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CORPORATE INFORMATION

ABN 71 154 866 047

Directors

M. Murray (Chair)
F. B. Dow
R. Gallina
A. Maier
M. McCabe
D. McMillan
T. O'Brien
J. Waters (appointed 15/08/2016)

Company Secretary

D. O'Connor

Registered Address

34-54 Poplar Road
Parkville, VIC 3052

Auditors

APL Financial Pty Ltd
Level 1, 32 Business Park Drive
Notting Hill, VIC 3168

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2017

The directors present this report to the members of National Ageing Research Institute Ltd. (the company) for the year ended 30 June 2017.

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	Board Meets*	Board Attended**	FARM Meets***	FARM Attended****
M. Murray	20/12/2011	-	4	4	5	4
F. Dow	18/05/2015	-	4	3	5	5
R. Gallina	18/08/2014	-	4	4	5	5
A. Maier	17/06/2016	-	4	4	-	-
M. McCabe	17/11/2014	-	4	2	-	-
D. McMillan	17/02/2014	-	4	2	5	4
T. O'Brien	17/11/2014	-	4	2	-	-
J. Waters	15/08/2016	-	4	3	5	4

* Number of board meetings in the financial year, during the director's tenure

** Board meetings attended

*** Number of Finance & Risk Management committee meetings in the financial year during the director's tenure

**** Finance & Risk Management Meetings attended

PRINCIPAL ACTIVITIES

The company's principal activities during the year were to:

Conduct research into aspects of ageing and geriatric syndromes including dementia, falls, pain, health promotion, cognitive issues, mental health, care relationships, and quality service delivery.

OBJECTIVES

The company's objectives are to *improve the health and wellbeing of older people through research and research translation into policy and practice, and to be recognized and sought after as the national leader in translational ageing research in Australia*

STRATEGY FOR ACHIEVING OBJECTIVES

The company will continue to build and expand an ageing research agenda to include new areas of research related to ageing which are of strategic importance and respond to contemporary issues. Specifically to:-

- formulate cutting edge research based on expert analysis of gaps in research
- Identify and promote a range of research activities including action research and implementation studies

Other key strategies include:

- Improve the lives of older people through collaborative research and its translation into policy and practice
- Develop and grow a strong, vibrant and interdisciplinary workforce in ageing
- Partner with older people, peak bodies, health and aged care services to identify and address evidence practice gaps
- Provide a high quality education and professional development in ageing
- Be strong advocates for health, wellbeing and recognition of older people
- Maintain and grow NARI as a centre for research excellence in ageing

KEY EVENTS

The Board welcomed the appointment of Mr. John Waters in August 2016. The company received notification of a significant five year grant from the Wicking Trust in January 2017, and was successful in winning a number of sizable grants in June 2017.

SIGNIFICANT CHANGES IN ACTIVITIES

There were no significant changes in activities during the year

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

During the latter part of the financial year the company attracted a significant number of new grants/funding streams. While these have not impacted the reporting year materially, there will be a significant expansion in activities during the first half of the 2017-18 year

OPERATING RESULT

The company recorded a surplus of \$8,886 for the year. (2016: Surplus \$189,714)

DIVIDENDS PAID OR RECOMMENDED

The company is a company limited by guarantee. As such it does not recommend or pay dividends.

AFTER BALANCE DAY EVENTS

As noted above the company will expand its operations significantly in the 2017-18 year, with revenue forecast to more than double.

MEMBERS' GUARANTEE

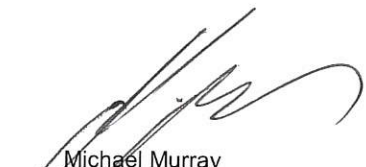
In accordance with the company's constitution each member is liable to contribute \$20 in the event that the company is wound up. The total amount members would contribute is \$1700.

AUDITORS' INDEPENDENCE

The auditors' declaration of independence appears on page 4 and forms part of the director's report for the year ended 30 June 2017.

Signed in accordance with a resolution of the directors on 20 November 2017.

