Society of Australian Genealogists

ACN 000 049 678

Financial statements - 31 December 2019

Society of Australian Genealogists
Contents
31 December 2019

Society of Australian Genealogists
Directors' report
31 December 2019

The directors present their report, together with the financial statements, on the company for the year ended 31 December 2019.

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

Names	Position	Appointed/Resigned
Melissa Hulbert	President	
Alison Margaret Wolf	Vice President	
John Daniel Dorrian	Honorary Treasurer	
John Leonard Burke	Honorary Secretary	
Martyn Christopher Harold Killion		Resigned 11 May 2019
Kerry Farmer		
Megan Martin		
Michelle Nichols		Resigned 13 March 2019
Janette Louise Pelosi		
Philippa Shelley Jones		Appointed 11 May 2019
Philip Young		

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

Principal activities
The principal activity of Society of Australian Genealogists during the financial year was the conduct of a Family History Society.

No significant changes in the nature of the company's activity occurred during the financial year.

Long term objectives
The company's long term objectives are the same as the short term objectives although the company also aims to ensure its ongoing financial sustainability.

Short term Objectives
The company's short term objectives are to ensure the ongoing advancement of education by the promotion of history and, in particular, family history and allied subjects (through, inter alia, the maintenance of a library, research assistance, scholarly presentations and publication). The company is also committed:

- to attracting and retaining members and
- ensuring an appropriate level of Corporate Governance

Strategy for achieving the objectives
To achieve these objectives, the company has adopted the following strategies:

- ongoing development and improvement of collections and members services
- delivery of more online member services via an enhanced website
- planning to ensure appropriate accommodation for the Society's collections and operations
- ongoing improvement of Corporate Governance practices, including sound risk management practices and continuous compliance with all relevant laws and regulations
- good management of finances, including prudent investment strategies and careful monitoring over all its assets
- use of Committees in key areas to allow more detailed and focused development of strategies, policies and plans

Performance measures
The following measures are used within the company to monitor performance:

- monthly Board meetings to monitor performance and manage issues arising
- monthly reports from all operations as required
- monthly reports of membership numbers
- monthly management accounts comparing actual performance to budget
- ad hoc surveys and self assessments against best practice

Society of Australian Genealogists
Directors' report
31 December 2019

Members' guarantee
Society of Australian Genealogists is a company limited by guarantee. If the company is wound up, the constitution states that each current member or member within the previous 12 months is required to contribute a maximum of $10 each towards meeting any outstanding obligations of the company.

Operating results
The surplus of the company after providing for income tax amounted to $65,061 (2018: Surplus of $327,901).

Information on directors

Name:	Melissa Hulbert
Title:	President
Qualifications:	BSc (Hons)
Experience and expertise:	4
Special responsibilities:	Site Programs Co-ordinator, Sydney Observatory

Name:	Alison Margaret Wolf
Title:	Vice President
Qualifications:	BA, Dip. Tech Inf Proc, FSAG
Experience and expertise:	14
Special responsibilities:	Retired Computer Systems Analyst

Name:	John Daniel Dorrian
Title:	Honorary Treasurer
Qualifications:	BA (Fin), FCA, MAICD
Experience and expertise:	1
Special responsibilities:	Company Director, Convenor, Finance, Audit & Compliance

Name:	John Leonard Burke
Title:	Honorary Secretary
Qualifications:	PSM, BA, Dip. Lib, Dip. Archive Admin
Experience and expertise:	8
Special responsibilities:	Retired public servant

Name:	Martyn Christopher Harold Killion
Title:	Director (to 11 May 2019)
Qualifications:	BA, Grad Dip App Sci Info, Dip FHS, FSAG
Experience and expertise:	20
Special responsibilities:	Public servant

Name:	Kerry Farmer
Title:	Director
Qualifications:	BSc BA
Experience and expertise:	2
Special responsibilities:	Retired Systems Analyst

Name:	Megan Martin
Title:	Director
Qualifications:	MLitt, BA (Hons), Grad Dip Lib Sci, Grad Dip Aborig Studies, FSAG
Experience and expertise:	15
Special responsibilities:	Librarian; Convenor, Collections

Name:	Michelle Nichols
Title:	Director (to 13 March 2019)
Qualifications:	OAM, MA, G Dip LAH, Dip FHS, FSAG
Experience and expertise:	13
Special responsibilities:	Librarian

