



AUSTRALIAN ASSOCIATION OF PRACTICE MANAGEMENT LTD  
ABN 91 010 067 615

Financial Report  
For the Year Ended  
30 June 2017

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# Australian Association of Practice Management Ltd

ABN 91 010 067 615

## Directors' Report 30 June 2017

Your Directors present their report on the Company for the financial year ended 30 June 2017.

### 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	Appointed October 2016
Ms Jacqueline Beer	Appointed October 2016
Mr Richard Evans	
Mr Danny Haydon	
Ms Cecily Igglesden	Appointed October 2016
Mr David Osman	Appointed February 2017
Mr Gary Smith	
Ms Fiona Wong	
Ms Jannine de Veau	Resigned October 2016
Ms Lynne Green	Resigned October 2016
Ms Carolyn Ingram	Resigned October 2016
Mr Brett McPherson	Appointed October 2016/Resigned January 2017
Ms Linda Osman	Resigned October 2016

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:

Gillian Leach has been the Company secretary since September 2013. Gillian is also the Chief Executive Officer of the Company.

#### Members guarantee

Australian Association of Practice Management Ltd 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 2017 the collective liability of members was \$ 101,200 (2016: \$ 94,500).

# Australian Association of Practice Management Ltd

ABN 91 010 067 615

## Directors' Report

30 June 2017

### 1. General information

#### Principal activities

The principal activity of Australian Association of Practice Management Ltd during the financial year was to promote professional excellence in healthcare management throughout Australia.

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

#### Business review

#### Operating Results

The surplus from ordinary activities amounted to \$287,978 (2016: deficit of \$18,476).

### 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.

#### Short and Long Term Objectives

The mission of the organisation is to:

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

The short term objectives of the organisation are to:

- Increase the profile and awareness of AAPM
- Increase the membership of the organisation
- Increase revenue for the organisation
- Increase the organisation's equity
- Increase representation on government policy forums
- Establish a co-ordinated Education Platform
- Further develop transition from State based to National culture

# Australian Association of Practice Management Ltd

ABN 91 010 067 615

## Directors' Report

30 June 2017

### 2. Other items

#### Short and Long Term Objectives

To achieve these objectives, the organisation has adopted the following strategies:

- Increase the channels to promote AAPM through use of social media
- Provide a clear professional development pathway for members
- Increase opportunities for members to access education including on-line education
- Develop partnerships with key stakeholders to benefit both members and the organisation
- Develop additional services and products for the benefit of members
- Appoint a Corporate Affairs Officer
- Review and strengthen relationship with our Registered Training Organisation
- Expand international market
- Extend Ambassador program
- Increase member involvement in networking groups

### 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 Vice-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 Batchelor Industrial Relations Diploma of Business Certified Mediator Company Directors Diploma AICD Fellow AICD
Mr Danny Haydon	Fellow AAPM, CPM AAPM
Qualifications	Masters Health Management Batchelor of Applied Science & Occupational Therapy
Special Responsibilities	National President
Ms Cecily Igglesden	
Qualifications	Associate Diploma of Social Welfare Diploma Practice Management

# Australian Association of Practice Management Ltd

ABN 91 010 067 615

## Directors' Report

30 June 2017

### 3. Director Information

#### Information on directors

Mr David Osman	CPM AAPM
Qualifications	Advanced Diploma of Management Certificate IV in Training and Assessment MAICD Certified Practitioner Myers-Briggs Type Indicator (MBTI®)
Mr Gary Smith	Life Member AAPM, Fellow AAPM, CPM AAPM
Qualifications	Diploma in Practice Management Diploma of Corporate Governance Certificate IV in training and Assessment
Ms Fiona Wong	CPM AAPM
Qualifications	Diploma in Practice Management
Special Responsibilities	Secretary
Ms Jannine de Veau	CPM AAPM
Qualifications	Diploma in Practice Management Accreditation Surveyor for AGPAL Accreditation Surveyor for QIP CPM Resigned October 2016
Ms Lynne Green	MAAPM
Qualifications	GAICD Resigned October 2016
Ms Carolyn Ingram	CPM AAPM, Fellow AAPM
Qualifications	Batchelor of Arts Graduate Diploma in Teaching Diploma of Practice Management Certificate IV Workplace Training and Assessment
Special Responsibilities	Vice-President Resigned October 2016
Mr Brett McPherson	Life Member AAPM, Fellow AAPM
Qualifications	Post Graduate Diploma in Business Further Education Teaching Certificate Resigned January 2017

# Australian Association of Practice Management Ltd

ABN 91 010 067 615

## Directors' Report

30 June 2017

### 3. Director Information

#### Information on directors

Ms Linda Osman	Fellow AAPM, CPM AAPM
Qualifications	Diploma of Business Diploma of Practice Management Certificate IV Workplace Training and Assessment Certificate IV Workplace Training and Assessment Certificate IV Practice Management Nurses Board Registration RN Accredited Surveyor of AGPAL
Special Responsibilities	Secretary Resigned October 2016