On behalf of the directors:



Michael Murray
Melbourne, 20 November 2017



Frances Briony Dow

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	2017	2016
Revenues	3(a)	2,022,258	2,541,232
Other Income	3(b)	143,148	253,633
Total Income	2(c)	2,165,406	2,794,865
Expenditure			
Employee Benefits	3(c)	1,617,488	1,918,666
Project costs		114,059	257,195
Research support	3(d)	163,094	164,600
Other	3(e)	261,879	264,690
Total Expenditure	2(d)	2,156,520	2,605,151
Surplus (Deficit) for the year		8,886	189,714
OTHER COMPREHENSIVE INCOME			
Items which will not be reclassified subsequently to profit or loss		-	-
Items which will be reclassified subsequently to profit or loss when specific conditions are met		-	-
Other comprehensive income for the year		-	-
Total comprehensive income/(deficit) for the year		8,886	189,714

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

	Note	2017	2016
ASSETS			
Current assets			
Cash & cash equivalents	2(e), 4	1,265,825	522,012
Trade & other receivables	2(f), 5	292,262	382,283
Financial Assets	2(g), 6	1,626,005	1,383,366
Total current assets		3,184,092	2,287,661
Non-current assets			
Accrued income	2(f), 5	23,910	73,574
Property plant & equipment	2(i), 7A	247,584	148,946
Intangible assets	2(h), 7B	24,905	10,657
Total non-current assets		296,399	233,177
Total Assets		3,480,491	2,520,838
LIABILITIES			
Current liabilities			
Trade creditors & other payables	2(k), 8	240,811	297,532
Income in Advance	2(l), 9	1,943,394	825,429
Provisions	2(m), 10(a)	182,471	257,303
Total current liabilities		2,366,676	1,380,264
Non-current liabilities			
Provisions	2(m), 10(b)	118,323	153,968
Total non-current liabilities		118,323	153,968
Total liabilities		2,484,999	1,534,232
Net assets		995,492	986,606
FUNDS			
	11		
Reserves		39,461	25,095
Retained earnings		956,031	961,511
Total funds		995,492	986,606

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

	<i>Retained Earnings</i>	<i>Australian Ageing Research Foundation</i>	<i>Total Funds</i>
2016			
Balance at 1 July 2015	789,014	7,879	796,893
Transfer to/from reserves	-	-	-
Movement attributable to members	172,497	17,216	189,713
Balance at 30 June 2016	961,511	25,095	986,606
2017			
Balance at 1 July 2016	961,511	25,095	986,606
Transfer to/from reserves	-	-	-
Movement attributable to members	(5,480)	14,366	8,886
Balance at 30 June 2017	956,031	39,461	995,492

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

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

STATEMENT OF CASH FLOWS

	Note	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from:			
Grants and other contributions		3,488,760	2,837,101
Interest income		39,325	61,396
Education & training		58,812	78,341
Donations and fundraising		78,296	198,218
Payments to suppliers & employees		(2,482,679)	(2,753,997)
Net cash flows from operating activities		1,182,514	421,059
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property plant & equipment		(182,019)	(71,009)
Purchase of Intangible Assets		(21,394)	-
Reduction (increase) in Investments in term deposits		(242,638)	(54,129)
Proceeds from sale of property, plant & equipment		7,350	7,500
Net cash flows from investing activities		(438,701)	(117,638)
Net increase (decrease) in cash and cash equivalents		743,813	303,421
Cash and cash equivalents at beginning of year		522,012	218,591
Cash and cash equivalents at end of year	2(e), 4	1,265,825	522,012

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

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The financial statements of the not-for-profit company, National Ageing Research Institute Ltd., (the company) for the year ended 30 June 2017 were authorised for issue in accordance with a resolution of the directors on 20 November, 2017

The National Ageing Research Institute Ltd. is a company limited by guarantee, incorporated and domiciled in Australia. The nature of the operations and principal activities of the company are described in the director's report

2. SUMMARY OF ACCOUNTING POLICIES

(A) BASIS OF PREPARATION

These general purpose financial statements have been prepared in accordance with the requirements of the Australian Charities and Not-for-profits Commission Act 2012, Australian Accounting Standards – Reduced Disclosure Requirements, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

Historical cost convention

The financial statements have been prepared on the basis of historical cost except for the following:

The methods used to measure the fair values of these assets are discussed in notes 2(i). Cost is based on the fair values of the consideration given in exchange for assets.

