# Australian Association of Practice Management Ltd

**ABN 91 010 067 615**

## Annual Report - 30 June 2023

**Australian Association of Practice Management Ltd**
**Directors' report**
**30 June 2023**

The directors present their report, together with the financial statements, on the company for the year ended 30 June 2023.

**Directors**
The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Mr Jon Erwin
Ms Jacqueline Beer
Mr David Osman
Mr James Downing (until August 2022)
Ms Raelene Tully
Mr Bruce McDonald
Mrs Deb Walter
Ms Sophie Valkan
Mr Brett Miller

**Company Secretary**
The following person held the position of Company secretary at the end of the financial year.

David Osman was appointed Company Secretary on 26 May 2021.

**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 2023 the number of members was 2,259 (2022: 2,322).

At 30 June 2022 the collective liability of members was $112,950 (2022: $116,100).

**Principal activities**
The principal activities of AAPM 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 AAPM's principal activities during the financial year.

**Review of operations**
The surplus from ordinary activities amounted to $71,085 (2022: $193,572).

**Significant changes in the state of affairs**
AAPM experienced some residual effects from the COVID-19 pandemic as the industry continued to be slower to return to activities as anticipated. The education event schedule was impacted due to lower than expected numbers in attendance.

**Matters subsequent to the end of the financial year**
No other matter or circumstance has arisen since 30 June 2023 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.

**Objectives**

The mission of the organisation is to:

- Represent and unite Practice Managers.
- Provide and promote education and professional development, to improve the quality of healthcare services provided to all Australians.
- 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 relatino 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 within our broader membership.

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.

**Directors' Information**

| | |
|---|---|
| Mr Jon Erwin | FAAPM CPM AAPM MACID |
| Qualifications | Master of Business Administration<br>Bachelor of Business |
| Special Responsibilities | National President (December 2020 - present) |
| | |
| Ms Jacqueline Beer | Fellow AAPM, CPM AAPM, GAICD, FIPA FIFA FFin CDec |
| Qualifications | Master of Management<br>Bachelor of Commerce<br>Diploma Practice Management |
| Special Responsibilities | Vice-President (October 2021 – present) |
| | |
| Mr David Osman | CPM AAPM |
| Qualifications | Advanced Diploma of Management<br>Certificate IV in Training and Assessment<br>MAICD<br>Certified Practitioner Myers-Briggs Type Indicator (MBTI®) |
| Special Responsibilities | Company Secretary (May 2021 – Present) |
| | |
| Ms Raelene Tully | CPM AAPM |
| Qualifications | Associate Diploma of Business<br>Cert IV Office and Secretarial Studies |
| Special Responsibilities | National Treasurer (October 2021 – present) |

**Directors' information (continued)**

| | |
|---|---|
| Mr James Downing | Fellow CPA Australia |
| Qualifications | Master of Business<br>Bachelor of Business<br>GAICD Australian Institute of Company Directors<br>Six Sigma Certified GE |
| Mr Bruce McDonald | GAICD Australian Institute of Company Directors |
| Qualifications | Bachelor of Economics (ANU)<br>Fellow and Certified Practicing Marketer<br>Australian Marketing Institute Fellow<br>Institute of Managers and Leaders Six Sigma Certified – Ford |
| Ms Deb Walter | Fellow AAPM, CPM AAPM, MAICD |
| Qualifications | Bachelor of Science<br>Graduate Certificate of Health Promotion<br>Graduate Diploma of Accounting<br>Diploma of Quality Auditing |
| Ms Sophie Valkan | |
| Qualifications | Graduate Australian Institute of Company Directors (GAICD)<br>Fellow CPA Australia (FCPA)<br>Bachelor of Law<br>Bachelor of Commerce (Accounting Major)<br>Graduate Diploma in Governance (Governance Institute) |
| Mr Brett Miller | Fellow AAPM, GAICD Australian Institute of Company Directors |
| Qualifications | Master of Business Administration<br>Honours Degree in Science<br>Diploma of Project Management |

**Meetings of Directors**

During the financial year, 14 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 |
| Mr Jon Erwin | 7 | 7 | - | - | 8 | 8 |
| Ms Jacqueline Beer | 7 | 6 | 8 | 5 | 8 | 6 |
| Mr David Osman | 7 | 6 | - | - | 8 | 6 |
| Mr James Downing | 7 | 1 | 1 | 1 | - | - |
| Mr Bruce McDonald | 7 | 7 | - | - | 8 | 8 |
| Ms Raelene Tully | 7 | 7 | 7 | 6 | - | - |
| Ms Deb Walter | 7 | 7 | 4 | 4 | - | - |
| Sophie Valkan | 7 | 6 | - | - | 8 | 8 |
| Mr Brett Miller | 7 | 5 | - | - | - | - |

**Indemnity and insurance of officers**
The Company has paid premiums to insure each of the Directors 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 disclosed 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.

