

NATIONAL AGEING RESEARCH INSTITUTE LTD
ABN 71 154 866 047
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

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CORPORATE INFORMATION
FOR THE YEAR ENDED 30 JUNE 2023

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Directors	M. Murray (Chair)
	J. Besch
	F. B. Dow
	R. Gallina
	S. Leitch
	D. Liew
	D. McMillan
	M. Tandora
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 2023

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The directors present this report to the members of National Ageing Research Institute Ltd. (the company) for the year ended 30 June 2023.

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****
J. Besch	23/05/2022	-	5	5	-	-
F. Dow †	18/05/2015	-	5	3	4	3
R. Gallina	18/08/2014	-	5	4	4	4
S. Leitch	7/12/2022	-	2	2	-	-
D. Liew	27/05/2019	-	5	5	-	-
M. McCabe	17/11/2014	Aug-22	1	0	-	-
M. Murray	20/12/2011	-	5	4	4	3
D. McMillan	17/02/2014	-	5	5	4	3
M. Tandora	18/05/2023	-	1	1	1	1
M. Thomson	30/09/2019	Nov-22	3	1	-	-
J. Waters	15/08/2016	Nov-22	3	2	1	1

* 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 committee meetings attended

† F. Dow took extended Long Service Leave for three months during 2022/2023

PRINCIPAL ACTIVITIES

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

Produce evidence, tools, and resources to improve health and aged care systems, influence government policies, and inspire best practice in the health and aged care sector.

OBJECTIVES

The company's objectives are to:

- * Conduct rigorous translational research with and for older people
- * Enable and inspire best practice in the health and aged care workforce
- * Influence government policy with the latest evidence
- * Build Australia's capacity in ageing research
- * Promote accurate information about ageing and older people
- * Invest in our people and support services to achieve NARI's purpose.

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:

- a) formulate cutting edge research based on expert analysis of gaps in research
- b) identify and promote a range of research activities including translational 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

NARI has been successful in being awarded four Medical Research Future Fund (MRFF) grants in 22/23 as part of the MRFF Ageing and Aged Care Mission. MRFF is a Commonwealth Government fund. Medical Research Institutes (MRIs) do not qualify for infrastructure funding from the MRFF. As a result, NARI has channeled these grants through the University of Melbourne, allowing them to access a portion of the infrastructure funding designated for universities. Consequently, there is also a delay in receiving these funds.

SIGNIFICANT CHANGES IN ACTIVITIES

There were no significant changes in activities during the year.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There were no significant changes in the state of affairs during the year.

OPERATING RESULT

The company recorded a deficit of \$294,587 for the year (2022: surplus of \$711,879.36).

The loss in 2023 has been notably influenced by the disparity between MRFF funding and the actual expenses incurred in conducting the research.

DIVIDENDS PAID OR RECOMMENDED

The company is a company limited by guarantee and as such does not recommend or pay dividends.

AFTER BALANCE DAY EVENTS

There have been no significant after balance day events.

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 \$760.

AUDITORS' INDEPENDENCE

The auditors' declaration of independence appears on page 19 and forms part of the directors' report for the year ended 30 June 2023.

Signed in accordance with a resolution of the directors on 30th October 2023.

On behalf of the directors:



Michael Murray (Chair)
30th October 2023



Frances Briony Dow (Director)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023

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INCOME	NOTE	2023	2022
Revenues	4(A)	6,049,715	5,958,705
Other Income	4(B)	225,348	949,595
Total Income		6,275,063	6,908,300
 EXPENDITURE			
Employee Benefits	4(C)	4,480,238	4,309,081
Project Costs		1,151,889	1,050,436
Research Support	4(D)	529,839	504,969
Other	4(E)	407,684	331,935
Total Expenditure		6,569,650	6,196,421
Surplus (Deficit) for the year		(294,587)	711,879
 OTHER COMPREHENSIVE INCOME			
Other comprehensive income for the year		-	-
Total comprehensive income for the year		(294,587)	711,879