Currency

The financial statements are presented in Australian dollars, which is the company's functional and presentation currency.

(B) SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Significant accounting judgments

Grants received

The company has received a number of government grants during the year. Once the company has been notified of the successful outcome of a grant application, the terms and conditions of each grant are reviewed to determine whether the funds relate to a reciprocal grant (i.e. payment for services rendered) in which case it is accounted for under AASB 118 Revenue or a non-reciprocal grant in which case it is accounted for under AASB 1004 Contributions.

Significant accounting estimates and assumptions

The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Provisions for employee benefits

Provisions for employee benefits payable after 12 months from the reporting date are based on future wage and salary levels, experience of employee departures and periods of service, as discussed in Note 2(m). The amount of these provisions would change should any of these factors change in the next 12 months.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT equipment.

Impairment

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate

(C) REVENUE RECOGNITION

Revenue is measured at the fair value of consideration received or receivable. Revenue is recognised net of the amounts of goods and services tax (GST) payable to the Australian Taxation Office.

Donations

Donations collected, including cash and goods for resale, are recognised as revenue when the company gains control, economic benefits are probable and the amount of the donation can be measured reliably.

Research funding

The company's operations are supported by grants received from federal, state and local governments, as well as other granting bodies and contractual partners. Grants received on the condition that specified services are delivered, or conditions are fulfilled, are considered reciprocal. Such grants are initially recognised as a liability and revenue is recognised as services are performed or conditions fulfilled. Revenue from non-reciprocal grants is recognised when the company obtains control of the funds.

Interest income

Interest income is recognised as it accrues, using the effective interest method.

Asset sales

The gain or loss on disposal of all non-current assets and available-for-sale financial investments is determined as the difference between the carrying amount of the asset at the time of the disposal and the net proceeds on disposal.

In-kind donations

Facilities leased for occupancy by the company are included at the fair value to the company where this can be quantified and a third party is bearing the cost. No amounts are currently included due to difficulty in quantification.

No amounts are included in the financial statements for services donated by volunteers.

(D) EXPENDITURE

All expenditure is accounted for on an accruals basis.

Employee benefits are those costs associated with the employment of staff at the company.

Project Costs are specific costs (other than employee benefits) associated with the delivery of individual research projects.

Research Support costs are general expenditures in support of the research effort which have not been apportioned to individual research projects

Other costs are general administrative and other costs including occupancy costs.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

(E) CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the statement of financial position comprise cash at bank, in hand and at call deposits where the investment is convertible to known amounts of cash and is subject to insignificant risk of changes in value. For the purposes of the statement of cash flow, cash and cash equivalents consist of cash and cash equivalents as defined above, net of any outstanding bank overdrafts.

(F) TRADE AND OTHER RECEIVABLES

Trade receivables, which comprise amounts due for services provided under grant or other contractual arrangements, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. Normal terms of settlement vary from seven to 90 days. The carrying amount of the receivable is deemed to reflect fair value.

An allowance for doubtful debts is made when there is objective evidence that the company will not be able to collect the debts. Bad debts are written off when identified. Impairment testing is conducted regularly on accounts receivable balances (every six months)

(G) FINANCIAL ASSETS

Financial assets in the statement of financial position primarily comprise term deposits invested for less than a year, and carried at cost, which is deemed to reflect fair value.

(H) INTANGIBLE ASSETS

Bases of measurement of carrying amount:

Intangible assets are stated at cost less accumulated amortisation and any accumulated impairment losses. Any donated intangible assets (or acquired for nominal cost) are recognised at fair value at the date the company obtains control of the assets.

