

**AAG**

Australian  
Association of  
Gerontology



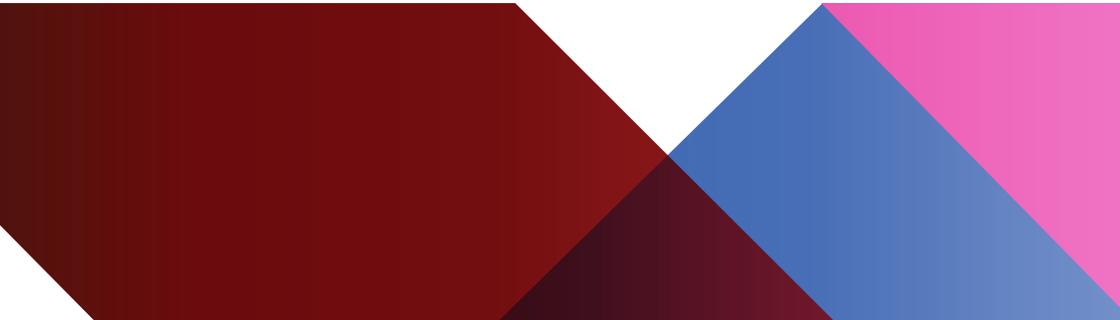
**FINANCIAL  
REPORTS  
2019/20**



# PURPOSE

- ▶ To improve the experience of ageing through

**connecting**  
research, policy  
and practice



# CONTENTS

Corporate Information	1
Directors' Report	2
Statement of Profit or Loss and Other Comprehensive Income	4
Statement of Financial Position	5
Statement of Changes in Funds	6
Statement of Cash Flows	7
Notes to and Forming Part of the Financial Statements	8-20
Directors' Declaration	21
Independent Audit Report	22
Auditors' Declaration of Independence	24

## CORPORATE INFORMATION

ABN 62 162 569 986

Directors	Christine Stirling (AAG President/Chair of the Board) Marguerite Bramble (Vice-President) David Heath (Treasurer) Claudia Meyer Kate-Ellen Elliott Linda Rosenman Victoria Cornell Chris Hatherly Gill Lewin Toni Roberts
Company Secretary	James Beckford Saunders

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Registered Address	Suite 8, 322 St Kilda Road St Kilda, Victoria, 3182
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Auditors	APL Financial Pty Ltd Level 1, 32 Business Park Drive Notting Hill VIC 3170
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## DIRECTORS' REPORT FOR THE YEAR ENDED 30 June 2020

Your Directors present this report to the members of Australian Association of Gerontology Ltd. (the company) for the year ended 30 June 2020.

### DIRECTORS

The names of each person who has been a Director during the year and to the date of this report are:

Board Member	Date Appointed	Date of Cessation	A	B
C. Stirling	15/03/2013	-	7	7
M. Bramble	11/11/2017	-	7	7
D. Heath	15/02/2017	-	7	7
C. Meyer	03/11/2016	-	7	6
L. Rosenman	24/11/2018	-	7	6
K. Elliott	24/11/2018	-	7	4
V. Cornell	09/11/2019	-	5	5
C. Hatherly	09/11/2019	-	5	5
G. Lewin	09/11/2019	-	5	3
T. Roberts	09/11/2019	-	5	3
K. Hill	11/11/2017	09/11/2019	2	1
L. Brown	11/11/2017	09/11/2019	2	2
S. McGrath	03/11/2016	09/11/2019	2	1
A. Farthing	05/11/2015	09/11/2019	2	1

A – Number of meetings held during the time the Director held office during the year

B – Number of meetings attended

### PRINCIPAL ACTIVITIES

The company's principal activities during the year 1 July 2019 to 30 June 2020 were to improve the experience of ageing through connecting research, policy and practice.

### STRATEGIC PURPOSE AND PRINCIPLES

The purpose set out within AAG's 2017-20 Strategic Plan is *To improve the experience of ageing through connecting, research, policy and practice*, supported by the following Principles:

- providing leadership; promoting and supporting multi-dimensional research;
- disseminating information;
- promoting and providing education;
- promoting informed debate;
- cooperating with other stakeholders; and
- supporting translation of evidence into practice

### STRATEGIC GOALS

The four (4) goals of the 2017-2020 Strategic Plan are:

1. Build capacity to be sustainable and independent.
2. Leverage the knowledge base to place evidence from multiple perspectives at the centre of ageing education, policy and practice.
3. Strengthen collaboration and increase impact through partnerships.
4. Demonstrate leadership by being a world class 'go to' organisation leading the ageing agenda.

