



AUSTRALIAN ASSOCIATION OF PRACTICE MANAGEMENT LIMITED
ABN 91 010 067 615

Financial Report
For the Year Ended
30 June 2019

CONTENTS

Directors' Report.....	1
Auditor's Independence Declaration.....	7
Independent Audit Report.....	8
Directors' Declaration.....	10
Statement of Surplus or Deficit and Other Comprehensive Income.....	11
Statement of Financial Position.....	12
Statement of Changes in Funds.....	13
Statement of Cash Flows.....	14
Notes to the Financial Statements.....	15

Australian Association of Practice Management Limited

ABN 91 010 067 615

Directors' Report

30 June 2019

The Directors present their report on the Company for the financial year ended 30 June 2019.

1 General information

Directors

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

Names

Ms Cathy Baynie

Ms Jacqueline Beer

Mr Richard Evans

Mr Danny Haydon

Mr David Osman

Ms Fiona Wong

Mr James Downing

Dr David Oberklaid

Appointed October 2018

Mr Jon Erwin

Appointed November 2018

Ms Cecily Igglesden

Resigned September 2018

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

Company secretary

The following person held the position of Company secretary at the end of the financial year:

Nicholas Voudouris has been the Company secretary since 4th July 2018. Nicholas is also the Chief Executive Officer of the Company.

Members guarantee

Australian Association of Practice Management Limited is a Company limited by guarantee. In the event of, and for the purpose of winding up of the Company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$50, subject to the provisions of the Company's constitution.

At 30 June 2019 the collective liability of members was \$ 115,250 (2018: \$ 109,500).

Australian Association of Practice Management Limited

ABN 91 010 067 615

Directors' Report

30 June 2019

1 General information

Principal activities

The principal activities of Australian Association of Practice Management Limited during the financial year were to represent and unite all those involved in Practice Management across the healthcare sector, provide and promote practice manager education and professional development, and to raise AAPM's profile in the sector.

There have been no significant changes in the nature of Australian Association of Practice Management Limited's principal activities during the financial year.

Business review

Operating Results

The surplus from ordinary activities amounted to \$27,282 (2018: surplus of \$254,960).

2 Other items

Significant changes in state of affairs

There have been no significant changes in the Company's state of affairs during the financial year.

After balance date events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

Objectives

The mission of the organisation is to:

- Represent and unite Practice Managers
- Provide and promote education and professional development
- Raise the profile of AAPM in the health sector
- Provide specialised services and networks for Practice Managers

The strategic intent for AAPM over the next three years is:

1. Strengthen AAPM's position as the pre-eminent professional body for Practice Management in the healthcare sector.
 - 1.1 Clarify and communicate with our membership AAPM's position and role as a membership body.
 - 1.2 Building brand awareness
 - 1.3 Expand and grow best practice education (particularly in relation to Continual Professional Development and Career Structures in Practice Management).
2. Expand and grow AAPM's membership
 - 2.1 Redefine and grow our value proposition.
 - 2.2 Develop a career pathway architecture matrix.
 - 2.3 Engage effectively outside our current membership to broaden and diversify our membership base.
 - 2.4 Establish and support relevant special interest groups withing our broader membership.

Australian Association of Practice Management Limited

ABN 91 010 067 615

Directors' Report

30 June 2019

2 Other items

Objectives

3. Strengthen AAPM's advocacy profile and voice.
 - 3.1 Resource AAPM appropriately in policy and advocacy capacity.
 - 3.2 Strengthen and expand relevant policy and advocacy partnerships.
 - 3.3 Establish a knowledge hub.