Fair value is the amount that 'the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date'. Fair values are confirmed by independent valuations which are obtained with sufficient regularity to ensure that the carrying amounts do not differ materially from the assets' fair values at the reporting date. Director valuations are used if an independent valuation does not take place during an annual reporting period.

Amortisation

Intangible assets are amortised over their useful lives to the company commencing from the time the asset is held ready for use. Amortisation is calculated on a straight line basis over the expected useful economic lives of the assets as follows:

	2017	2016
Website	33⅓%	33⅓%
Software	33⅓%	33⅓%

Amortisation has been included within depreciation and amortisation.

Subsequent expenditures on the maintenance of computer software and brand names are expensed as incurred.

When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset, and is recognised in profit or loss within other income or other expenses.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

(I) PROPERTY, PLANT AND EQUIPMENT

Bases of measurement of carrying amount:

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Any property, plant and equipment donated to the company or acquired for nominal cost are recognised at fair value at the date the company obtains control of the assets.

Fair value is the amount that 'the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date'. Fair values are confirmed by independent valuations which are obtained with sufficient regularity to ensure that the carrying amounts do not differ materially from the assets' fair values at the reporting date. Director valuations are used if an independent valuation does not take place during an annual reporting period.

Depreciation

Items of property, plant and equipment (other than land) are depreciated over their useful lives to the company commencing from the time the asset is held ready for use. Depreciation is calculated on a straight line basis over the expected useful economic lives of the assets as follows:

	2017	2016
Plant and equipment	10-25%	10-25%
Computer equipment	33⅓%	33⅓%
Motor vehicles	20%	20%

Impairment

The carrying values of property, plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of property, plant and equipment is the higher of fair value less costs of disposal and value in use. Depreciated replacement cost is used to determine value in use where the assets are not held principally for cash generating purpose and would be replaced if the company was deprived of it. Depreciated replacement cost is the current replacement cost of an item of plant and equipment less, where applicable, accumulated depreciation to date, calculated on the basis of such cost. Value in use. For all other assets is a discounted cash flow calculation.

An impairment loss exists when the carrying value of an asset exceeds its estimated recoverable amount. The asset is then written down to its recoverable amount.

For plant and equipment, impairment losses are recognised in the statement of profit or loss and other comprehensive income.

De-recognition and disposal

An item of property, plant and equipment is derecognised upon disposal, when the item is no longer used in the operations of the company or when it has no sale value. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

Any part of the asset revaluation reserve attributable to the asset disposed of or derecognised is transferred to general funds at the date of disposal.

(J) AVAILABLE-FOR-SALE FINANCIAL ASSETS

The company does not hold any available for sale financial assets

(K) TRADE CREDITORS AND OTHER PAYABLES

Trade payables and other payables represent liabilities for goods and services provided to the company before the end of the financial year that are unpaid. These amounts are usually settled in 30 days.

The carrying amount of the creditors and payables is deemed to reflect fair value.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

(L) INCOME IN ADVANCE

The liability for income in advance is the unutilised amounts of grants and other contractual amounts received on the condition that specified services are delivered or conditions are fulfilled. The services are usually provided or the conditions usually fulfilled within 12 months of 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 satisfied more than 12 months after the reporting date, the liability is presented as non-current.

(M) EMPLOYEE BENEFITS

Employee benefits comprise wages and salaries, annual, sick and long service leave, and contributions to superannuation plans.

Liabilities for wages and salaries expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date, and are measured at the amounts expected to be paid when the liabilities are settled.

Liabilities for annual leave in respect of employees' services up to the reporting date that are expected to be settled within 12 months after the end of the period in which the employees render the related services are recognised in the provision for annual leave and are measured at the amounts expected to be paid when the liabilities are settled plus relevant on costs.

Liabilities for sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments, including associated on costs, to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to anticipated future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using Victorian State government's annual effective rate as at 30 June 2017, matched the estimated future cash outflows.

The company pays contributions to certain defined contribution superannuation plans. Contributions are recognised in the statement of profit or loss and other comprehensive income when they are due. The company has no obligation to pay further contributions to these plans if the plans do not hold sufficient assets to pay all employee benefits relating to employee service in current and prior periods.