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

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

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	NOTE	2023	2022
		\$	\$
ASSETS			
Current Assets			
Cash and cash equivalents	5	1,039,209	1,089,981
Trade Debtors	6(A)	283,470	260,472
Term Deposits		6,000,000	5,000,000
Other Assets	6(B)	608,014	160,428
Total Current Assets		7,930,694	6,510,881
Non-Current Assets			
Property, plant and equipment	7(A)	152,918	222,014
Intangible assets	7(B)	16,730	23,130
Right of use asset - building lease	7(C)	43,422	283,514
Other Non-Current Asset	7 (D)	104,019	-
Total Non-Current Assets		317,089	528,658
TOTAL ASSETS		8,247,783	7,039,539
LIABILITIES			
Current Liabilities			
Trade creditors and other payables	8	726,115	642,544
Income in advance	9	4,009,847	2,755,380
Provisions	10(A)	658,512	589,852
Total Current Liabilities		5,394,474	3,987,776
Non-Current Liabilities			
Lease liability - Right of use asset		15	15
Provisions	10(B)	307,324	211,192
Total Non-Current Liabilities		307,339	211,207
TOTAL LIABILITIES		5,701,813	4,198,983
NET ASSETS		2,545,970	2,840,556
FUNDS	11		
Reserves		148,751	148,750
Retained earnings		2,397,219	2,691,806
TOTAL FUNDS		2,545,970	2,840,556

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

STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED 30 JUNE 2023

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	Retained Earnings \$	Australian Ageing Research Foundation \$	Total Funds \$
2022			
Balance at 1 July 2021	1,979,927	148,750	2,128,677
Movement attributable to members			-
Transfers to/(from) Reserves	711,879		711,879
Total comprehensive income for the year	711,879	-	711,879
Balance at 30 June 2022	2,691,806	148,750	2,840,556
Movement attributable to members		-	-
Transfers to/(from) Reserves	- 294,587	0 -	294,586
Total comprehensive income for the year	- 294,587	0 -	294,586
Balance at 30 June 2023	2,397,219	148,751	2,545,970

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 2023

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	NOTE	2023	2022
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from grants and other project contributions		7,368,218	5,309,559
Interest received		130,462	14,381
Receipts from education and training		26,239	46,029
Receipts from donations and fundraising		33,226	926,497
Payments to suppliers and employees		(6,589,791)	(6,199,364)
Net cash (used in) / provided by operating activities		968,354	97,102
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(19,125)	(56,172)
Payments for investments		(1,000,000)	(800,000)
Payments for intangible assets		0	(23,130)
Net cash (used in) / provided by investing activities		(1,019,125)	(879,302)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments for leases		-	-
Net cash provided by financing activities		-	-
Net increase / (decrease) in cash and cash equivalents		(50,771)	(782,200)
Cash and cash equivalents at the beginning of the year		1,089,981	1,872,181
Cash and cash equivalents at the end of the year	5	1,039,210	1,089,981

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

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NOTE 1: CORPORATE INFORMATION

The financial statements of the not-for-profit company, National Ageing Research Institute Limited (the company) for the year ended 30 June 2023 were authorised for issue in accordance with a resolution of the directors on 20 November 2023. The company 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 directors' report.

NOTE 2: CHANGES IN ACCOUNTING POLICIES AND CHANGES IN ESTIMATES

Amendments to Accounting Standards that are mandatorily effective for the current reporting period

NOTE 3: 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 - Simplified Disclosures, and other authoritative pronouncements of the Australian Accounting Standards Board.

For the purpose of preparing the financial statements, the company is a not-for-profit entity.

Statement of Compliance

The company does not have 'public accountability' as defined in AASB 1053 *Application of Tiers of Australian Accounting Standards* and is therefore eligible to apply the 'Tier 2' reporting framework under Australian Accounting Standards.

The financial statements comply with the recognition and measurement requirements of Australian Accounting Standards, the presentation requirements in those Standards as modified by AASB 1060 *General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* (AASB 1060) and the disclosure requirements in AASB 1060.

Accordingly, the financial statements comply with Australian Accounting Standards - Simplified Disclosures.

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 judgements, 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 judgements. 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 judgements

Revenue Recognition

To determine if a grant contract should be accounted for under AASB 1058 or AASB 5, 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.

Lease Valuation

The company recognises a Right of Use Lease Asset with respect to its premises in Parkville. As the premises are unique in both location and character, significant judgement has been required to ascribe a market rental value to the premises.

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:

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

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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 3(L). The amount of these provisions would change should any of these factors change in the next 12 months.

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 the consideration received or receivable. Revenue is recognised net of the amount of goods and services tax (GST) payable to the Australian Taxation Office.

Grants and other contributions received

When the company receives grants, donations, and bequests that are in the scope of AASB 1058 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 recognised ('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.

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.

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. The company recognised a Right of Use Lease Asset for the first time in the 2020 financial year.

No amounts are included in the financial statements for services donated by volunteers as this could not be reliably estimated.

(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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

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(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 flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of any outstanding bank overdrafts.