### SIGNIFICANT CHANGES IN ACTIVITIES

There have been no significant changes in activities for the year.

### SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There have been no significant changes in the state of affairs of the company during the year.

### KEY EVENTS 2019-20

The company delivered on its increased focus on policy and advocacy work on dementia and aged care through the lens of ageing, finishing the three years of funding from the Federal Government. The company was successful in receiving new funding from the Commonwealth for two years from 1 July 2020.

The Board approved the 2020-2023 AAG Strategic Priorities.

Lynsey Brown, Annesley Farthing, Keith Hill and Susan McGrath stepped down from the board in November 2019. The Board thanked them for their service to the Board.

The board welcomed the addition of Christopher Hatherly, Gill Lewin, Toni Roberts and Victoria Cornell as directors in November 2019.

### SOCIAL RESPONSIBILITY IMPACT

The social responsibility services provided by AAG are significant as many of our activities have purpose led discounts for targeted groups such as students, concessions holder and retirees or are free such as membership for Aboriginal and Torres Strait Islander people.

AAG acknowledges and is grateful to its members who volunteer significant amounts of time and expertise on many of our activities, including on the Board and as Trustees of the AAG Research Trust, division and other committees, conferences, events, webinars, Aboriginal and Torres Strait Islander Ageing Advisory Group, student and early career group, special interest groups, policy and advocacy and representing AAG at international, national, state/territory and local levels.

### OPERATING RESULT

The company recorded a surplus of \$30,484 for the year 1 July 2019 to 30 June 2020 (2019: deficit of \$29,517)

### DIVIDENDS PAID OR RECOMMENDED

The company does not recommend or pay dividends.

### MEMBERS' GUARANTEE

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 \$2 toward meeting any outstanding obligations of the entity. At 30 June 2020, the total amount members are liable to contribute is \$2,698 (2019: \$2,910).

### AUDITORS' INDEPENDENCE

The lead auditor's independence declaration in accordance with s60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* for the year ended 30 June 2020 has been received and can be found accompanying the audit report.

Signed in accordance with a resolution of the Directors under the *Australian Charities and Not-for-profits Commission Act 2012*.

On behalf of the Directors:



Christine Stirling  
Chair of the Board/ AAG President

21 October 2020



David Heath  
Treasurer

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME** for the year  
 ended 30 June 2020

	<i>Note</i>	<i>2020</i>	<i>2019</i>
		<i>\$</i>	<i>\$</i>
<b>Revenue</b>			
Memberships		170,563	167,319
Grants		717,856	670,686
Events		520,807	531,162
Other		133,931	34,545
<b>Total Income</b>		<b>1,543,157</b>	<b>1,403,712</b>
<b>Expenditure</b>			
Employee benefits	3(b)	561,656	523,177
Event expenditure		482,090	438,847
Depreciation & Amortisation	3(a)	5,309	7,031
Audit		5,600	5,870
Other	3(c)	458,018	458,304
<b>Total Expenditure</b>		<b>1,512,673</b>	<b>1,433,229</b>
Surplus/(Deficit) for the year		30,484	(29,517)
<b>Total comprehensive Surplus/(Deficit) for the year</b>		<b>30,484</b>	<b>(29,517)</b>

*The statement of profit or loss and other comprehensive income is to be read in conjunction with the attached notes.*