(N) TAXATION

Income tax

The company is a charitable institution for the purposes of Australian taxation legislation and is therefore exempt from income tax. This exemption has been confirmed by the Australian Taxation Office. The company holds deductible gift recipient status.

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, in which case it is recognised as part of the cost of acquisition of an asset or as part of an item of expense.

Receivables and payables are recognised inclusive of GST.

The net amount of GST recoverable from or payable to the Australian Taxation Office is included as part of receivables or payables.

Cash flow is included in the statement of cash flow on a gross basis. The GST component of cash flow arising from investing and financing activities that is recoverable from or payable to the Australian Taxation Office is classified as operating cash flow.

(O) FOREIGN CURRENCY TRANSLATION

Transactions in foreign currencies are recorded initially by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Foreign currency differences arising on retranslation are recognised in profit or loss.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

(P) ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

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. The adoption of amendments to Australian Accounting Standards has not had a material impact. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

3. REVENUE, OTHER INCOME AND EXPENSES

Note

2017

2016

(A) REVENUE

Victorian state government grants & contracts	1,220,526	1,344,921
Commonwealth government grants & contracts	225,471	716,769
Other contract research	223,256	120,587
Philanthropic grants & contracts	299,096	300,127
Education & training	53,909	58,828
Total revenue	2,022,258	2,541,232

(B) OTHER INCOME

Interest	42,333	39,347
Donations & Fundraising	91,596	194,227
Profit on Sale of Assets	6,682	6,818
Miscellaneous	2,537	13,241
Total other income	143,148	253,633
Total all revenue	2,165,406	2,794,865

(C) EMPLOYEE BENEFIT EXPENSES

Wages & salaries	1,564,207	1,699,472
Superannuation expense	134,431	156,481
Workers compensation insurance	4,613	10,557
Other employee benefit expense	24,714	17,805
Movements in employee benefits provisions	(110,477)	34,351
Total employee benefit expense	1,617,488	1,918,666

(D) RESEARCH SUPPORT

Depreciation & amortisation	66,539	64,676
Other	96,555	99,924
	163,094	164,600

(E) OTHER EXPENDITURE

Impairment loss on trade receivables	-	10,000
Audit costs	8,509	8,439
Other	253,370	246,251
	261,879	264,690

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

4 CASH AND CASH EQUIVALENTS

2(E)

2017

2016

Cash at bank and in hand		1,014,742	404,484
At call deposits		251,083	117,528
		<u>1,265,825</u>	<u>522,012</u>

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

5 TRADE AND OTHER RECEIVABLES

2017

2016

Trade debtors	2(F)	223,730	182,274
Less: Provision for doubtful debts	5(A)	-	(11,000)
Net trade Debtors		<u>223,730</u>	<u>171,274</u>
Prepayments		25,465	17,476
Accrued income		43,067	193,533
Total Current Trade Debtors & Receivables		<u>292,262</u>	<u>382,283</u>
Accrued Income – non-current		23,910	73,574
Total Trade Debtors & Receivables		<u>316,172</u>	<u>455,857</u>

5A PROVISION FOR DOUBTFUL DEBTS

No impairment allowance (2016: \$11,000) has been made with respect to outstanding debtors at 30 June 2017.

Note

2017

2016

6 FINANCIAL ASSETS

Term Deposits	2(g)	1,596,005	1,353,366
Other		30,000	30,000
		<u>1,626,005</u>	<u>1,383,366</u>

7 NON-CURRENT ASSETS

7(A) PROPERTY PLANT & EQUIPMENT

	Motor Vehicles	Plant & equipment	Total
At cost			
1 July 2015	115,404	369,904	485,308
Additions 2015/16	20,118	34,861	54,979
Disposals 2015/16	(23,028)	-	(23,028)
30 June 2016	112,494	404,765	517,259
Additions	20,550	143,041	163,591
Disposals	(23,028)	-	(23,028)
30 June 2017	110,016	547,806	657,822