(F) FINANCIAL ASSETS - CLASSIFICATION AND SUBSEQUENT MEASUREMENT

The company's financial assets include Cash, Trade Receivables and Term Deposits. Financial assets are initially measured at fair value adjusted for transaction costs, except for trade receivables which are initially measured at transaction price.

All recognised financial assets are classified and measured subsequently in their entirety at amortised cost using the effective interest rate method, as they are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Because the cash and cash equivalents, receivables, and term deposits are generally held for periods of six months or less, they are not actually amortised but held at face value, as the effect of discounting would be immaterial.

Impairment of financial assets

The company uses a simplified approach in accounting for trade and other receivables and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the company uses its historical experience, external indicators, and forward-looking information to calculate the expected credit losses.

(G) 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:

	2023	2022
Website	33.33%	33.33%
Software	33.33%	33.33%

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 expenses.

(H) 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:

	2023	2022
Plant and equipment	10-25%	10-25%
Computer equipment	20-33.33%	20-33.33%
Motor vehicles	20.00%	20.00%

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

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Impairment

The carrying values of property, plant and equipment are reviewed for impairment at each reporting date, with the 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.

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.

(I) LEASES - RIGHT OF USE ASSET

The company has adopted AASB 16 *Leases* & AASB 1058 *Income for Not-for-Profit Entities* effective 1 July 2019. A Right of Use Lease Asset was recognised with respect to the peppercorn lease the company holds with Royal Melbourne Hospital for the use of its premises. The following transitional transaction was processed 1 July 2019 per the standard:

Right of Use Lease Asset	DR	\$948,383
Lease Liability	CR	\$15
Retained Earnings	CR	\$948,368

The right of use asset is stated at fair value (as above) less accumulated amortisation and any accumulated impairment losses, and is amortised on a straight line basis over the term of the lease as follows:

	2023	2022
Right of Use Lease Asset	23.37%	23.37%

(J) FINANCIAL LIABILITIES - CLASSIFICATION AND SUBSEQUENT MEASUREMENT

The company's financial liabilities include borrowings and trade and other payable, usually settled in 30 days

Financial liabilities are measured subsequently at amortised cost using the effective interest method, except for financial liabilities held for trading or designated at fair value through profit or loss (FVTPL), that are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

(K) 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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(L) 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 2023, matched to 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.

(M) 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.

(N) 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
FOR THE YEAR ENDED 30 JUNE 2023

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NOTE 4: REVENUE, OTHER INCOME AND EXPENSES

	2023	2022
4(A) REVENUE		
Victorian state government grants and contracts	1,824,446	1,615,774
Commonwealth government grants and contracts	3,219,736	2,806,575
Other contract research	514,578	219,711
Philanthropic grants and contracts*	467,102	1,272,447
Education and training	23,853	44,198
Total revenue	6,049,715	5,958,705

*In 21/22 the remaining funds from the J.O & J.R. Wicking Trust \$3m philanthropic grant were brought to account.

4(B) OTHER INCOME

Interest	192,122	23,098
Donations and fundraising	20,636	12,088
Bequests*	-	914,394
Profit on disposal of assets	-	-
Miscellaneous	12,590	15
Total other income	225,348	949,595
Total all revenue	6,275,063	6,908,300

*A significant bequest was left to NARI in 2021-22, without restriction or any conditions.

4(C) EMPLOYEE BENEFIT EXPENSES

Wages and salaries	3,908,020	3,765,989
Superannuation	364,308	336,172
Workers compensation insurance	18,226	18,534
Other employee benefit expenses	22,541	30,227
Scholarships	-	40,000
Contractors	2,350	2,000
Movements in employee benefits provisions	164,792	116,159
Total employee benefit expense	4,480,238	4,309,081

4(D) RESEARCH SUPPORT

Depreciation and amortisation	334,713	317,208
Other	195,126	187,761
Total research support	529,839	504,969

4(E) OTHER EXPENDITURE

Audit costs	8,700	11,639
Other	398,984	320,296
Total other expenditure	407,684	331,935

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

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NOTE 5: CASH AND CASH EQUIVALENTS

3(E)	2023	2022
Cash at bank and in hand	833,530	466,750
At call deposits	205,679	623,231
	1,039,209	1,089,981

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

NOTE 6: TRADE DEBTORS AND OTHER ASSETS

6(A) TRADE DEBTORS

	2023	2022
3(F)	283,470	260,472
Trade debtors	-	-
Less provision for doubtful debts	-	-
	283,470	260,472