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Director

Dated 11/9/2023

McLean Delmo Bentleys
THINKING AHEAD

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**AUDITOR'S INDEPENDENCE DECLARATION**
**TO THE DIRECTORS OF AUSTRALIAN ASSOCIATION OF PRACTICE MANAGEMENT LTD**

I declare that, to the best of my knowledge and belief, for the year ended 30 June 2023, 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.

McLean Delmo Bentleys Audit Pty Ltd

**McLean Delmo Bentleys Audit Pty Ltd**

**Frederic Ferges**
**Partner**

**Hawthorn**
**14 September 2023**

**General information**

The financial statements cover Australian Association of Practice Management Ltd as an individual entity. The financial statements are presented in Australian dollars, which is Australian Association of Practice Management Ltd's functional and presentation currency.

Australian Association of Practice Management Ltd is a company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business are:

| **Registered office** | **Principal place of business** |
|---|---|
| Level 1<br>60 Lothian Street<br>North Melbourne VIC 3051 | Level 1<br>60 Lothian Street<br>North Melbourne VIC 3051 |

A description of the nature of the company's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 11/9/2023. The directors have the power to amend and reissue the financial statements.

Australian Association of Practice Management Ltd
Statement of profit or loss and other comprehensive income
For the Year Ended 30 June 2023

| | Note | 2023 $ | 2022 $ |
|---|---|---|---|
| **Revenue** | 3 | - | - |
| Revenue from contracts with customers | | 2,559,962 | 1,823,965 |
| Other revenue from ordinary activities | | 8,662 | 1,564 |
| | | - | - |
| **Expenses** | | | |
| Employee Benefits Expense | | (849,534) | (691,095) |
| Depreciation and amortisation expense | | (43,058) | (67,026) |
| Project and communication expense | | (1,099,190) | (407,256) |
| Finance Costs | | (15,706) | (9,231) |
| Administration and other expense | | (490,051) | (457,349) |
| **Profit before income tax expense** | | 71,085 | 193,572 |
| Income tax expense | | - | - |
| **Profit after income tax for the year** | | 71,085 | 193,572 |
| Other comprehensive income | | 631,985 | - |
| **Total comprehensive income for the year attributable to the owners of Australian Association of Practice Management Ltd** | | 703,070 | 193,572 |

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

**Australian Association of Practice Management Ltd**
**Statement of Financial Position**
**As at 30 June 2023**

| | Note | 2023 $ | 2022 $ |
|---|---|---|---|
| **Assets** | | | |
| **Current assets** | | | |
| Cash at bank | 4 | 1,888,796 | 1,817,868 |
| Trade & other receivables | 5 | 282,471 | 187,764 |
| Other assets | 6 | 36,157 | 69,933 |
| Total current assets | | 2,207,424 | 2,075,565 |
| **Non-current assets** | | | |
| Property, plant & equipment | 7 | 1,551,611 | 939,842 |
| Intangible assets | 8 | 3,519 | 7,812 |
| Total non-current assets | | 1,555,130 | 947,654 |
| **Total assets** | | 3,762,554 | 3,023,219 |
| **Liabilities** | | | |
| **Current liabilities** | | | |
| Trade and other payables | 9 | 611,095 | 583,224 |
| Borrowings | 10 | 25,405 | 25,000 |
| Employee benefits | 11 | 61,588 | 54,015 |
| Total current liabilities | | 698,088 | 662,239 |
| **Non-current liabilities** | | | |
| Employee benefits | 11 | 9,004 | 8,588 |
| Total non-current liabilities | | 9,004 | 8,588 |
| **Total liabilities** | | 707,092 | 670,827 |
| **Net assets** | | 3,055,462 | 2,352,392 |
| **Equity** | | | |
| Asset revaluation reserve | 12 | 631,985 | - |
| Accumulated surplus | 13 | 2,423,477 | 2,352,392 |
| **Total equity** | | 3,055,462 | 2,352,392 |