Society of Australian Genealogists
Directors' report
31 December 2019

Name:	Janette Louise Pelosi
Title:	Director
Qualifications:	BA (Hons) (Syd), Dip IM Lib, Dip IM ArchivAdmin MInfoStud (Lshp) AALIA, ASAAP MPHA
Experience and expertise:	6
Special responsibilities:	Archivist; Convenor, Diploma & Certificate Committee

Name:	Philippa Shelley Jones
Title:	Director
Qualifications:	BA/LLB, Grad Dip Ed (Infants/Primary)
Experience and expertise:	-
Special responsibilities:	Editor

Name:	Philip Young
Title:	Director
Qualifications:	Ass. Dip Welfare Work
Experience and expertise:	4
Special responsibilities:	Retired

Meetings of directors
The number of meetings of the company's Board of Directors ('the Board') held during the year ended 31 December 2019, and the number of meetings attended by each director were:

	Directors Meetings	
	Number eligible to attend	Number attended
Melissa Hulbert	12	12
Alison Margaret Wolf	12	10
John Daniel Dorrian	12	8
John Leonard Burke	12	9
Martyn Christopher Harold Killion	5	4
Kerry Farmer	12	9
Megan Martin	12	10
Michelle Nichols	3	3
Janette Louise Pelosi	12	12
Philippa Shelley Jones	7	7
Philip Young	12	8

Indemnification and insurance of officers and auditors
During the year, the company has paid premiums in respect of an insurance contract to indemnify officers against liabilities that may arise from their position as officers of the company. Officers indemnified include the directors and executive officers participating in the management of the company.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under Section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 is set out immediately after this directors' report.

Signed in accordance with a resolution of the Board of Directors:

M Hulbert

Melissa Hulbert
Director

12 February 2020

J D Dorrian

John Daniel Dorrian
Director

Nexia Australia

Auditor's Independence Declaration under Section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 to the Directors of Society of Australian Genealogists

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2019, there have been:

a) No contraventions of the auditor independence requirements as set out in section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and

b) No contraventions of any applicable code of professional conduct in relation to the audit.

Yours sincerely,
Nexia Sydney Audit Pty Ltd

Vishal Modi
Director

Sydney

Dated this 20th day of February 2020

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Society of Australian Genealogists
Statement of profit or loss and other comprehensive income
For the year ended 31 December 2019

	Note	2019 $	2018 $
Income			
Services	3	30,821	55,600
Other income	4	651,036	1,182,753
Total income		681,857	1,238,353
Expenses			
Cost of sales		(61,766)	(87,387)
Employee benefits expense		(331,089)	(302,846)
Accomodation costs		(50,252)	(58,737)
Auditors remuneration		(10,000)	(10,000)
Bank charges		(8,548)	(8,150)
Depreciation and amortisation expenses		(47,329)	(52,436)
Insurance		(15,250)	(14,902)
IT Expenses		(24,764)	(23,922)
Other expenses		(28,759)	(28,053)
Postage		(2,562)	(2,748)
Printing and stationery		(5,450)	(4,594)
Repairs and maintenance		(14,019)	(12,776)
Telephone and internet services		(10,691)	(13,155)
Loss on disposal of assets		(315)	(255)
Congress 2018 expenses		-	(290,491)
Depreciation on right of use assets		(5,693)	-
Loss on foreign exchange		(309)	-
Total expenses		(616,796)	(910,452)
Surplus for the year		65,061	327,901
Other comprehensive income for the year		-	-
Total comprehensive income for the year		65,061	327,901

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Society of Australian Genealogists
Statement of financial position
As at 31 December 2019

	Note	2019 $	2018 $
Assets			
Current assets			
Cash and cash equivalents	5	552,704	92,919
Trade and other receivables	6	2,708	8,213
Inventories	7	16,084	18,601
Other financial assets	8	1,383,691	1,745,069
Other assets	10	3,289	3,289
Total current assets		1,958,476	1,868,091
Non-current assets			
Property, plant and equipment	11	1,271,976	1,311,389
Right-of-use assets	9	44,177	-
Intangibles	12	13,900	-
Total non-current assets		1,330,053	1,311,389
Total assets		3,288,529	3,179,480
Liabilities			
Current liabilities			
Trade and other payables	13	22,118	11,840
Employee benefits	15	148,859	136,730
Other liabilities	16	89,324	111,920
Total current liabilities		260,301	260,490
Non-current liabilities			
Lease liabilities	14	44,177	-
Total non-current liabilities		44,177	-
Total liabilities		304,478	260,490
Net assets		2,984,051	2,918,990
Equity			
Reserves		3,255	3,255
Retained earnings		2,980,796	2,915,735
Total equity		2,984,051	2,918,990