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2020

**STATEMENT OF FINANCIAL POSITION as at 30 June 2020**

	Note	2020 \$	2019 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash & cash equivalents	4	688,269	656,876
Financial Assets (Term Deposits)	6	280,131	270,567
Trade & other receivables	5	86,371	111,160
Prepayments		39,643	165,121
<b>Total current assets</b>		<b>1,094,414</b>	<b>1,203,724</b>
<b>Non-current assets</b>			
Plant & equipment	7	17,603	18,271
Intangible Assets	8	-	-
<b>Total non-current assets</b>		<b>17,603</b>	<b>18,271</b>
<b>Total Assets</b>		<b>1,112,017</b>	<b>1,221,995</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade & other payables	9	134,884	96,022
Income in Advance	10	107,737	304,147
Employee benefits	11(a)	55,519	46,399
<b>Total current liabilities</b>		<b>298,140</b>	<b>446,568</b>
<b>Non-current liabilities</b>			
Employee benefits	11(b)	17,441	9,475
<b>Total non-current liabilities</b>		<b>17,441</b>	<b>9,475</b>
<b>Total liabilities</b>		<b>315,581</b>	<b>456,043</b>
<b>Net assets</b>		<b>796,436</b>	<b>765,952</b>
<b>FUNDS</b>			
Retained surpluses		796,436	765,952
<b>Total funds</b>		<b>796,436</b>	<b>765,952</b>

The statement of financial position is to be read in conjunction with the attached notes.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2020

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**STATEMENT OF CHANGES IN FUNDS** for the year ended 30 June 2020

	<i>Total Funds</i>
	\$
July 2018 – June 2019	
Balance at 1 July 2018	795,469
Deficit attributable to members	<u>(29,517)</u>
Balance at 30 June 2019	<b><u>765,952</u></b>
July 2019 – June 2020	
Balance at 1 July 2019	765,952
Surplus attributable to members	<u>30,484</u>
<b>Balance at 30 June 2020</b>	<b><u><u>796,436</u></u></b>

*The statement of changes in funds is to be read in conjunction with the attached notes.*

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2020

**STATEMENT OF CASH FLOWS** for the year ended 30 June 2020

	Note	2020 \$	2019 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts for Membership		250,956	208,190
Receipts for Conference		519,895	452,084
Receipt of Grants		776,033	668,940
Other Receipts		146,635	108,894
Payments to suppliers & employees		(1,647,921)	(1,419,222)
Net cash flows generated from (used in) operating activities		45,598	18,886
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property plant & equipment		(4,641)	(5,869)
Net cash flows generated from (used in) investing activities		(4,641)	(5,869)
Cash and cash equivalents at beginning of year (including Term Deposits)		927,443	914,426
Net Increase (decrease) in cash and cash equivalents		40,957	13,017
Cash and cash equivalents at end of year (including Term Deposits)	4	968,400	927,443

*The statement of cash flows is to be read in conjunction with the attached notes.*

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2020

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## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

The financial statements cover the Australian Association of Gerontology Ltd as an individual entity, incorporated and domiciled in Australia. The Australian Association of Gerontology Ltd is a company limited by guarantee.

The financial statements were authorised for issue on 21 October 2020 by the Directors of the company.

### Note 1 Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### Basis of preparation

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Australian Charities and Not-For-Profits Commission Act 2012, as appropriate for not-for-profit oriented entities.

#### Presentation currency

The financial statements are prepared in Australian dollars.

#### Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

#### New, revised or amended Accounting Standards and Interpretations adopted

The company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

New and revised Standards and amendments thereof and Interpretations effective for the current year that are relevant to the company include:

- AASB 15 Revenue from Contracts with Customers (AASB 15)
- AASB 16 Leases
- AASB 1058 Income of Not-for-Profit Entities (AASB 1058)
- AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities (AASB 2016-8)
- AASB 2018-3 Amendments to Australian Accounting Standards – Reduced Disclosure Requirements
- AASB 2018-8 Amendments to Australian Accounting Standards – Right-of-Use Assets of Not-for-Profit Entities (AASB 2018-8)
- AASB 2019-6 Amendments to Australian Accounting Standards – Research Grants and Not-for-Profit Entities (AASB 2019-6)

#### AASB 1058 Income of Not-for-Profit Entities and AASB 15 Revenue from Contracts with Customers

In the current year, the company has applied AASB 1058 Income of Not-for-Profit Entities and AASB 15 Revenue from Contracts with Customers which is effective for an annual period that begins on or after 1 January 2019.

The date of initial application of AASB 1058 and AASB 15 for the company is 1 July 2019.

The company has applied AASB 1058 and AASB 15 in accordance with the modified retrospective (cumulative catch-up) method where the comparative years are not restated. Instead, the company has recognised the cumulative effect of initially applying AASB 1058 and AASB 15 for the first time for the year ending 30 June 2020 against retained earnings as at 1 July 2019. The company has also elected to apply AASB 1058 and AASB 15 retrospectively only to contracts and transactions that are not 'completed contracts' as at 1 July 2019.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### *Overview of AASB 1058 and AASB 15 requirements*

AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, in conjunction with AASB 15. The new income recognition requirements shift the focus from a reciprocal/non-reciprocal basis to a basis of assessment that considers the enforceability of a contract and the specificity of performance obligations.