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

7(A) PROPERTY PLANT & EQUIPMENT (continued)

Accumulated Depreciation

1 July 2015	66,792	259,873	326,665
Charged	20,660	44,016	64,676
Disposals	(23,028)	-	(23,028)
30 June 2016	64,424	303,889	368,313
Charged	18,501	46,452	64,953
Disposals	(23,028)	-	(23,028)
30 June 2017	59,897	350,341	410,238
Carrying Amount			
30 June 2016	48,070	100,876	148,946
30 June 2017	50,119	197,465	247,584

7(B) INTANGIBLE ASSETS

	<i>Website</i>	<i>Software</i>	<i>Total</i>
At cost			
1 July 2015	16,680	-	16,680
Additions	-	-	-
Disposals	-	-	-
30 June 2016	16,680	-	16,680
Additions	-	21,394	21,394
Disposals	-	-	-
30 June 2017	16,680	21,394	38,074
Accumulated Amortisation			
1 July 2015	463	-	463
Charged	5560	-	5560
Disposals	-	-	-
30 June 2016	6,023	-	6,023
Charged	5,560	1,586	7,146
Disposals	-	-	-
30 June 2017	11,583	1,586	13,169
Carrying Amount			
30 June 2016	10,657	-	10,657
30 June 2017	5,097	19,808	24,905

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	Note	2017	2016
8 TRADE CREDITORS AND ACCRUALS	2(k)		
Trade creditors		41,821	75,280
Payroll liabilities		40,603	127,592
Other accruals		24,043	16,131
Tax liabilities		134,344	78,529
Total Trade creditors and accrued expenses		240,811	297,532

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

	Note	2017	2016
9 INCOME IN ADVANCE			
(A) Current:	2(l)		
1 July balance		825,429	786,272
Receipts & Billings		2,320,397	1,482,557
Transferred to Income		(1,202,433)	(1,443,400)
30 June balance		1,943,393	825,429

	Note	2017	2016
10 PROVISIONS			
(A) CURRENT	2(l)		
Annual leave		101,140	145,923
Long service leave		81,331	111,380
Total current provisions		182,471	257,303
(B) NON-CURRENT			
Long service leave		118,323	153,968
Total non-current provisions		118,323	153,968

A portion of long service leave and the entire annual leave balance have 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 40% of the annual leave liability and 70% of the long service liability will be paid after 12 months following the end of the reporting period.

11 TOTAL FUNDS

MOVEMENTS IN FUNDS

Details of the movement in each reserve and fund are provided in the statement of changes in funds

DETAILS OF RESERVES AND FUNDS INCLUDED IN STATEMENT OF CHANGES IN FUNDS

Australian Ageing Research Foundation (AARF)

The AARF was established in April 2015 to assist the fundraising efforts of the company. The AARF reserve has been established to hold the net proceeds of events and donations raised using the AARF name.

MEMBERS' GUARANTEE

The company is limited by guarantee. In the event of the company being wound up, the constitution states that each member is required to contribute a maximum of \$20 towards meeting any outstanding obligations of the company. At 30 June 2017 the number of members was 53.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

12. FINANCIAL INSTRUMENTS

The main risks the company is potentially exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk and equity price risk.

The company's financial instruments consist mainly of deposits with banks, term deposits, accounts receivable and payable.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	2017	2016
<u>Financial Assets</u>		
Cash and bank balances	1,265,825	522,012
Held-to-maturity investments	1,626,005	1,383,366
Loans & Receivables	223,730	182,274
<u>Financial Liabilities</u>		
Creditors & Other Payables (Cost)	240,811	297,532

Financial risk management policies

Mitigation strategies for specific risks faced are described below:

The Board has overall responsibility for the establishment of the company's financial risk management framework. This includes the development of policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk and the use of derivatives.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and company's activities.

The day-to-day risk management is carried out by company's finance function under policies and objectives which have been approved by the Board. The Board has the authority for designing and implementing processes which follow the objectives and policies. This includes monitoring the levels of exposure to interest rate and foreign exchange rate risk and assessment of market forecasts for interest rate and foreign exchange movements.