3 Director Information

Information on directors

Ms Cathy Baynie	Fellow AAPM, CPM AAPM
Qualifications	Diploma of Practice Management Certificate IV Workplace Training and Assessment Certificate IV Practice Management Nurses Board Registration RN
Special Responsibilities	National President
Ms Jacqueline Beer	Fellow AAPM, CPM AAPM, FIPA FIPA FFin CDec
Qualifications	Master of Management Bachelor of Commerce Diploma Practice Management Certificate IV Celebrancy
Special Responsibilities	National Treasurer
Mr Richard Evans	
Qualifications	Master of Writing Graduate Certificate Tertiary Teaching Bachelor Industrial Relations Diploma of Business Certified Mediator Company Directors Diploma AICD Fellow AICD
Mr Danny Haydon	Fellow AAPM, CPM AAPM
Qualifications	Master Health Management Bachelor of Applied Science & Occupational Therapy
Mr David Osman	CPM AAPM
Qualifications	Advanced Diploma of Management Certificate IV in Training and Assessment MAICD Certified Practitioner Myers-Briggs Type Indicator (MBTI®)
Special Responsibilities	Vice President
Ms Fiona Wong	CPM AAPM
Qualifications	Diploma in Practice Management
Special Responsibilities	Secretary

Australian Association of Practice Management Limited

ABN 91 010 067 615

Directors' Report

30 June 2019

3 Director Information

Information on directors

Mr James Downing	Fellow CPA Australia
Qualifications	Master of Business Bachelor of Business GAICD Australian Institute of Company Directors Six Sigma Certified GE

Dr David Oberklaid	
Qualifications	Postgraduate Diploma of Health Education Bachelor of Medicine Bachelor of Surgery

Mr Jon Erwin	CPM AAPM
Qualifications	Master of Business Administration Batchelor of Business

Ms Cecily Igglesden	CPM AAPM
Qualifications	Associate Diploma of Social Welfare Diploma Practice Management

Australian Association of Practice Management Limited

ABN 91 010 067 615

Directors' Report

30 June 2019

3 Director Information

Meetings of directors

During the financial year, 16 meetings of Directors (including Committees of Directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings		Finance, Audit & Risk Committee Meetings		Governance Committee Meetings	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Ms Cathy Baynie	6	6	-	-	5	5
Ms Jacqueline Beer	6	5	6	6	-	-
Mr Richard Evans	6	6	-	-	5	5
Mr Danny Haydon	6	5	6	5	-	-
Mr David Osman	6	6	-	-	5	5
Ms Fiona Wong	6	6	-	-	-	-
Mr James Downing	6	6	-	-	-	-
Dr David Oberklaid	5	5	-	-	-	-
Mr Jon Erwin	4	4	-	-	-	-
Ms Cecily Igglesden	1	1	-	-	-	-

4 Indemnification and insurance of officers

The Company has paid premiums to insure each of the Responsible Persons against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director of the Company, other than conduct involving a wilful breach of duty in relation to the Company.

The Directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the Directors' and officers' liability and legal expenses insurance contracts as such disclosure is prohibited under the terms of the contract.

Australian Association of Practice Management Limited

ABN 91 010 067 615


Directors' Report


30 June 2019

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2019 has been received and can be found on page 7 of the financial report.

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

Director:


Director:.....


Dated 18/9/2019

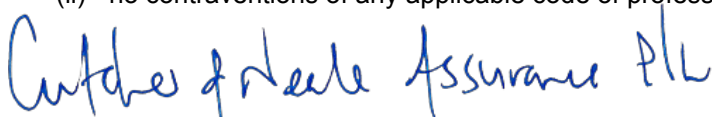
Australian Association of Practice Management Limited

ABN 91 010 067 615

Auditors Independence Declaration

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2019, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



Cutcher & Neale Assurance Pty Limited
(An authorised audit company)



M.J. O'Connor
Director

22 August 2019

NEWCASTLE

Australian Association of Practice Management Limited

ABN 91 010 067 615

Independent Audit Report to the members of Australian Association of Practice Management Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Australian Association of Practice Management Limited (the Company), which comprises the statement of financial position as at 30 June 2019, the statement of surplus or deficit and other comprehensive income, the statement of changes in funds and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2019 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

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 auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the Directors of the Company, would be in the same terms if given to the Directors as at the time of this auditor's report.

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

Other Information

The Directors are responsible for the other information. The other information obtained at the date of this auditor's report was limited to the Directors report, (but does not include the financial report and our auditor's report thereon).

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

Australian Association of Practice Management Limited

ABN 91 010 067 615

Independent Audit Report to the members of Australian Association of Practice Management Ltd

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, 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 Directors for the Financial Report

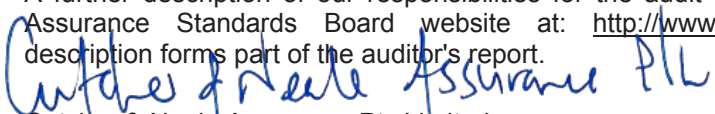

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of the auditor's report.