The core principle of the new income recognition requirements in AASB 1058 is that when a NFP entity enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives, the excess of the asset recognised (at fair value) over any 'related amounts' is recognised as *income immediately*.

An example of a 'related amount' is AASB 15 and in cases where there is an 'enforceable' contract with a customer with 'sufficiently specific' performance obligations, income is recognised when (or as) the performance obligations are satisfied under AASB 15, as opposed to any excess above the related amounts that would be immediate income recognition under AASB 1058.

Under AASB 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. AASB 15 introduces a 5-step approach to revenue recognition, which is more prescriptive than AASB 118.

### *General impact of application*

The company has applied the new income requirements to its main revenue/income streams, as listed below:

- Government grants
- Donations and bequests
- Volunteer service

### *Government grants*

AASB 1058 requires that in cases where there is an 'enforceable' contract with a customer with 'sufficiently specific' performance obligations, the transaction should be accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied, as opposed to immediate income recognition under AASB 1058.

The company has conducted an analysis of the government grant contracts and analysed the terms of each contract to determine whether the arrangement meets the enforceability and the 'sufficiently specific' criteria under AASB 15. For those grant contracts that are not enforceable or the performance obligations are not sufficiently specific, this will result in immediate income recognition under AASB 1058. Income will be deferred under AASB 15 otherwise and recognised when (or as) the performance obligations are satisfied.

Based on an analysis of the company's grant contracts as at 1 July 2019, the company notes that government grant revenue is recognised as revenue as and when performance obligations are satisfied.

### *Donations and bequests*

Based on an analysis of the company's underlying arrangements for donations and bequests as at 1 July 2019, the company has assessed that the adoption of the new income requirements do not have a significant impact on the amounts recognised in the company's financial statements as the majority of the donations and bequests do not meet the enforceability and the 'sufficiently specific' criteria under AASB 15 and would therefore be recognised as income once the company controlled the relevant asset (assuming no other related amounts are applicable) under AASB 1058, which is in line with the current income recognition under AASB 1004.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### *Volunteer services*

Under AASB 1058, private sector not-for-profit entities will have a policy option to account for donated services at fair value if the fair value can be reliably measured.

While the company has assessed that the fair value of its volunteer services can be reliably measured, it has decided not to recognise volunteer services.

### *AASB 16 Leases*

In the current year, the company has applied AASB 16 Leases, which is effective for annual periods that begin on or after 1 July 2019.

AASB 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets.

### *Impact of the new definition of a lease*

The change in definition of a lease mainly relates to the concept of control. AASB 16 determines whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time in exchange for consideration. This is in contrast to the focus on 'risks and rewards' in AASB 117 and Interpretation 4.

### *Impact on lease accounting – Former operating leases*

AASB 16 changes how the company accounts for leases previously classified as operating leases under AASB 117, which were off balance sheet.

Applying AASB 16, for all leases (except as noted below), the company:

- Recognises right-of-use assets and lease liabilities in the statement of financial position, initially measured at the present value of the future lease payments
- Recognises depreciation of right-of-use assets and interest on lease liabilities in profit or loss
- Separates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within financing activities) in the statement of cash flows.

Lease incentives (e.g. rent-free period) are recognised as part of the measurement of the right-of-use assets and lease liabilities whereas under AASB 117 they resulted in the recognition of a lease incentive, amortised as a reduction of rental expenses generally on a straight-line basis. Under AASB 16, right-of-use assets are tested for impairment in accordance with AASB 136 Impairment of Assets.

### *Former finance leases*

The main differences between AASB 16 and AASB 117 with respect to contracts formerly classified as finance leases is the measurement of the residual value guarantees provided by the lessee to the lessor. AASB 16 requires that the company recognises as part of its lease liability only the amount expected to be payable under a residual value guarantee, rather than the maximum amount guaranteed as required by AASB 117.