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

**Australian Association of Practice Management Ltd**
**Statement of Changes in Funds**
**For the Year Ended 30 June 2023**

| | Asset revaluation reserve $ | Accumulated surplus $ | Total $ |
|---|---|---|---|
| Balance at 01 July 2021 | - | 2,158,820 | 2,158,820 |
| Profit after income tax for the year | - | 193,572 | 193,572 |
| Total comprehensive income for the year | - | 2,352,392 | 2,352,392 |
| Balance at 30 June 2022 | - | 2,352,392 | 2,352,392 |

| | Asset revaluation reserve $ | Accumulated surplus $ | Total $ |
|---|---|---|---|
| Balance at 01 July 2022 | - | 2,352,392 | 2,352,392 |
| Profit after income tax for the year | - | 71,085 | 71,085 |
| Revaluation of property, plant and equipment | 631,985 | - | 631,985 |
| Total comprehensive income for the year | 631,985 | 2,423,477 | 3,055,462 |
| Balance at 30 June 2023 | 631,985 | 2,423,477 | 3,055,462 |

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

**Australian Association of Practice Management Ltd**
**Statement of Cash Flows**
**For the Year Ended 30 June 2023**

| | Note | 2023 $ | 2022 $ |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Receipts from customers | | 2,506,788 | 1,751,249 |
| Payments to suppliers and employees | | (2,410,672) | (1,464,549) |
| Interest received | | 8,662 | 1,564 |
| Finance costs | | (15,706) | (9,231) |
| Net cash from operating activities | | 89,072 | 279,033 |
| **Cash flows from investing activities** | | | |
| Payments for property, plant and equipment | | (18,549) | (4,858) |
| Net cash used in investing activities | | (18,549) | (4,858) |
| **Cash flows from financing activities** | | | |
| Proceeds from/(repayment of) financial liabilities, net | | 405 | 24,554 |
| Net cash from financing activities | | 405 | 24,554 |
| Net increase in cash and cash equivalents | | 70,928 | 298,729 |
| Cash and cash equivalents at the beginning of the financial year | | 1,817,868 | 1,519,139 |
| Cash and cash equivalents at the end of the financial year | | 1,888,796 | 1,817,868 |

*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:

*Conceptual Framework for Financial Reporting (Conceptual Framework)*
The company has adopted the revised Conceptual Framework from 1 July 2021. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the company's financial statements.

*AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*
The company has adopted AASB 1060 from 1 July 2021. The standard provides a new Tier 2 reporting framework with simplified disclosures that are based on the requirements of IFRS for SMEs. As a result, there is increased disclosure in these financial statements for key management personnel, related parties, tax and financial instruments.

**Basis of preparation**
These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities.

*Historical cost convention*
The financial statements have been prepared under the historical cost convention, except for, where applicable, certain classes of property, plant and equipment and derivative financial instruments.

*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.

**Note 1. Significant accounting policies (continued)**

**Revenue recognition**
The company recognises revenue as follows:

*Revenue from contracts with customers*

(a) Partnership contracts and governments grants
When the Company receives revenue from partnership agreements and government grants, it assesses whether the contract is enforceable and has suffciently specific performance obligations in accordance with Accounting Standard *AASB15: Revenue from Contracts with Customers.*

When both these conditions are satisfied, the Company,
- Identifies each performance obligation relating to the agreement.
- Recognises a contrace liability for its obligations under the agreement; and
- Recognises revenue as it satisfies its performance obligations.

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the Company:
- Recognises the asset received in accordance with the recognition requirements of other applicable Accounting Standards
- Recognises related amounts (for example lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer); and
- Recognises income immediately in surplus or deficit as the difference between the initial carrying amount of the asset and the related amount.

If a contract liability is recognised as a related amount above, the Company recognises income in surplus or deficit when or as it satisfies its obligations under the contract.

(b) Conference and education event revenue
Conference and education event revenue is recognised as revenue in the period to which the event takes place.

(c) Membership revenue
Membership revenue is recognised on a straight-line basis onver the period to which it relates.

(d) Provision of services
Revenue recognition relating to the provision of services is recognised on delivery of service to the customer.