The Board receives quarterly reports which provide details of the effectiveness of the processes and policies in place. The company does not actively engage in the trading of financial assets for speculative purposes nor does it write options.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The company is currently not exposed to changes in market prices.

Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period, whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The company is also exposed to earnings volatility on floating rate instruments. The company currently only invests in fixed interest securities.

Price risk

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices of securities held being available-for-sale or fair value through profit and loss.

The company is not exposed to any significant market risk.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

13. COMMITMENTS AND CONTINGENCIES

(A) FINANCE LEASES

The company has not entered into any finance leases.

(B) OPERATING LEASES

The company leases land and buildings from Melbourne Health for a nominal rent. The current lease runs until 10th October, 2018. 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:

	2017	2016
Within one year	5	5
After one year but not more than five years	5	10
More than five years	-	-
Total commitments under operating leases	10	15

(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.

(D) CONTINGENT ASSETS & LIABILITIES

The company has no contingent assets or liabilities (2016 \$0) as at the reporting date.

14. RELATED PARTIES AND RELATED PARTY TRANSACTIONS

(A) DIRECTORS' COMPENSATION

With the exception of the executive director, all directors act in an honorary capacity and receive no compensation for their services. The executive director remuneration is included in (C) below.

(B) TRANSACTIONS WITH DIRECTOR-RELATED ENTITIES

There were no transactions with director-related entities in the previous financial year (2016: \$0).

(C) KEY MANAGEMENT PERSONNEL COMPENSATION

	Note	2017	2016
Total key management personnel remuneration (4 staff)		534,374	576,298

15. ECONOMIC DEPENDENCY

The company is dependent upon the ongoing receipt of grants & contracted funding from the Victorian Department of Health and the Federal Department of Health and Ageing.

DIRECTORS' DECLARATION FOR THE YEAR ENDED 30 JUNE 2017

The directors' declare that in their opinion:

a. The consolidated financial statements and notes of the National Ageing Research Institute are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:

- i. Giving a true and fair view of its financial position as at 30 June 2017 and of its performance for the financial year ended on that date; and
- ii. Complying with Australian Accounting Standards – Reduced Disclosure Requirements (including the Australian Accounting Interpretations) and the Australian Charities and Not-for-profits Commission Regulation 2013; and

b There are reasonable grounds to believe that the National Ageing Research Institute Ltd will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors on behalf of the directors



Michael Murray (Chair)

Melbourne 20 November, 2017.



Frances Briony Dow (Director)

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
NATIONAL AGEING RESEARCH INSTITUTE LIMITED
ABN 71 154 866 047**

Accountants and Business Advisors

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of National Ageing Research Institute Limited (the company), which comprises the statement of financial position as at 30 June 2017, 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.

In our opinion, the accompanying financial report of National Ageing Research Institute Limited 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 2017 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 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 - Reduced Disclosure Requirements and the Australian Charities and Not-forprofits 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.

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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.

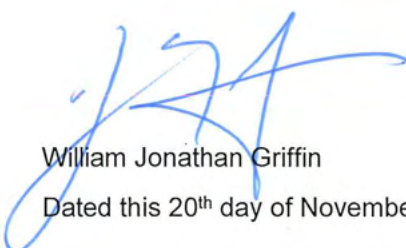
Auditor's Responsibilities for the Audit of the Financial Report

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

Dated this 20th day of November 2017

AUDITOR'S INDEPENDENCE DECLARATION

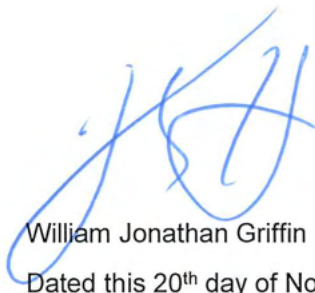
**TO THE DIRECTORS OF
NATIONAL AGEING RESEARCH INSTITUTE LIMITED
ABN 71 154 866 047**

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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 2017, 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 20th day of November 2017