### *AASB 2018-3 Amendments to Australian Accounting Standards – Reduced Disclosure Requirements*

AASB 2018-3 establishes the disclosure requirements of AASB 16 Leases in financial statements prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements (RDR). These disclosure requirements have been applied by the company in presenting and disclosing information in these financial statements.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2020

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## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### Accounting Policies

#### A) Revenue

##### *In the current year*

The company recognises income from its main revenue/income streams, as listed below:

- Government grants
- Donations and bequests
- Event income
- Membership income

##### *Government grants, donations and bequests*

When the company receives government grants, donations and bequests that are in the scope of AASB 1058 (being a transaction where the consideration paid to acquire an asset is significantly less than fair value principally to enable the company to further its objectives), it performs an assessment to determine if the contract is 'enforceable' and contains 'sufficiently specific' performance obligations.

In cases where there is an 'enforceable' contract with a customer with 'sufficiently specific' performance obligations, the transaction is accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied.

In all other cases (where the contract is not 'enforceable' or the performance obligations are not 'sufficiently specific'), the transaction is accounted for under AASB 1058 where the company:

- Recognises the asset in accordance with the requirements of other relevant applicable Australian Accounting Standards (e.g. AASB 9, AASB 16, AASB 116 and AASB 138)
- Considers whether any other financial statement elements should be recognized ('related amounts') in
  - accordance with the relevant applicable Australian Accounting Standard including:
  - contributions by owners (AASB 1004)
  - a lease liability (AASB 16)
  - revenue, or a contract liability arising from a contract with a customer (AASB 15)
  - a financial instrument (AASB 9)
  - a provision (AASB 137)
- Recognises income immediately in profit or loss for the excess of the initial carrying amount of the asset over any related amounts recognised.

##### *In the comparative period*

Non-reciprocal grant revenue is recognised in profit or loss when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Australian Association of Gerontology Limited receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in profit or loss.

The company levies annual subscription fees on members. When subscriptions are paid in advance of the commencement of the year to which they apply, they are treated as income in advance until the period to which it relates commences.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

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

### *Unrecognised revenue - Volunteer services*

The company regularly receives volunteer services as part of its operations. Under AASB 1058, private sector not-for-profit entities have a policy option to account for donated services at fair value if the fair value can be reliably measured.

While the company has assessed that the fair value of its volunteer services can be reliably measured, it has decided to adopt the policy option not to recognise volunteer services. Accordingly, no amounts are recognised in the financial statements for volunteer services.

### **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.

#### **Plant and equipment**

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(g)).

Plant and equipment that have been contributed at no cost, or for nominal cost, are valued and recognised at the fair value of the asset at the date it is acquired.

#### **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 asset's 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	33.3%
Furniture	10%

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 profit or loss 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 retained earnings.

### **C) 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. Term Deposits are classified separately on the balance sheet but included in opening and closing cash in the cash flow statement.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### D) Trade and Other Receivables

Debtors are carried at amounts receivable and comprise amounts due for services provided under grant or other contractual arrangement. Normal terms of settlement vary from 7 to 90 days. 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. The collection of debts is assessed on an ongoing basis and specific provision is made for any doubtful accounts. Debts, which are known to be un-collectable, are written off.

### E) Financial Assets

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

### F) Intangibles - Website

Website is initially recognised at cost. It has a finite life and is carried at cost less any accumulated amortisation and impairment losses. Website has an estimated useful life of three years. It is assessed annually for impairment.

### G) Impairment of Assets

At the end of each reporting period, the entity assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116).

Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Impairment testing is performed annually for intangible assets with indefinite lives.

### H) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the company during the reporting period that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

### I) Employee Benefits

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.

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period.

#### **Long Service Leave**

The provision for long service leave represents the present value of the estimated future cash outflows to be made resulting from employees' service provided up to reporting date. Liabilities for long service leave, which are not expected to be settled within twelve months are classified as non-current. Related on-costs have been included in the liability.

#### **Annual Leave**

The annual leave provision represents the company's liability to pay resulting from employees' service provided up to reporting date. The provision has been calculated on wage and salary rates, which closely match the expected date of payment and includes related on-costs.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2020

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## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### **Superannuation Funds**

Contributions made to employee superannuation funds by the company are charged against income as they are incurred. Any amounts incurred but not paid at balance date are classified as a liability.