The above statement of financial position should be read in conjunction with the accompanying notes

Society of Australian Genealogists
Statement of changes in equity
For the year ended 31 December 2019

	Revaluation Reserves $	Retained earnings $	Total equity $
Balance at 1 January 2018	3,255	2,587,834	2,591,089
Surplus for the year	-	327,901	327,901
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	327,901	327,901
Balance at 31 December 2018	3,255	2,915,735	2,918,990

	Revaluation Reserves $	Retained earnings $	Total equity $
Balance at 1 January 2019	3,255	2,915,735	2,918,990
Surplus for the year	-	65,061	65,061
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	65,061	65,061
Balance at 31 December 2019	3,255	2,980,796	2,984,051

The above statement of changes in equity should be read in conjunction with the accompanying notes

Society of Australian Genealogists
Statement of cash flows
For the year ended 31 December 2019

	Note	2019 $	2018 $
Cash flows from operating activities			
Subscription and joining fees		243,789	248,964
Bequests and other operating inflows		299,348	815,353
Services revenue		30,821	55,600
Interest received		22,976	13,783
Dividends received		25,453	29,027
Payments to suppliers and employees		(545,763)	(788,761)
Net cash from operating activities		76,624	373,966
Cash flows from investing activities			
Payments for property, plant and equipment	11	(8,231)	(10,167)
Payments for intangibles	12	(13,900)	-
Purchase of financial assets		-	(360,977)
Proceeds from disposal of financial assets		405,292	-
Net cash from/(used in) investing activities		383,161	(371,144)
Net cash from financing activities		-	-
Net increase in cash and cash equivalents		459,785	2,822
Cash and cash equivalents at the beginning of the financial year		92,919	90,097
Cash and cash equivalents at the end of the financial year	5	552,704	92,919

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

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

New or amended Accounting Standards and Interpretations adopted
The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the company.

The following Accounting Standards and Interpretations are most relevant to the company:

AASB 15 Revenue from Contracts with Customers
The company has adopted AASB 15 from 1 January 2018. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

AASB 16 Leases
The company has adopted AASB 16 from 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

AASB 1058 Income of Not-for-Profit Entities
The company has adopted AASB 1058 from 1 January 2019. The standard replaces AASB 1004 'Contributions' in respect to income recognition requirements for not-for-profit entities. The timing of income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other performance obligation at the time of receipt. Income under the standard is recognised where: an asset is received in a transaction, such as by way of grant, bequest or donation; there has either been no consideration transferred, or the consideration paid is significantly less than the asset's fair value; and where the intention is to principally enable the entity to further its objectives. For transfers of financial assets to the entity which enable it to acquire or construct a recognisable non-financial asset, the entity must recognise a liability amounting to the excess of the fair value of the transfer received over any related amounts recognised. Related amounts recognised may relate to contributions by owners, AASB 15 revenue or contract liability recognised, lease liabilities in accordance with AASB 16, financial instruments in accordance with AASB 9, or provisions in accordance with AASB 137. The liability is brought to account as income over the period in which the entity satisfies its performance obligation. If the transaction does not enable the entity to acquire or construct a recognisable non-financial asset to be controlled by the entity, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income immediately. Where the fair value of volunteer services received can be measured, a private sector not-for-profit entity can elect to recognise the value of those services as an asset where asset recognition criteria are met or otherwise recognise the value as an expense.

Note 1. Significant accounting policies (continued)

Impact of adoption
AASB 15, AASB 16 and AASB 1058 were adopted using the modified retrospective approach and as such comparatives have not been restated. There was no impact on opening retained earnings as at 1 January 2019 and there has been no net impact on the financial statements for the year ended 31 December 2019. There is a presentation change with the financial statements showing a right of use asset with corresponding depreciation and a lease liability.

