



AAG

Australian
Association of
Gerontology

Research
Trust



**FINANCIAL
REPORT
2016/17**

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CORPORATE INFORMATION

ABN 41 505 397 748

Trustee The Australian Association of Gerontology Ltd.

Directors

- H. Barrie (nee Feist)
- A. Farthing
- L. Flicker
- D. Heath
- S McGrath
- C. Meyer
- A. Petriwskyj
- B. Squires
- C. Stirling

Company Secretary J. Beckford Saunders

Registered Address Suite 8, 322 St Kilda Road
St Kilda, Victoria, 3182

Auditors APL Financial Pty Ltd
Level 1, 32 Business Park Drive
Notting Hill VIC 3170

DIRECTORS' REPORT FOR THE YEAR ENDED 30 June 2017

Your directors present this report to the members of Australian Association of Gerontology Ltd. (the company) for the year ended 30 June 2017.

DIRECTORS

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

Board Member	Date Appointed	Date of Cessation	A	B
H. Barrie (Chair from 05/11/2015)	15/03/2013	–	2	2
A. Farthing	05/11/2015	–	2	2
L. Flicker	15/03/2013	–	2	2
D. Heath	15/02/2017	–	1	1
S. McGrath	03/11/2016	–	2	2
C. Meyer	03/11/2016	–	2	2
A. Petriwskyj	15/03/2013	–	2	2
B. Squires	15/03/2013	–	2	2
C. Stirling	15/03/2013	–	2	2

A – Number of meetings attended

B – Number of meetings held during the time the director held office during the year

PRINCIPAL ACTIVITIES

The Trust has been established to provide benefits to eligible entities for the purpose of research relating to, and for furthering the knowledge and understanding of, gerontology.

KEY EVENTS 2016-7

The Trust was established on the 1st August 2016.

During the financial year the Trust received a contribution bequeathed by William Nicholson of \$588,067 cash and shares to the value of \$585,688 at the time of transfer.

The RM Gibson fund (previously within the Australian Association of Gerontology Ltd) was transferred into the Trust in December 2016.

The trustee has welcomed the addition of Dr Claudia Meyer and Ms Susan McGrath as Board members from November 2016, and Mr David Heath as Board member and Treasurer from February 2017.

OPERATING RESULT

The trust recorded a surplus of \$1,663,985 for the year 1 July 2016 to 30 June 2017

DIVIDENDS PAID OR RECOMMENDED

The trust does not recommend or pay dividends.

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 2017 has been received and can be found on page 4 of the financial 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:



Helen Barrie

25 October, 2017



David Heath

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2017

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME for the year ended 30 June 2017

	<i>Note</i>	<i>2017</i>
		<i>\$</i>
Revenue		
Bequests		1,173,756
Transfer (RM Gibson)		453,995
Dividends		14,724
Donations		100
Interest		3,407
Unrealised Capital Gains		39,069
Total Income		<u>1,685,051</u>
Expenditure		
Research Awards		13,636
Operating Costs		7,430
Total Expenditure		<u>21,066</u>
Surplus (Deficit) for the year		<u>1,663,985</u>
Total comprehensive Surplus for the year		<u>1,663,985</u>

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 2017

STATEMENT OF FINANCIAL POSITION as at 30 June 2017

	<i>Note</i>	<i>2017</i>
		\$
ASSETS		
Current assets		
Cash & cash equivalents	3	1,051,227
Financial Assets (Shares)	4	624,758
Total current assets		1,675,985
Non-current assets		-
Total Assets		1,675,985
LIABILITIES		
Current liabilities		
Trade & other payables	5	12,000
Total current liabilities		12,000
Non-current liabilities		-
Total liabilities		12,000
Net assets		1,663,985
FUNDS		
Retained Surplus		1,663,985
Total funds		1,663,985

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

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2017

STATEMENT OF CHANGES IN FUNDS for the year ended 30 June 2017

	<i>Total Funds</i>
	\$
July 2016 – June 2017	
Balance at 1 July 2016	-
Surplus attributable to trustee	,1,209,990
Transfer of RM Gibson Trust to the AAG Research Trust	<u>453,995</u>
Balance at 30 June 2017	<u>1,663,985</u>

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

STATEMENT OF CASH FLOWS for the year ended 30 June 2017

	<i>Note</i>	<i>2017</i>
		\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Bequest		588,067
Receipts from AAG – RM Gibson funds		453,995
Dividends		14,724
Interest		3,407
Payments to suppliers		(8,966)
Net cash flows generated from (used in) operating activities		<u>1,051,227</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash flows generated from (used in) investing activities		<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash and cash equivalents at beginning of year		-
Net Increase (decrease) in cash and cash equivalents		1,051,227
Cash and cash equivalents at end of year (including Term Deposits)	4	<u>1,051,227</u>

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

The financial statements cover the Australian Association of Gerontology Research Trust as an individual entity. The Australian Association of Gerontology Research Trust is public ancillary fund.