### **J) Income in Advance**

The liability for income in advance relates to un-utilised grant funds and other contractual amounts received on the condition that specified services are delivered or conditions are fulfilled. The services are usually delivered or the conditions are normally fulfilled within 12 months of the receipt of the grant. Where the amount received is in respect of services to be provided over a period that exceeds 12 months after the reporting date, or the conditions will only be fulfilled more than 12 months from reporting date, the liability is discounted and classified as non-current.

### **K) 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.

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. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the ATO.

### **L) Income Tax**

No provision for income tax has been raised, as the entity is a charitable institution and is exempt from income tax under Div. 50 of the *Income Tax Assessment Act 1997*.

### **M) Current and non-current classification**

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is current when: it is expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within twelve months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when: it is expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within twelve months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

Assets and liabilities are presented in the statement of financial position based on current and non-current classification

### **N) Economic Dependence**

Australian Association of Gerontology Limited is dependent on the Federal Department of Health and Ageing for the majority of its revenue used to operate the business. At the date of this report, the Board of Directors has no reason to believe the Departments will not continue to support Australian Association of Gerontology Limited for the term of the current grant (until June 2022).

## 2. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2020

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

*Revenue recognition*

To determine if a grant contract should be accounted for under AASB 1058 or AASB 15, the company has to determine if the contract is 'enforceable' and contains 'sufficiently specific' performance obligations. When assessing if the performance obligations are 'sufficiently specific', the company has applied significant judgement in this regard by performing a detailed analysis of the terms and conditions contained in the grant contracts, review of accompanying documentation (e.g. activity work plans) and holding discussions with relevant parties. Income recognition from grants received by the company has been appropriately accounted for under AASB 1058 or AASB 15 based on the assessment performed

*Estimation of useful lives of assets*

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

*Impairment of non-financial assets*

The company assesses impairment of non-financial assets at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

*Employee benefits provision*

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

*Deferral of grant revenue*

When grant revenue is received whereby the company incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is initially recognised in the Statement of Financial Position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

**3. EXPENSES**

	<i>2020</i>	<i>2019</i>
	\$	\$
<b>(A) DEPRECIATION &amp; AMORTISATION</b>		
Office Equipment	5,309	7,031
Website	-	-
Total depreciation and amortisation	5,309	7,031
<b>(B) EMPLOYEE BENEFIT EXPENSES</b>		
Wages & salaries	496,748	450,113
Superannuation expense	45,844	43,589
Workers compensation insurance	3,306	4,839
Other employee benefit expense	55	560
Movements in employee benefits provisions	15,703	24,076
Total employee benefit expense	561,656	523,177

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2020

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

(C) OTHER EXPENSES	2020 \$	2019 \$
Contractors	73,025	59,445
Occupancy	58,500	60,196
Board & Executive	11,933	30,020
Project work	149,178	157,453
Grants, Awards & Sponsorships	26,575	34,790
Divisional Spending	41,820	55,957
Other	96,987	60,443
<b>Total Other Expenditure</b>	<b>458,018</b>	<b>458,304</b>

4 CASH AND CASH EQUIVALENTS	2020 \$	2019 \$
Cash at bank and in hand	688,269	656,876
Term Deposits	280,131	270,567
	<b>968,400</b>	<b>927,443</b>

Cash at bank earns interest at floating rates based on daily deposit rates.

5 TRADE AND OTHER RECEIVABLES	Note	2020 \$	2019 \$
Trade receivables		12,936	61,588
Less: Provision for impairment of Receivables	5(A)	-	-
Net trade receivables		12,936	61,588
Accrued income		63,359	39,619
Deposits paid		8,334	8,211
Un-transferred Divisional Assets		1,742	1,742
		<b>86,371</b>	<b>111,160</b>

5 (A) PROVISION FOR IMPAIRMENT OF RECEIVABLES

Past experience indicates that no impairment allowance is necessary in respect of trade receivables. Examination at 30 June 2020 indicates that no specific receivables require provision for impairment. (2019 \$Nil).