6(B) OTHER ASSETS

Deposits	-	-
Prepayments	71,346	54,940
	71,346	54,940
Accrued Income		
Term Deposit accrued income	73,451	11,792
NHMRC Infrastructure accrued income	116,111	-
Project accrued income	347,106	93,696
Total Accrued income	536,668	105,488
Total Other Assets	608,014	160,428
Total Trade Debtors and Other Assets	891,484	420,900

NOTE 7: NON-CURRENT ASSETS

7(A) PROPERTY, PLANT AND EQUIPMENT

At cost

	Motor Vehicles	Plant and Equipment	Total
1 July 2021	139,147	490,196	629,343
Additions 2021/22	-	84,366	84,366
Disposals 2021/22	-	(28,193)	(28,193)
30 June 2022	139,147	546,368	685,516
Additions 2022/23	-	58,041	58,041
Disposals 2022/23	-	(38,915)	(38,915)
30 June 2023	139,147	565,494	704,641

Accumulated Depreciation

	Motor Vehicles	Plant and Equipment	Total
1 July 2021	58,606	309,311	367,916
Charged 2021/22	27,221	68,364	95,585
Disposals 2021/22	-	0	0
30 June 2022	85,827	377,674	463,502
Charged 2022/23	23,720	64,502	88,221
Disposals 2022/23	-	-	-
30 June 2023	109,546	442,176	551,723

Carrying Amount

	Motor Vehicles	Plant and Equipment	Total
30 June 2022	53,320	168,694	222,014
30 June 2023	29,601	123,318	152,918

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

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7(B) INTANGIBLE ASSETS

At cost

1 July 2021

Additions 2021/22

Disposals 2021/22

30 June 2022

Additions 2022/23

Disposals 2022/23

30 June 2023

Accumulated Amortisation

1 July 2021

Charged 2021/22

Disposals 2021/22

30 June 2022

Charged 2022/23

Disposals 2022/23

30 June 2023

Carrying Amount

30 June 2022

30 June 2023

<i>Software</i>	<i>Total</i>
-	-
23,130	23,130
-	0
23,130	23,130
-	-
-	-
23,130	23,130
<i>Software</i>	<i>Total</i>
-	-
-	-
-	0
-	-
6,400	6,400
-	-
6,400	6,400
<i>Software</i>	<i>Total</i>
23,130	23,130
16,730	16,730

7(C) RIGHT OF USE LEASE ASSET

At cost

1 July 2021

Additions 2021/22

Disposals 2021/22

30 June 2022

Additions 2022/23

Disposals 2022/23

30 June 2023

Accumulated Amortisation

1 July 2021

Charged 2021/22

Disposals 2021/22

30 June 2022

Charged 2022/23

Disposals 2022/23

30 June 2023

Carrying Amount

30 June 2022

30 June 2023

<i>Total</i>
948,383
-
-
948,383
-
-
948,383
<i>Total</i>
443,246
221,623
-
664,870
240,092
-
904,961
<i>Total</i>
283,514
43,422

7(D) OTHER NON-CURRENT ASSETS

Accrued income*

Total Other Assets

*Relates to infrastructure income from the University of Melbourne for MRFF grants received in following year.

104,019	-
104,019	-

NOTE 8: TRADE CREDITORS AND ACCRUALS

3(J)

Trade creditors

Payroll liabilities

Tax liabilities

Other accruals

Total Trade creditors and accrued expenses

2023	2022
363,318	291,111
211,540	217,539
124,566	124,007
26,691	9,887
726,115	642,544

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

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NOTE 9: INCOME IN ADVANCE	3(K)	2023	2022
<i>Current</i>			
1 July balance		2,755,380	4,039,782
Receipts and billings in advance*		5,274,698	3,643,696
Transferred to income		(4,020,231)	(4,928,098)
30 June balance		4,009,847	2,755,380

*The four new MRFF grant projects awarded in 22/23 receive income in advance for the year, rather than instalments.

NOTE 10: PROVISIONS	3(L)	2023	2022
10(A) CURRENT			
Annual leave		426,903	372,304
Long service leave		231,609	217,548
Total current provisions		658,512	589,852
10(B) NON-CURRENT			
Long service leave		307,324	211,192
Total non-current provisions		307,324	211,192

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 80% of the long service leave liability will be paid after 12 months following the end of the reporting period.

NOTE 11: TOTAL FUNDS

11(A) MOVEMENT IN FUNDS

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

11(B) 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.

NOTE 12: 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 2023 the number of members was 39.