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

The financial report has been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

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

Comparative Figures
Comparatives are consistent with prior years, unless otherwise stated.

Revenue recognition
The company recognises revenue as follows:

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the entity and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Revenue from sale of goods is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

Subscriptions received from members are brought to account as income over the membership period to which the subscriptions relate. Subscriptions received in advance comprise subscriptions that were received in the current financial year but relate to membership services to be provided in the following financial year and will be brought to account as income in the following financial year.

Income included as non cash donations received has been calculated based on the insurance values placed on donations of books and materials to the Society's Library during the financial year as contained in the reports of Accessions prepared monthly by the Librarian.

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised using the effective interest rate method.

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

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

Income tax
As the company is a charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

Note 1. Significant accounting policies (continued)

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

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Inventories
Finished goods are stated at the lower of cost and net realisable value on a 'first in first out' basis. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Investments and other financial assets
Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, it's carrying value is written off.

Financial assets at fair value through profit or loss
Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Impairment of financial assets
The company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

Note 1. Significant accounting policies (continued)

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Property, plant and equipment

Classes of property, plant and equipment are measured using the cost or revaluation model as specified below.

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Assets measured using the revaluation model are carried at fair value at the revaluation date less any subsequent accumulated depreciation and impairment losses. Revaluations are performed whenever there is a material movement in the value of an asset under the revaluation model.

Land and buildings are measured at cost less any accumulated depreciation and any impairment losses.

The depreciable amount of all plant and equipment, excluding Library and Pictures is depreciated on a reducing balance method from the date that management determine that the asset is available for use. Library and Pictures are not depreciated as they have an unlimited useful life over which economic benefits should be obtained. Buildings are depreciated on a straight-line method. Software is initially recognised at cost. It has a finite life and is carried at cost less any accumulated depreciation and impairment losses.

Assets held under a finance lease and leasehold improvements are depreciated over the shorter of the term of the lease and the asset's useful life.

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

Buildings	2.5% straight line
Furniture, Fixtures and Fittings	7.5% - 40% reducing balance
Computer software	33% straight line

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Note 1. Significant accounting policies (continued)

Intangible assets
Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Website
Significant costs associated with the development of the revenue generating aspects of the website, including the capacity of placing orders, are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 10 years.

Impairment of non-financial assets
Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables
These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Lease liabilities
A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Note 1. Significant accounting policies (continued)

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments 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 expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

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

Note 2. Critical accounting judgements, estimates and assumptions

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

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

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

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

Note 3. Services

	2019 $	2018 $
Bookshop	23,269	47,985
Photocopying and photos	3,010	3,097
Research and retrievals	4,021	3,930
UK Probate and BDM services	521	588
	30,821	55,600

Note 4. Other income

	2019 $	2018 $
Member subscriptions	243,789	248,964
Bequests	200,268	421,000
Donations - general	33,978	37,280
Congress income	-	368,906
Education - lectures	61,311	61,340
Diploma and certificate course	22,087	24,033
Royalties	3,114	3,456
Journal	1,857	1,702
Interest income	15,115	16,164
Dividends and gains - MPPM	30,739	29,027
Realised (loss) on managed funds investments	3,491	(3,580)
Unrealised gain/(loss) on managed funds investments	35,137	(25,539)
Hire of premises	150	-
	651,036	1,182,753

Note 5. Cash and cash equivalents

	2019 $	2018 $
Current assets		
Cash on hand	1,600	1,600
Cash at bank	551,104	91,319
	552,704	92,919

Note 6. Trade and other receivables

	2019 $	2018 $
Current assets		
Trade receivables	1,173	352
GST receivable	1,535	-
Accrued interest on term deposits	-	7,861
	2,708	8,213

Note 7. Inventories

	2019 $	2018 $
Current assets		
Finished goods - at cost	16,084	18,601

Note 8. Other financial assets

	2019 $	2018 $
Current assets - Financial assets at fair value through profit or loss		
Managed funds with Macquarie Bank	1,383,691	690,270
Held-to-maturity financial assets (Deposit with Westpac Bank)	-	1,054,799
	1,383,691	1,745,069

Note 9. Right-of-use assets

	2019 $	2018 $
Non-current assets		
Right-of-use assets	49,870	-
Less: Accumulated depreciation	(5,693)	-
	44,177	-