Cutcher & Neale Assurance Pty Limited
(Chartered Accountants)
M.J. O'Connor
Director

23 September 2019

NEWCASTLE

Australian Association of Practice Management Limited

ABN 91 010 067 615

Directors' Declaration

The Directors of the entity declare that:

1. The financial statements and notes, as set out on pages 11 to 29, are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
 - (b) give a true and fair view of the financial position as at 30 June 2019 and of the performance for the year ended on that date of the entity.
2. In the Directors' opinion, there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

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



Director:.....



Director:

Dated 18/9/2019

Australian Association of Practice Management Limited

ABN 91 010 067 615

Statement of Surplus or Deficit and Other Comprehensive Income For the Year Ended 30 June 2019

		2019	2018
	Note	\$	\$
Revenue	2	2,480,922	2,743,593
Other income	2	63,293	31,215
Employee benefits expense		(990,959)	(851,911)
Depreciation and amortisation expense		(39,448)	(57,763)
Board and governance expense		(136,755)	(89,619)
Occupancy expense		(26,773)	(31,597)
Project and communication expense		(1,190,000)	(1,399,002)
Finance costs		(14,282)	(16,728)
Other expenses		(118,716)	(73,228)
Surplus / (deficit) before income tax		27,282	254,960
Income tax expense	1(e)	-	-
Surplus / (deficit) after income tax		27,282	254,960
Other comprehensive income for the year		-	-
Total comprehensive income		27,282	254,960

The accompanying notes form part of these financial statements.

Australian Association of Practice Management Limited

ABN 91 010 067 615

Statement of Financial Position

As at 30 June 2019

	Note	2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	1,303,457	1,009,732
Trade and other receivables	6	138,244	61,911
Other assets	7	81,679	105,197
TOTAL CURRENT ASSETS		<u>1,523,380</u>	<u>1,176,840</u>
NON-CURRENT ASSETS			
Property, plant and equipment	8	1,015,844	1,016,203
Intangible assets	9	23,733	27,894
TOTAL NON-CURRENT ASSETS		<u>1,039,577</u>	<u>1,044,097</u>
TOTAL ASSETS		<u>2,562,957</u>	<u>2,220,937</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	1,067,307	755,097
Borrowings	11	22,886	39,036
Employee benefits	12	65,732	43,759
TOTAL CURRENT LIABILITIES		<u>1,155,925</u>	<u>837,892</u>
NON-CURRENT LIABILITIES			
Long-term provisions	12	6,616	9,911
TOTAL NON-CURRENT LIABILITIES		<u>6,616</u>	<u>9,911</u>
TOTAL LIABILITIES		<u>1,162,541</u>	<u>847,803</u>
NET ASSETS		<u>1,400,416</u>	<u>1,373,134</u>
FUNDS			
Accumulated Surplus		1,400,416	1,373,134
TOTAL FUNDS		<u>1,400,416</u>	<u>1,373,134</u>

The accompanying notes form part of these financial statements.

Australian Association of Practice Management Limited

ABN 91 010 067 615

Statement of Changes in Funds For the Year Ended 30 June 2019

2019

	Retained Earnings
	\$
Balance at 1 July 2018	1,373,134
Total comprehensive income	<u>27,282</u>
Balance at 30 June 2019	<u><u>1,400,416</u></u>

2018

	Retained Earnings
	\$
Balance at 1 July 2017	1,118,174
Total comprehensive income	<u>254,960</u>
Balance at 30 June 2018	<u><u>1,373,134</u></u>

The accompanying notes form part of these financial statements.