The financial statements were authorised for issue on 25th October 2017 by the Trustee.

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.

New, revised or amended Accounting Standards and Interpretations adopted

The trust 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.

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.

Historical cost convention

The financial statements have been prepared under the historical cost convention, however AASB13 has been used to define the fair value of the share portfolio

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.

Accounting Policies

A) Revenue

Donations, bequests and dividends 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.

B) Property, Plant and Equipment

The trust does not hold or intend to hold any property, plant or equipment.

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.

D) Trade and Other Receivables

The Trust does not extend credit and does not have receivables

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.

F) Trade and Other Payables

The Trustee (The Australian Association of Gerontology) pays creditors of the Trust on behalf of the Trust and then seeks reimbursement from the Trust.

G) Goods and Services Tax (GST)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2017

The trust is not registered for GST.

H) Income Tax

No provision for income tax has been raised, as the entity is a charitable institution and is exempt from income tax.

I) 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

J) Operational Dependence

Australian Association of Gerontology Research trust is dependent on the Australian Association of Gerontology Ltd staff for administrative support. From 1 July 2017 a management fee will apply to the provision of these services.

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.

Share portfolio valuation

The trust holds a share portfolio which is subject to normal market volatility. The portfolio is revalued quarterly using the market price at the end of the quarter. Share values can vary on a day to day basis, so the current recorded valuation could be incorrect due to subsequent market fluctuations at any given point in time. The Trust is developing an investment strategy which may change this valuation strategy.

3 CASH AND CASH EQUIVALENTS	2017 \$
Cash at bank and in hand	1,051,227
	1,051,227
Cash at bank earns interest at floating rates based on daily deposit rates.	
4 FINANCIAL INVESTMENTS (Shares)	2017 \$
Shares at market value	624,758
Comprises:	

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2017

Shares @ acquisition date (21/09/2016)	585,688
Unrealised gains on share investments	39,070
	624,758

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

5 TRADE PAYABLES AND OTHER PAYABLES

	2017 \$
Trade Payables	-
Accrued Expenses	12,000
Total Trade payables and accrued expenses	12,000

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

6. CONTINGENT ASSETS & LIABILITIES

The company had no contingent assets or liabilities as at 30 June 2017.

7. COMMITMENTS

The company had no commitments for expenditure as at 30 June 2017.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

8. OTHER RELATED PARTY TRANSACTIONS

Key management personnel
The Trust does not employ staff.

Transactions with related parties
The Trustee (AAG Limited) transferred the RM Gibson Fund (\$453,995) into the Trust in December 2016. The trustee pays bills on behalf of the Trust and seeks reimbursement from the Trust.

Receivable from and payable to related parties
The Trustee was owed \$9,000 by the Trust at 30 June 2017.

Loans to/from related parties
There were no loans to or from related parties at the current 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.

9. EVENTS AFTER THE REPORTING PERIOD

No matter or circumstance has arisen since 30 June 2017 that has significantly affected, or may significantly affect the company's financial statements as at 30 June 2017.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2017

10 COMPANY DETAILS

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

11. SEGMENT REPORTING

The Trust 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 2017

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 17, 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 2017 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



Helen Ruth Barrie
26 October 2017



David Heath

AUSTRALIAN ASSOCIATION OF GERONTOLOGY RESEARCH TRUST ABN: 41 505 397 748
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
AUSTRALIAN ASSOCIATION OF GERONTOLOGY RESEARCH TRUST

P.O. Box 300, Mulgrave, Victoria 3170
155 Park Drive
Notting Hill, Victoria 3168

www.aplfinancial.com.au

Tel: 03 9021 7080

Fax: 03 9558 9903

Report on the Financial Report

Opinion

We have audited the financial report of Australian Association of Gerontology Research Trust (the trust), which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss and other comprehensive income, the statement of changes in funds 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:

- a. the accompanying financial report of Australian Association of Gerontology Research Trust is in accordance with the Corporations Act 2001, including:
 - i. giving a true and fair view of the company's financial position as at 30 June 2017 and of its financial performance for the year then ended; and
 - ii. complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. 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 Corporations Act 2001 and 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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the year ended 30 June 2017. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

Other Information

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 2017, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that 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 ability of the company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

AUSTRALIAN ASSOCIATION OF GERONTOLOGY RESEARCH TRUST ABN: 41 505 397 748
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
AUSTRALIAN ASSOCIATION OF GERONTOLOGY RESEARCH TRUST

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.

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Auditor's name and signature:

William J Griffin

Name of firm:

APL Financial Pty Ltd

Address:

Level 1, 32 Business Park Drive
Notting Hill Vic 3168

Dated this

25th

day of

October

2017

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER S 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF AUSTRALIAN ASSOCIATION OF GERONTOLOGY RESEARCH TRUST**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2017 there have been no contraventions of:

- (i) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Name of Firm Apl Financial Pty Ltd

Name of Partner 
William J Griffin

Date 25/10/2017

Address Level 1, 32 Business Park Drive

Notting Hill Vic 3168