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

**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.*

**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.

**Note 1. Significant accounting policies (continued)**

**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.

**Trade and other receivables**
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost, less any allowance for expected credit losses.

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 recognized in the statement of surplus or deficit and other comprehensive income.

**Investments and other financial assets**
*(a) Classification*
The company classifies its financial assets in the following measurement categories:
- those to be measured subsequently at fair avalue (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 soley payments of principal and interest on the principal amount outstanding.

*(b) Recognition and derecognition*
Regular way purchases and sales of financial assets are recognized on trade date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognized 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.

*(c) Measurement*
Subsequent to initial recognition, financial assets are carried at amortized cost using the effective interest rate method less provision for impairment.

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

*(d) Impairment*
Impairment of financial assets is recognized on an expected credit loss (ECL) – forward looking – basis for all financial assets measured at amortized 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.

**Note 1. Significant accounting policies (continued)**

**Property, plant and equipment**
Land and buildings are meausred at cost less accumulated depreciation and impairment losses.

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

The depreciable amount of all fixed assets including buildings and capitalized 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.

| | |
|---|---|
| Buildings | 2.5% - 10% PC |
| Plant and equipment | 5% - 33% PC |

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

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. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

**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.

*Trademarks*
Trademarks are recognized at cost of acquisition. Trademarks have a finite life and are carried at cost less any accumulated amortization and any impairment losses. Trademarks are amortized over their useful life of ten years.

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

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

Amortization is recognized 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.

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

**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 recognized 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.

**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.

**Contract liabilities**
When an amount of consideration is received from a customer prior to the Company transferring the service to the customer, the Company presents the unsatisfied (or partially unsatisfied) performance obligations as a contract liability.

**Note 1. Significant accounting policies (continued)**

**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.

**Financial liabilities**
*(a) 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.

*(b) 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.

**Provisions**
Provisions are recognised when the company has a present (legal or constructive) obligation as a result of a past event, it is probable the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

**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.

*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 corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

*Provisions for Time Off in Lieu*
Provision is made for 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.

*Defined contribution superannuation expense*
Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

## Note 1. Significant accounting policies (continued)

**Goods and Servics 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.

**Roundings of amounts**
The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

## 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.

*Coronavirus (COVID-19) pandemic*
Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the company operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

*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. Revenue

| | 2023 $ | 2022 $ |
|---|---|---|
| *Revenue from contracts with customers* | | |
| Membership subscriptions | 851,267 | 728,642 |
| Partnership agreements | 463,455 | 296,821 |
| Member education and events | 131,772 | 12,366 |
| Grants Received | 307,622 | 661,342 |
| Publications | 19,546 | 18,845 |
| Conference | 785,500 | 105,949 |
| | 2,559,162 | 1,823,965 |
| *Other revenue* | | |
| Other Income | 800 | - |
| Interest Income (Trading and Investment) | 8,662 | 1,564 |
| | 9,462 | 1,564 |
| | 2,568,624 | 1,825,529 |

## Note 4. Cash and cash equivalents

| | 2023 $ | 2022 $ |
|---|---|---|
| Cash at bank | 720,994 | 660,495 |
| Cash on deposit | 1,167,802 | 1,157,373 |
| | 1,888,796 | 1,817,868 |

## Note 5. Trade and other receivables

| | 2023 $ | 2022 $ |
|---|---|---|
| Trade debtors | 282,471 | 186,170 |
| Expected Credit Losses | - | (173) |
| Accrued Income | - | 1,767 |
| | 282,471 | 187,764 |

## Note 6. Other assets

| | 2023 $ | 2022 $ |
|---|---|---|
| Prepayments | 29,832 | 36,080 |
| Security deposits | 6,325 | 33,853 |
| | 36,157 | 69,933 |

## Note 7. Property, plant and equipment

| | 2023<br>$ | 2022<br>$ |
|---|---|---|
| Land - at cost | 1,105,000 | 590,000 |
| Building - at cost | 501,185 | 497,526 |
| Less: Accumulated depreciation | (82,019) | (175,340) |
| | 419,166 | 322,186 |
| Plant and equipment - at cost | 94,964 | 161,133 |
| Less: Accumulated depreciation | (67,519) | (133,477) |
| | 27,445 | 27,656 |
| | 1,551,611 | 939,842 |