Australian Association of Practice Management Limited

ABN 91 010 067 615

Statement of Cash Flows

For the Year Ended 30 June 2019

	Note	2019 \$	2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		2,637,761	2,941,690
Payments to suppliers and employees		(2,305,448)	(2,552,264)
Interest received		26,772	7,838
Finance costs		(14,282)	(16,728)
Net cash provided by / (used in) operating activities		<u>344,803</u>	<u>380,536</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment		(34,928)	(2,177)
Purchase of intangible assets		-	(4,500)
Net cash used by investing activities		<u>(34,928)</u>	<u>(6,677)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from borrowings		230,040	-
Repayment of borrowings		(246,190)	(60,000)
Net cash used by financing activities		<u>(16,150)</u>	<u>(60,000)</u>
Net increase / (decrease) in cash and cash equivalents held		293,725	313,859
Cash and cash equivalents at beginning of year		<u>1,009,732</u>	<u>695,873</u>
Cash and cash equivalents at end of financial year	5	<u><u>1,303,457</u></u>	<u><u>1,009,732</u></u>

The accompanying notes form part of these financial statements.

Australian Association of Practice Management Limited

ABN 91 010 067 615

Notes to the Financial Statements

For the Year Ended 30 June 2019

1 Summary of Significant Accounting Policies

(a) Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements, (including Australian Accounting Interpretations), authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have 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.

(b) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(c) Critical accounting estimates and judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Key estimates - impairment of plant and equipment

The Company assesses impairment at the end of the reporting year by evaluating conditions specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

(d) Changes in Accounting Policy - adoption of AASB 9

The Company has applied AASB 9 Financial Instruments from 1 July 2018.

AASB 9 replaces the provisions of AASB 139 Financial Instruments that relate to the recognition, classification and measurement of financial assets and financial liabilities, including derecognition and impairment. AASB 9 also amends other standards dealing with financial instruments such as AASB 7 Financial Instruments: Disclosures.

Australian Association of Practice Management Limited

ABN 91 010 067 615

Notes to the Financial Statements

For the Year Ended 30 June 2019

1 Summary of Significant Accounting Policies

(d) Changes in Accounting Policy - adoption of AASB 9

The adoption of AASB 9 did not result in a significant change to the recognition or measurement of financial instruments for the Company as presented in the financial report.

On adoption of AASB 9 Australian Association of Practice Management Limited has reclassified its financial assets as subsequently measured at amortised cost or fair value depending on the business model for those assets and the contractual cash flow characteristics. There was no change in the classification or measurement of financial liabilities.

The principal impact on Australian Association of Practice Management Limited's financial assets at 1 July 2018 are:

- the reclassification of the trade receivables from 'loans and receivables' under AASB 139 to financial assets at amortised cost' under AASB 9. This did not change the balance of trade receivables recognised in the comparative year.

- the reclassification of the other financial assets from 'held-to-maturity' under AASB 139 to 'financial assets at amortised cost' under AASB 9. This did not change the balance of other financial assets recognised in the comparative year.

In relation to the reclassification of financial assets and liabilities, there was no impact on the statement of surplus or deficit and other comprehensive income, balance sheet or statement of changes in equity on adoption of AASB 9.

See note 1(j), 1(k), 1(p) and 1(q) for the detailed accounting policies.

(e) Income tax

No provision for income tax has been raised as the Company is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

Australian Association of Practice Management Limited

ABN 91 010 067 615

Notes to the Financial Statements

For the Year Ended 30 June 2019

1 Summary of Significant Accounting Policies

(f) Revenue and other income

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the activities as discussed below.

Conference income

Conference income is recognised as revenue in the period to which the conference relates.

Membership and sponsorship income

Membership and sponsorship income is recognised as revenue in the period to which it relates.

Interest revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Provision of services

Revenue recognition relating to the provision of services is recognised on delivery of the service to the member.

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

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

(g) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

(h) Property, plant and equipment

Property

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

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses. Cost includes expenditure that is directly attributable to the asset.

Australian Association of Practice Management Limited

ABN 91 010 067 615

Notes to the Financial Statements

For the Year Ended 30 June 2019

1 Summary of Significant Accounting Policies

(h) Property, plant and equipment

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Company commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Buildings	2.5%-10% PC
Plant and Equipment	5-33% PC

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of surplus or deficit and other comprehensive income.