6 FINANCIAL ASSETS - Term Deposits	2020 \$	2019 \$
Term Deposits - General	280,131	270,567
	<b>280,131</b>	<b>270,567</b>

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2020

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	Office equipment \$	Artwork \$	Total \$
<b>7 PLANT &amp; EQUIPMENT</b>			
<b><u>Cost</u></b>			
30 June 2019	44,794	6,616	51,410
Additions	4,641	-	4,641
<b>30 June 2020</b>	<b>49,435</b>	<b>6,616</b>	<b>56,051</b>
<b><u>Depreciation</u></b>			
30 June 2019	33,139	-	33,139
Charged	5,309	-	5,309
<b>30 June 2020</b>	<b>38,448</b>	<b>-</b>	<b>38,448</b>
<b><u>Carrying Amount</u></b>			
30 June 2019	11,655	6,616	18,271
<b>30 June 2020</b>	<b>10,987</b>	<b>6,616</b>	<b>17,603</b>

**8 INTANGIBLE ASSETS**

Computer Software (Website & Conference Software)

\$

**Cost**

30 June 2019

46,400

Additions

-

**30 June 2020**

**46,600**

**Amortisation**

30 June 2019

46,400

Charged

-

**30 June 2020**

**46,600**

**Carrying Amount**

30 June 2019

-

**30 June 2020**

-

**9 TRADE PAYABLES AND OTHER PAYABLES**

	2020 \$	2019 \$
Trade Payables	36,934	28,135
Payroll liabilities	22,599	19,899
Other accruals	75,351	47,988
Total Trade payables and accrued expenses	<b>134,884</b>	<b>96,022</b>

The company's exposure to liquidity risks related to trade payables and other payables is negligible.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2020

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	Conference \$	Grants \$	Other \$	Total \$
<b>10 INCOME IN ADVANCE</b>				
Balance at 30 June 2018	175,452	14,118	97,233	286,803
Receipts	175,529	668,940	116,247	960,716
Transferred to Income	(175,452)	(670,686)	(97,233)	(943,371)
<b>Balance at 30 June 2019</b>	<b>175,529</b>	<b>12,371</b>	<b>116,247</b>	<b>304,147</b>
Receipts	-	705,484	107,737	813,221
Transferred to Income	(175,529)	(717,855)	(116,247)	(1,009,631)
<b>Balance at 30 June 2020</b>	<b>-</b>	<b>-</b>	<b>107,737</b>	<b>107,737</b>

	2020 \$	2019 \$
<b>11 EMPLOYEE BENEFITS</b>		
<b>(A) CURRENT</b>		
Annual leave	55,519	46,399
<b>Total current provisions</b>	<b>55,519</b>	<b>46,399</b>
<b>(B) NON-CURRENT</b>		
Long service leave	17,441	9,475
<b>Total non-current provisions</b>	<b>17,441</b>	<b>9,475</b>

The entire annual leave balance has been classified as a current liability since the company does not have an unconditional right to defer settlement of these liabilities for at least 12 months after the end of the reporting period. The company expects that 50% of the annual leave liability and 100% of the long service liability will be paid after 12 months following the end of the reporting period.

In accordance with AASB119 Employee Benefits employee benefits expected to be settled within 12 months are short term and have not been discounted when calculating leave liabilities. Leave provisions classified as non-current have been discounted when calculating the leave liability.

**12. CAPITAL & LEASING COMMITMENTS**

**(A) FINANCE LEASES**

The company has not entered into any finance leases.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2020

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

(B) OPERATING LEASES

The company leases land and buildings from P & M Campbell ATF Peter Campbell Superannuation Fund. The current lease runs until 30<sup>th</sup> June 2020. There are no restrictions placed upon the lessee upon entering into these leases. Future minimum rentals payable under non-cancellable operating leases as at the reporting date are:

	2020 \$	2019 \$
Within one year	28,793	29,954
After one year but not more than five years	29,369	-
More than five years	-	-
Total commitments under operating leases	58,162	29,954

The company renewed its office lease on 1 July 2020 for a period of two years.

(C) CAPITAL EXPENDITURE COMMITMENTS

At reporting date the company has not entered into contracts for capital expenditure which have not been provided for in the financial statements.

13. CONTINGENT ASSETS & LIABILITIES

The company had no contingent assets or liabilities as at 30 June 2020 and 30 June 2019.

14. COMMITMENTS

The company had no commitments for expenditure as at 30 June 2020 and 30 June 2019.

15. KEY MANAGEMENT PERSONNEL REMUNERATION

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director (whether executive or otherwise) of that entity is considered key management personnel. All Directors act in an honorary capacity and receive no compensation for their services.

