,645)	(47,413)
Total plant and equipment	<u>464</u>	<u>696</u>

Movements in carrying amounts of property, plant and equipment

	Plant and Equipment	Total
	\$	\$
Carrying amount at 1 January 2020	1,044	1,044
Depreciation expense	(348)	(348)
Carrying amount at 31 December 2020	<u>696</u>	<u>696</u>
Depreciation expense	(232)	(232)
Carrying amount at 31 December 2021	<u>464</u>	<u>464</u>

10 Trade and Other Payables

	2021	2020
	\$	\$
CURRENT		
Trade creditors	40,752	57,194
Income in advance	25,520	40,000
Accrued expense	16,000	14,500
Other payables	8,251	10,018
	<u>90,523</u>	<u>121,712</u>

Accounting and Finance Association of Australia and New Zealand Limited

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Notes to the Financial Statements For the Year Ended 31 December 2021

11 Provisions

	2021	2020
	\$	\$
CURRENT		
Research grants provision	367,698	529,334
Provision for annual leave	14,141	8,885
	<u>381,839</u>	<u>538,219</u>

	Annual Leave	Research Grants	Total
	\$	\$	\$
CURRENT			
Opening balance at 1 January 2021	8,885	529,334	538,219
Additional provisions	8,871	250,000	258,871
Amounts used	(3,615)	(411,636)	(415,251)
Balance at 31 December 2021	<u>14,141</u>	<u>367,698</u>	<u>381,839</u>

Provision for Research Grants

A provision of \$367,698 at 31 December 2021 has been recognised by the Company for estimated research grants to be awarded during 2022. The provision for research grants has been based upon the amount approved by the board of directors.

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

Provision for employee benefits

Provision for employee benefits represents amounts accrued for annual leave.

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

12 Events after the Reporting Period

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

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 2021

13 Contingent Liabilities

In the opinion of the Directors, the Company did not have any contingencies at 31 December 2021 (31 December 2020: None).

14 Related Party Transactions

Related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel individually or collectively with their close family members. Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

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

15 Cash Flow Information

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

	2021	2020
	\$	\$
Net current year surplus/(deficit)	38,220	(164,085)
Adjustment for:		
- Depreciation	232	348
Changes in assets and liabilities:		
(Increase)/decrease in trade and other receivables	21,862	(5,980)
(Increase)/decrease in other assets	(23,028)	17,527
Increase/(decrease) in trade and other payables	(31,189)	48,511
Increase/(decrease) in provisions	(156,380)	282,888
	<u>(150,283)</u>	<u>179,209</u>

16 Company Details

The registered office of the Company is:

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

Accounting and Finance Association of Australia and New Zealand Limited

ABN 67 091 255 908

Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 7 to 20, 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 2021 and of the performance for the year ended on that date.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Director

Andrew Jackson



Director

Tom Scott

Dated this 30 day of March 2022

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

Opinion

We have audited the financial report of Accounting and Finance Association of Australia and New Zealand Limited (the Company) which comprises the statement of financial position as at 31 December 2021, 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 2021 and of its financial performance 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 *Australian Charities and Not-for-profits Commission Act 2012* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

The directors are responsible for the other information. The other information comprises the information included in the Company's directors report for the year ended 31 December 2021, but does not include the financial statements and our auditor's report thereon.

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

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

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



Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards – 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

ShineWing Australia

ShineWing Australia
Chartered Accountants

Tom Mullarkey

Tom Mullarkey
Partner

Melbourne, 30 March 2022