NOTE 13: FINANCIAL INSTRUMENTS	2023	2022
Financial assets - at amortised cost		
Current assets		
Cash and cash equivalents	1,039,209	1,089,981
Term deposits	6,000,000	5,000,000
Trade and other receivables	283,470	260,472
Total financial assets	7,322,679	6,350,453
Financial liabilities - at fair value through profit or loss		
Trade creditors and other payables	726,115	642,544

NOTE 14: COMMITMENTS AND CONTINGENCIES

14(A) FINANCE LEASES

The company has not entered into any finance leases.

14(B) OPERATING LEASES

From 1 July 2019 the company has applied AASB 16 and AASB 1058 with respect to the following leases that are currently in place:

The company leases land and buildings from Royal Melbourne Hospital for a nominal rent. The current lease runs until 10 October 2023, with an option to extend until 10 October 2026. This lease has been capitalised as a Right of Use asset from 1 July 2019.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

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14(C) CAPITAL EXPENDITURE COMMITMENTS

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

14(D) CONTINGENT ASSETS AND LIABILITIES

The company has no contingent assets or liabilities (2022: \$0) as at the reporting date.

NOTE 15: RELATED PARTIES AND RELATED PARTY TRANSACTIONS

15(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 15(C) below.

15(B) TRANSACTIONS WITH RELATED ENTITIES

There were no transactions with director-related entities in the previous financial year (2022: \$0).

15(C) KEY MANAGEMENT PERSONNEL REMUNERATION

	2023	2022
Total key management personnel remuneration		
Short-term benefits	1,155,290	947,422
Total Remuneration	1,155,290	947,422
Number of key management personnel	6	5
Total annualised employee equivalent	5.6	4.85

NOTE 16: AUDITOR REMUNERATION

The auditor of the company is William Jonathan Griffin of APL Financial Pty Ltd.

	2023	2022
<u>APL Financial</u>		
Audit of financial reports	8,700	8,439
Other assurance services	-	3,200
	<u>8,700</u>	<u>11,639</u>

NOTE 17: ECONOMIC DEPENDENCY

The company is dependent upon the ongoing receipt of grants and contracted funding from the Victorian Department of Health and the Commonwealth Department of Health and Aged Care.

DIRECTORS' DECLARATION FOR THE YEAR ENDED 30 JUNE 2023

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The directors declare that in their opinion:

- a. The financial statements and notes of the National Ageing Research Institute Limited 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 2023 and of its performance for the financial year ended on that date; and
 - ii. Complying with Australian Accounting Standards - Simplified Disclosures (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 Limited 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)
30th October 2023



Frances Briony Dow (Director)

AUDITOR'S INDEPENDENCE DECLARATION

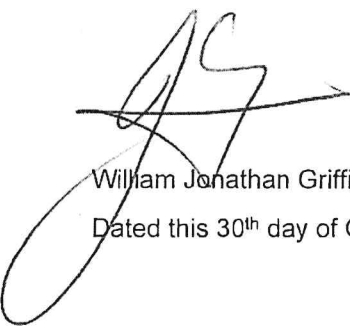
**TO THE DIRECTORS OF
NATIONAL AGEING RESEARCH INSTITUTE LIMITED
ABN 71 154 866 047**

Accountants and Business Advisors

PO Box 300, Mulgrave Victoria 3170
Level 1, 32 Business Park Drive,
Notting Hill, Victoria 3168
www.aplfinancial.com.au
T: 03 9558 6288
F: 03 9558 9903

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 2023, 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 30th day of October 2023

**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 Statements

PO Box 300, Mulgrave Victoria 3170

Level 1, 32 Business Park Drive,

Notting Hill, Victoria 3168

www.aplfinancial.com.au

T: 03 9558 6288

F: 03 9558 9903

Opinion

We have audited the financial statements of National Ageing Research Institute Limited (the company), which comprises the statement of financial position as at 30 June 2023, 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 statements 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 2023 and of its financial performance for the year then ended; and
- ii. complying with Australian Accounting Standards – Simplified Disclosures 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 Statements 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 statements 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 Statements 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 2023 but does not include the financial statements and our auditor's report thereon.

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

Responsibilities of the Directors for the Financial Statements

The directors of the company are responsible for the preparation of the financial statements that give a true and fair view in accordance with Australian Accounting Standards - Simplified Disclosures 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 statements that give a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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.

Accountants and Business Advisors

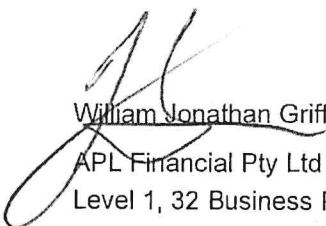
Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 these financial statements.

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 statements, 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 statements 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 statements, including the disclosures, and whether the financial statements represent 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 30th day of October 2023