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

| | Land<br>$ | Buildings<br>$ | Plant and equipment<br>$ | Total<br>$ |
|---|---|---|---|---|
| Balance at 01 July 2022 | 590,000 | 322,186 | 27,656 | 939,842 |
| Additions | | | 18,549 | 18,549 |
| Disposals | | | (6,998) | (6,998) |
| Revaluation | 515,000 | 116,985 | | 631,985 |
| Depreciation expense | | (20,005) | (11,762) | (31,767) |
| Balance at 30 June 2023 | 1,105,000 | 419,166 | 27,445 | 1,551,611 |

## Note 8. Intangibles

| | 2023<br>$ | 2022<br>$ |
|---|---|---|
| Patents and trademarks - at cost | 4,000 | 4,000 |
| Less: Accumulated amortisation | (800) | (400) |
| | 3,200 | 3,600 |
| Software - at cost | 26,600 | 26,600 |
| Less: Accumulated amortisation | (26,281) | (22,388) |
| | 319 | 4,212 |
| | 3,519 | 7,812 |

## Note 8. Intangibles (continued)

*Reconciliations*

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

| | Patents and trademarks $ | Software $ | Total $ |
|---|---|---|---|
| Balance at 01 July 2022 | 3,600 | 4,212 | 7,812 |
| Additions | - | - | - |
| Disposals | - | - | - |
| Depreciation expense | (400) | (3,893) | (4,293) |
| Balance at 30 June 2023 | 3,200 | 319 | 3,519 |

## Note 9. Trade and other payables

| | 2023 $ | 2022 $ |
|---|---|---|
| *Current* | | |
| Trade payables | 31,691 | 25,158 |
| Sundry payables and accrued expenses | 60,587 | 80,782 |
| Contract liabilities | 518,817 | 477,284 |
| | 611,095 | 583,224 |

## Note 10. Financial liabilities

| | 2023 $ | 2022 $ |
|---|---|---|
| *Current* | | |
| Bank loans | 25,405 | 25,000 |
| | 25,405 | 25,000 |

*Total secured liabilities*

The total secured liabilities (current and non-current) are as follows:

| | 2023 $ | 2022 $ |
|---|---|---|
| Bank loans | 25,405 | 25,000 |

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.

The Company has made loan repayments in advance amounting to $116,099 and has a credit card facility amounting to $29,000 (balance cleared monthly). At 30 June 2023, this facility was fully available (2022: $29,000). Interest rates are variable.

## Note 11. Employee benefits

| | 2023 $ | 2022 $ |
|---|---|---|
| *Current* | | |
| Annual leave | 61,588 | 54,015 |
| Long service leave | | |
| | 61,588 | 54,015 |
| *Non-current* | | |
| Long service leave | 9,004 | 8,588 |
| | 9,004 | 8,588 |
| Total provisions | 70,592 | 62,603 |

*Annual leave*
The provision represents the expected cost in relation to unused annual leave at the reporting date.

*Long service leave*
The provision represents the present value of the estimated future cash flows to be made in respect of all employees in relation to long service leave.

*Movements in provisions*
Movements in each class of provision during the current financial year, other than employee benefits, are set out below:

| | Annual leave $ | Long service leave $ | Total $ |
|---|---|---|---|
| Balance at 01 July 2022 | 54,015 | 8,588 | 62,603 |
| Additional provisions recognised | 7,573 | 416 | 7,989 |
| Amounts used | | | - |
| Unusred amounts reversed | | | - |
| Balance at 30 June 2023 | 61,588 | 9,004 | 70,592 |

## Note 12. Reserves

| | 2023 $ | 2022 $ |
|---|---|---|
| Revaluation surplus reserve | 631,985 | - |
| | 631,985 | - |

*Revaluation surplus reserve*
The reserve is used to recognise increments and decrements in the fair value of land and buildings, excluding investment properties.

**Note 12. Reserves (continued)**

*Movements in reserves*

Movements in each class of reserve during the current financial year are set out below:

| | Revaluation surplus $ | Total $ |
|---|---|---|
| Balance at 01 July 2022 | - | - |
| Revaluation - gross | 631,985 | 631,985 |
| Balance at 30 June 2023 | 631,985 | 631,985 |

**Note 13. Retained earnings**

| | 2023 $ | 2022 $ |
|---|---|---|
| Retained profits at the beginning of the financial year | 2,352,392 | 2,158,820 |
| Profit/(loss) after income tax expense for the year | 703,070 | 193,572 |
| Retained profits at the end of the financial year | 3,055,462 | 2,352,392 |

**Note 14. Key Management Personnel disclosures**

The aggregate compensation made to directors and other members of key management personnel of the company is set out below:

| | 2023 $ | 2022 $ |
|---|---|---|
| Aggregate compensation | 209,949 | 181,500 |

**Note 15. Contingent liabilities**

The company had no contingent liabilities as at 30 June 2023 and 30 June 2022.