Note 10. Other assets

	2019 $	2018 $
Current assets		
Prepayments	3,289	3,289

Note 11. Property, plant and equipment

	2019 $	2018 $
Non-current assets		
Land and buildings - at cost	1,336,168	1,336,168
Less: Accumulated depreciation	(442,683)	(409,287)
	893,485	926,881
Fixtures and fittings - at cost	344,070	343,323
Less: Accumulated depreciation	(311,216)	(301,850)
	32,854	41,473
Computer software - at cost	34,317	34,317
Less: Accumulated depreciation	(34,317)	(34,317)
	-	-
Improvements - at cost	7,843	7,843
Less: Accumulated depreciation	(7,843)	(7,843)
	-	-
Library and pictures - at independent valuation	345,637	343,035
	1,271,976	1,311,389

In December 2013, the Society's Library was independently valued by Peter Tinslay, Valuer. The valuation was based on fair value.

Reconciliations
Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Buildings $	Furniture, Fixtures and Fittings $	Computer Software $	Improvements $	Library and Pictures $	Total $
Balance at 1 January 2019	926,881	41,473	-	-	343,035	1,311,389
Additions	-	5,629	-	-	2,602	8,231
Disposals	-	(315)	-	-	-	(315)
Depreciation expense	(33,396)	(13,933)	-	-	-	(47,329)
Balance at 31 December 2019	893,485	32,854	-	-	345,637	1,271,976

Note 12. Intangibles

	2019 $	2018 $
Non-current assets		
Website - at cost	13,900	-

Note 13. Trade and other payables

	2019 $	2018 $
Current liabilities		
Trade payables	19,068	9,815
GST payable	-	1,983
PAYG tax payable	3,050	42
	22,118	11,840

Note 14. Lease liabilities

	2019 $	2018 $
Non-current liabilities		
Lease liability	44,177	-

Note 15. Employee benefits

	2019 $	2018 $
Current liabilities		
Annual leave	66,989	60,179
Long service leave	81,870	76,551
	148,859	136,730

Provision for Employee Benefits
Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the company does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

Note 16. Other liabilities

	2019 $	2018 $
Current liabilities		
Subscriptions received in advance	89,324	111,920

Note 17. Related party transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Directors
The names of Directors who have held office during the financial year are, Martyn Christopher Harold Killion, Alison Margaret Wolf, John Leonard Burke, John Daniel Dorrian, Kerry Farmer, Megan Martin, Michelle Nichols, Janette Louise Pelosi, Melissa Hulbert, Philippa Shelley Jones and Philip Young.

Directors' Remuneration
Income paid or payable by the company to the Directors and any related parties: $Nil (2018: $Nil).

Note 18. Events after the reporting period

No matter or circumstance has arisen since 31 December 2019 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Society of Australian Genealogists
Directors' declaration
31 December 2019

In the directors' opinion:

- the attached financial statements and notes are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and comply with the Australian Accounting Standards - Reduced Disclosure Requirements and the requirements of the Australian Charities and Not-for-profits Commission Regulation 2013;

- the attached financial statements and notes give a true and fair view of the company's financial position as at 31 December 2019 and of its performance for the financial year ended on that date; and

- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

M. Hulbert
Melissa Hulbert
Director

J D Dorrian
John Daniel Dorrian
Director

12 February 2020

Nexia Australia

Independent Auditor's Report to the Members of Society of Australian Genealogists

Report on the Audit of the Financial Report

We have audited the financial report of Society of Australian Genealogists, which comprises the statement of financial position as at 31 December 2019, the statement of surplus or deficit and other comprehensive income, statement of changes in equity 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 financial report of Society of Australian Genealogists has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-Profits Commission Act 2012* (ACNC Act), including:

(a) giving a true and fair view of the company's financial position as at 31 December 2019 and of its financial performance for the year then ended; and

(b) complying with Australian Accounting Standards – Reduced Disclosure Requirements, and Division 60 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.

Responsibilities of Directors for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the ACNC Act, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, 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 intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. The directors are responsible for overseeing the company's financial reporting process.

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 the financial report.

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As part of an audit in accordance with 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 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.

Nexia Sydney Audit Pty Ltd

Vishal Modi
Director

Dated in Sydney this 20th day of February 2020