(i) Impairment of non-financial assets

At the end of each reporting year, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Value in use is either the discounted cash flows relating to the asset or depreciated replacement cost if the criteria in AASB 136 'Impairment of Assets' are met. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of surplus or deficit and other comprehensive income.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the Company would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Impairment losses are recognised as an expense immediately, unless the relevant asset is property, plant and equipment held at fair value (other than investment property carried at a revalued amount) in which case the impairment loss is treated as a revaluation decrease as described in the accounting policy for property, plant and equipment.

Australian Association of Practice Management Limited

ABN 91 010 067 615

Notes to the Financial Statements

For the Year Ended 30 June 2019

1 Summary of Significant Accounting Policies

(j) Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off. A provision for doubtful debts is established on an expected credit loss (ECL) - forward looking - basis for all trade receivables at amortised cost. The amount of the provision is the difference between the asset's carrying value amount and the present value of estimated future cash flows. The amount of the provision is recognised in the statement of surplus or deficit and other comprehensive income.

(k) Investments and other financial assets

i) Classification

From 1 July 2018, the Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

The Company is using the measured at amortised cost method for all its financial assets, namely trade and other receivables. Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows which are solely payments of principal and interest on the principal amount outstanding.

ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on tradedate, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Australian Association of Practice Management Limited

ABN 91 010 067 615

Notes to the Financial Statements

For the Year Ended 30 June 2019

1 Summary of Significant Accounting Policies

(k) Investments and other financial assets

iii) Measurement

Subsequent to initial recognition, financial assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income and impairment for expected credit losses are recognised in the profit or loss. Gain or loss on derecognition is recognised in profit or loss.

iv) Impairment

Impairment of financial assets is recognised on an expected credit loss (ECL) – forward looking – basis for all financial assets measured at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Company considers reasonable and supportable information that is relevant and available, including both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment, including forward looking information.

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

(l) Intangibles

Trademarks

Trademarks are recognised at cost of acquisition. Trademarks have a finite life and are carried at cost less any accumulated amortisation and any impairment losses. Trademarks are amortised over their useful life of 10 years.

Software

Software is recorded at cost. Software has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It has an estimated useful life of between four and five years.

Amortisation

Amortisation is based on the cost of an asset less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

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

Australian Association of Practice Management Limited

ABN 91 010 067 615

Notes to the Financial Statements

For the Year Ended 30 June 2019

1 Summary of Significant Accounting Policies

(m) Borrowings

Secured and unsecured loans have been obtained. Carrying amounts represent the amount expected to be repaid at settlement. Unsecured loans are considered to be repayable at call and therefore presented as current liabilities.

(n) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting year. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

Provisions for Time Off In Lieu relates to time worked by employees outside of, or additional to, standard hours and is measured at the value expected to be paid when the liability is settled.

Contributions are made by the Company to an employee superannuation fund and are charged as expenses when incurred.

(o) 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 Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(p) Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Company during the reporting period which remain unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

Australian Association of Practice Management Limited

ABN 91 010 067 615

Notes to the Financial Statements

For the Year Ended 30 June 2019

1 Summary of Significant Accounting Policies

(q) Financial liabilities

i) Classification

The Company classifies its financial liabilities as those to be measured at amortised cost.

The financial liabilities of the Company comprise trade payables and bank loans.

Liabilities measured at amortised cost are financial liabilities where the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii) Recognition and derecognition

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(r) Authorisation of financial statements

The financial statements were approved and authorised for issue by the Responsible Persons on 23 August 2019. The Responsible Persons have the power to amend the financial report at any time.

(s) New Accounting Standards and Interpretations

Accounting standards and interpretations issued by the AASB that are not yet mandatorily applicable to the Company, together with an assessment of the potential impact of such Pronouncements on the Company when adopted in future periods, are discussed below.

- AASB 15 Revenue from Contracts with Customers and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2019).

The Standard contains new requirements for the recognition of revenue and additional disclosures. The Standard introduces a single principles based five step model for recognising revenue, and introduces the concept of recognising revenue when an obligation to a customer is satisfied. The adoption of this Standard is not expected to have a material impact on the Company's financial statements and is not applicable until 1 July 2019.

- AASB 1058 Income of Not-for-Profit Entities and associated Amending Standards (applicable to annual reporting periods on or after 1 January 2019).