**Note 16. Commitments**

The company had no commitments for expenditure as at 30 June 2023 and 30 June 2022.

**Note 17. Related party transactions**

*Key management personnel*

Disclosures relating to key management personnel are set out in Note 14.

*Transactions with related parties*

There were no transactions with related parties during the current and previous financial year.

*Receivable from and payable to related parties*

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

*Loans to/from related parties*

There were no loans to or from related parties at the current and previous reporting date.

**Note 17. Related party transactions (continued)**

*Terms and conditions*

All transactions were made on normal commercial terms and conditions and at market rates.

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

| | | 2023 $ | | 2022 $ |
|---|---|---|---|---|
| Honorariums: | | | | |
| Danny Haydon | $ | - | $ | 5,000.00 |
| Jon Erwin | $ | 5,000.00 | $ | 5,000.00 |
| Cathy Baynie | $ | - | $ | 5,000.00 |
| James Downing | $ | 1,062.50 | $ | 1,000.00 |
| Jacqueline Beer | $ | 2,562.50 | $ | 1,000.00 |
| Raelene Tully | $ | 3,562.50 | $ | 1,000.00 |
| Bruce McDonald | $ | 1,062.50 | $ | 1,000.00 |
| Brett Miller | $ | 1,062.50 | $ | - |
| Sophie Valkan | $ | 1,062.50 | $ | - |
| Debra Walter | $ | 1,062.50 | $ | - |

**Note 18. Events after the reporting period**

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been financially positive for the company up to 30 June 2023, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

In August 2023, AAPM made a deposit of $210,000.00 for the acquisition of a new commercial premises at 517 Flinders Lane Melbourne for the relocation of the AAPM National Office. The settlement of the property is scheduled on 01 March 2024.

In August 2023, AAPM sold the commercial property at 60 Lothian Street, North Melbourne. AAPM received a deposit of $172,000.00 and the settlement of the sale is the 24 November 2023.

**Note 19. 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 2023 the number of members was 2,259 (2022: 2,322).

**Australian Association of Practice Management Ltd**
**Directors' Declaration**

In the directors' opinion

- the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards - Simplified Disclosures, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2023 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.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

NAME
DIRECTOR Jon Erwin

DATE 11/9/2023
LOCATION (CITY) Melbourne

McLean Delmo Bentleys
THINKING AHEAD

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**INDEPENDENT AUDITOR'S REPORT**
**TO THE MEMBERS OF AUSTRALIAN ASSOCIATION OF PRACTICE MANAGEMENT LTD**

## Opinion

We have audited the financial report of Australian Association of Practice Management Ltd, which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, statement of changes in 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 other explanatory information, and the directors' declaration.

In our opinion, the financial report of Australian Association of Practice Management Ltd is in accordance with the Corporations Act 2001, including:

(a) giving a true and fair view of the entity's financial position as at 30 June 2023 and of its performance for the year ended on that date; and

(b) complying with Australian Accounting Standards – Simplified 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 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.

In conducting our audit, we have complied with the independence requirements of the Australian professional ethical pronouncements.

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

## Responsibilities of the 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 have determined that the accounting policies described in Note 1 to the financial statements which form part of the financial report are appropriate to meet the financial reporting requirements and are appropriate to meet the needs of the members. The directors are also responsible 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, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating 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 has no realistic alternative but to do so.

**INDEPENDENT AUDITOR'S REPORT**
**TO THE MEMBERS OF AUSTRALIAN ASSOCIATION OF PRACTICE MANAGEMENT LTD (CONT'D)**

**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.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgment 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity'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 Entity 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 those charged with governance 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.

McLean Delmo Bentleys Audit Pty Ltd

**McLean Delmo Bentleys Audit Pty Ltd**

**Frederic Ferges**
**Partner**

**Hawthorn**
**14 September 2023**