	2020 \$	2019 \$
Short-term employee benefits	132,143	130,227
Post-employment benefits	14,005	13,805
Total compensation	146,148	144,032

16. OTHER RELATED PARTY TRANSACTIONS

*Key management personnel*

Disclosures relating to key management personnel are set out in note 15.

*Transactions with related parties*

There were no transactions with related parties during the current and previous financial year.

*Receivable from and payable to related parties*

The company is owed \$542 from the Australian Association of Gerontology Research trust as at 30 June 2020.

*Loans to/from related parties*

There were no loans to or from related parties at the current and previous reporting date.

*Expense reimbursements*

Where Directors incur expenditure in carrying out company business they are reimbursed for costs incurred in accordance with Board directions and on the same basis as the company's employees: on production of invoices in support of the expenditure.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2020

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## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

### 17. EVENTS AFTER THE REPORTING PERIOD

The company renewed its office lease on 1 July 2020 for a period of two years.

Management is currently evaluating the COVID-19 virus and its impact on the not for profit industry and has concluded that it is reasonably possible that the virus and corresponding overall decline in economic activity could have a negative effect on the results of operations. However, the specific impact on results of operations is not readily determinable as of the date of these financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

No other matters or circumstances have arisen in the interval between the end of the financial year and the date of this report which, in the opinion of the Directors, are likely to significantly affect the operations of the Foundation, the results or the state of affairs of the Foundation in subsequent financial years.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected or may significantly affect the company's financial statements as at 30 June 2020.

### 18. COMPANY DETAILS

The registered office of the company and principal place of business is: Suite 8, 322 St Kilda Road, St Kilda, Victoria, 3182.

### 19. SEGMENT REPORTING

The company promotes gerontological research and the dissemination of relevant information. This General Purpose Financial Report therefore relates only to such operations.

## DIRECTORS' DECLARATION FOR THE YEAR ENDED 30 June 2020

In accordance with a resolution of the Directors of Australian Association of Gerontology Limited, the Directors of the entity declare that:

1. The financial statements and notes, as set out on pages 2 to 20, are in accordance with the Australian Charities and Not-For-Profits Commission Act 2012 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 30 June 2020 and of its performance for the period ended on that date.
  
2. In the Directors' opinion there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

On behalf of the Directors:



Christine Stirling  
Chair of the Board/ AAG President  
21 October 2020



David Heath  
Treasurer

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
AUSTRALIAN ASSOCIATION OF GERONTOLOGY LTD  
ABN 62 162 569 986**

Accountants and Business Advisors

**Report on the Audit of the Financial Report**

***Opinion***

We have audited the financial report of Australian Association of Gerontology Ltd (the company), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, statement of changes in funds and 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.

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In our opinion, the accompanying financial report of Australian Association of Gerontology Ltd has been prepared in accordance with Division 60 of the Australian Charities and Not-for-profits Commission Act 2012, including:

- i. giving a true and fair view of the company's financial position as at 30 June 2020 and of its financial performance for the year then ended; and
- ii. 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 ethical 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 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 30 June 2020 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 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 gives a true and fair view and 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 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 the 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.



William Jonathan Griffin

APL Financial Pty Ltd  
Level 1, 32 Business Park Drive, Notting Hill, Victoria

Dated this 27<sup>th</sup> day of October 2020

## AUDITOR'S INDEPENDENCE DECLARATION

**TO THE DIRECTORS OF  
AUSTRALIAN ASSOCIATION OF GERONTOLOGY LTD  
ABN 62 162 569 986**

Accountants and Business Advisors

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In accordance with the requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, I declare that, to the best of my knowledge and belief, during the year ended 30 June 2020, there have been:

1. 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
2. No contraventions of any applicable professional conduct in relation to the audit.



William Jonathan Griffin

Dated this 21<sup>st</sup> day of October 2020



**AAG**  
Australian  
Association of  
Gerontology

**Australian Association of Gerontology**

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/gerontologyau



/gerontologyau



Australian Association of Gerontology Research Trust acknowledges Traditional Owners of Country throughout Australia and recognises the continuing connection to lands, waters and communities. We pay our respect to Aboriginal and Torres Strait Islander cultures, to Elders past, present and emerging, and to all Aboriginal and Torres Strait Islander peoples including members of the Stolen Generations.