Australian Association of Practice Management Limited

ABN 91 010 067 615

Notes to the Financial Statements

For the Year Ended 30 June 2019

1 Summary of Significant Accounting Policies

(s) New Accounting Standards and Interpretations

The Standard replaces the existing requirements in AASB 1004 Contributions and clarifies the income recognition requirements that apply to Not-for-Profit entities, in conjunction with AASB 15 Revenue from Contracts with Customers. The adoption of this Standard is not expected to have a material impact on the Company's financial statements and is not applicable until 1 July 2019.

- AASB 16 Leases (applicable to annual reporting periods beginning on or after 1 January 2019).

The main impact of this new Standard will require lessees to recognise assets and liabilities for all operating and finance leases, except where the lease is for a period less than 12 months and of low value. Whilst the impact of AASB 16 has not yet been fully quantified, the Company currently has no operating leases. Any future leases will be brought onto the statement of financial position through the recognition of a right to use asset and associated lease liability. Interest and amortisation expense will increase and rental expense will decrease.

Other amendments to existing standards that are not yet effective are not expected to result in a material impact to the Company's financial report.

2 Revenue and Other Income

	2019	2018
	\$	\$
Operating activities		
- Membership subscriptions	843,271	735,993
- Publications	38,991	64,918
- Sponsorship and grants	376,002	362,227
- Member education end events	253,163	365,306
- Conference income	720,238	847,954
- Grants received	249,257	367,195
	2,480,922	2,743,593
Other revenue		
- Interest income	26,772	7,838
- Premises rental	35,417	20,042
- Other income	1,104	3,335
	63,293	31,215
Total Revenue	2,544,215	2,774,808

Australian Association of Practice Management Limited

ABN 91 010 067 615

Notes to the Financial Statements

For the Year Ended 30 June 2019

3 Result for the Year

(a) The result for the year includes the following specific expenses

	2019	2018
	\$	\$
Finance costs	<u>14,282</u>	<u>16,728</u>

4 Remuneration of Key Management Personnel

The totals of remuneration paid to the key management personnel of Australian Association of Practice Management Limited during the year are as follows:

Total key management remuneration	<u>236,262</u>	<u>169,161</u>
-----------------------------------	----------------	----------------

5 Cash and Cash Equivalents

Cash at bank	<u>1,303,457</u>	<u>1,009,732</u>
--------------	------------------	------------------

6 Trade and Other Receivables

CURRENT		
Trade debtors	132,328	61,911
Accrued income	5,916	-
	<u>138,244</u>	<u>61,911</u>

7 Other Assets

CURRENT		
Prepayments	81,679	65,697
Conference seed funding	-	37,000
Deposits Paid	-	2,500
	<u>81,679</u>	<u>105,197</u>

Australian Association of Practice Management Limited

ABN 91 010 067 615

Notes to the Financial Statements For the Year Ended 30 June 2019

8 Property, Plant and Equipment

	2019 \$	2018 \$
LAND AND BUILDINGS		
Land		
At cost	590,000	590,000
Building		
At cost	497,526	491,221
Accumulated depreciation	(114,134)	(94,064)
Total buildings	383,392	397,157
Total land and buildings	973,392	987,157
Plant and equipment		
At cost	75,715	50,292
Accumulated depreciation	(33,263)	(21,246)
Total plant and equipment	42,452	29,046
Total property, plant and equipment	1,015,844	1,016,203

(a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Land \$	Buildings \$	Plant and Equipment \$	Total \$
2019				
Balance at the beginning of year	590,000	397,157	29,046	1,016,203
Additions	-	6,305	25,423	31,728
Depreciation expense	-	(20,070)	(12,017)	(32,087)
Assets written off	-	-	-	-
Balance at 30 June 2019	590,000	383,392	42,452	1,015,844

Australian Association of Practice Management Limited

ABN 91 010 067 615

Notes to the Financial Statements

For the Year Ended 30 June 2019

9 Intangible Assets

Carrying values table

	2019	2018
	\$	\$
Patents, trademarks and other rights		
Cost	4,855	4,855
Accumulated amortisation	(2,940)	(2,474)
Net carrying value	1,915	2,381
Computer software		
Cost	129,466	126,266
Accumulated amortisation	(107,648)	(100,753)
Net carrying value	21,818	25,513
Total Intangibles	23,733	27,894

(a) Movements in Carrying Amounts

	Patents, trademarks and other rights	Computer software	Total
	\$	\$	\$
2019			
Balance at the beginning of the year	2,381	25,513	27,894
Additions	-	3,200	3,200
Amortisation	(466)	(6,895)	(7,361)
Closing Balance	1,915	21,818	23,733

Australian Association of Practice Management Limited

ABN 91 010 067 615

Notes to the Financial Statements For the Year Ended 30 June 2019

10 Trade and Other Payables

	2019	2018
	\$	\$
CURRENT		
Unsecured liabilities		
Trade payables	36,727	48,441
Sundry payables and accrued expenses	231,883	222,566
Amounts received in advance	739,162	484,090
Grants received in advance	59,535	-
	<u>1,067,307</u>	<u>755,097</u>

11 Borrowings

CURRENT		
Secured liabilities:		
Bank overdraft	41	-
Bank loans	11(a) 22,845	39,036
Total current borrowings	<u>22,886</u>	<u>39,036</u>

(a) Total current and non-current secured liabilities

Bank loans	<u>22,845</u>	<u>39,036</u>
------------	---------------	---------------

The bank loan is secured by a registered first mortgage over the freehold land and buildings of the Company. The loan is classified as current as it is repayable on demand to the finance provider.

(b) Bank facilities

The company has made loan repayments in advance amounting to \$501,703 and has a credit card facility amounting to \$29,000 (balance cleared monthly). At 30 June 2019, this facility was fully available (2018: \$20,000). Interest rates are variable.

12 Employee benefits

CURRENT		
Provision for employee benefits	<u>65,732</u>	<u>43,759</u>
NON-CURRENT		
Provision for employee benefits	<u>6,616</u>	<u>9,911</u>

Australian Association of Practice Management Limited

ABN 91 010 067 615

Notes to the Financial Statements

For the Year Ended 30 June 2019

13 Capital and Leasing Commitments

(a) Operating lease commitments - Lessor

Non-cancellable operating leases contracted for but not capitalised in the financial statements:

	2019	2018
	\$	\$
Receivable - minimum lease receipts:		
- no later than 1 year	31,200	30,000
- between 1 year and 5 years	66,194	97,394
	<u>97,394</u>	<u>127,394</u>

An operating lease has been entered into for Ground floor, 60 Lothian Street, North Melbourne on 22 June 2018. The term of the lease is for an initial two year period, with a two year option. Lease charges receivable are increased on an annual basis to reflect market rentals. The tenant has provided a bank guarantee of \$8,250 (equivalent to three months rent GST inclusive).

14 Related Party Transactions

(a) Transactions with Directors

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

The following transactions occurred with Directors:

Some directors of the Company and their associates who presented as speakers at AAPM events were paid speaker fees:

Cathy Baynie (Emmaus Partners)	1,250	3,400
Daniel Haydon (Brentnalls SA)	2,750	4,000
Gary Smith (Agerush Pty Ltd)	-	4,000
	<u>4,000</u>	<u>11,400</u>
Presidents honorarium:		
Daniel Haydon	-	1,589
Cathy Baynie	5,000	3,425
	<u>5,000</u>	<u>5,014</u>

Australian Association of Practice Management Limited

ABN 91 010 067 615

Notes to the Financial Statements

For the Year Ended 30 June 2019

15 Members' Guarantee

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$ 50 each towards meeting any outstanding and obligations of the Company. At 30 June 2019 the number of members was 2,305 (2018: 2,190).

16 Financial Risk Management

The main risks Australian Association of Practice Management Limited is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk.

The Company's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable and bank loans.

The totals for each category of financial instruments, are as follows:

	2019 \$	2018 \$
Financial Assets		
- Cash and cash equivalents	1,303,457	1,009,732
- Trade and other receivables	138,244	61,911
Total financial assets	1,441,701	1,071,643
Financial Liabilities		
Financial liabilities at amortised cost		
- Trade and other payables	1,067,307	755,097
- Current borrowings	22,886	39,036
Total financial liabilities	1,090,193	794,133

Net Fair Values

There is no material difference between the carrying value of assets and liabilities and the fair values of the assets and liabilities.