# Australian Association of Practice Management Ltd

ABN 91 010 067 615

## Directors' Report

30 June 2017

### 3. Director Information

#### Meetings of directors

During the financial year, 6 meetings of directors (including strategic planning) were held. Attendances by each director during the year were as follows:

	Directors' Meetings		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	5	5	-	-	3	3
Ms Jacqueline Beer	5	5	4	4	-	-
Mr Richard Evans	6	6	-	-	3	2
Mr Danny Haydon	6	6	-	-	3	3
Ms Cecily Igglesden	5	5	-	-	-	-
Mr David Osman	3	3	2	2	-	-
Mr Gary Smith	6	5	-	-	-	-
Ms Fiona Wong	6	6	-	-	-	-
Ms Jannine de Veau	2	1	2	2	-	-
Ms Lynne Green	2	-	-	-	-	-
Ms Carolyn Ingram	2	2	-	-	-	-
Mr Brett McPherson	2	2	-	-	-	-
Ms Linda Osman	2	2	-	-	-	-

### 4. Indemnification 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 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.

#### 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 2017 has been received and can be found on page 8 of the financial report.



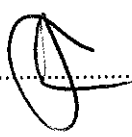
# Australian Association of Practice Management Ltd

ABN 91 010 067 615

## Directors' Report 30 June 2017

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

Director:  .....

Director:  .....

Dated 18 August 2017

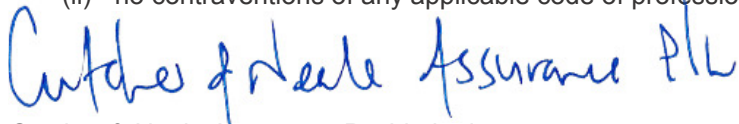
# Australian Association of Practice Management Ltd

ABN 91 010 067 615

## Auditors Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Australian Association of Practice Management Ltd

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2017, 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

15 August 2017

Newcastle

# Australian Association of Practice Management Ltd

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 Ltd (the Company), which comprises the statement of financial position as at 30 June 2017, 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 2017 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 - Reduced Disclosure Requirements. 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 Ltd

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 - Reduced Disclosure Requirements 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](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

NEWCASTLE

21 August 2017

# Australian Association of Practice Management Ltd

ABN 91 010 067 615

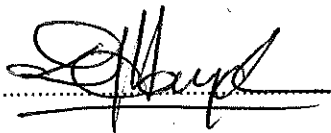
## Directors' Declaration

The directors of the entity declare that:

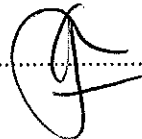
1. The financial statements and notes, as set out on pages 12 to 28, are in accordance with the *Corporations Act 2001* and:
  - (a) comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
  - (b) give a true and fair view of the financial position as at 30 June 2017 and of 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 August 2017

# Australian Association of Practice Management Ltd

ABN 91 010 067 615

## Statement of Surplus or Deficit and Other Comprehensive Income For the Year Ended 30 June 2017

		2017	2016
	Note	\$	\$
Revenue	2	2,571,895	2,108,774
Other income	2	26,287	26,228
Employee benefits expense		(679,994)	(606,566)
Depreciation and amortisation expense		(38,157)	(35,662)
Board and governance expense		(103,080)	(87,372)
Occupancy expense		(26,322)	(35,760)
Project and communication expense		(1,366,476)	(1,288,711)
Finance costs		(15,593)	(15,936)
Other expenses		(80,582)	(83,470)
<b>Surplus / (deficit) before income tax</b>		<b>287,978</b>	<b>(18,475)</b>
Income tax expense	1(d)	-	-
<b>Surplus / (deficit) after income tax</b>		<b>287,978</b>	<b>(18,475)</b>
Other comprehensive income for the year		-	-
<b>Total comprehensive income</b>		<b>287,978</b>	<b>(18,475)</b>

The accompanying notes form part of these financial statements.

# Australian Association of Practice Management Ltd

ABN 91 010 067 615

## Statement of Financial Position

As at 30 June 2017

	Note	2017 \$	2016 \$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	5	695,873	229,555
Trade and other receivables	6	54,170	124,287
Other assets	7	82,475	65,078
TOTAL CURRENT ASSETS		<u>832,518</u>	<u>418,920</u>
NON-CURRENT ASSETS			
Property, plant and equipment	8	1,064,725	1,081,959
Intangible assets	9	30,459	37,926
TOTAL NON-CURRENT ASSETS		<u>1,095,184</u>	<u>1,119,885</u>
TOTAL ASSETS		<u>1,927,702</u>	<u>1,538,805</u>
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and other payables	10	651,219	535,296
Borrowings	11	99,036	117,257
Employee benefits	12	44,893	49,845
TOTAL CURRENT LIABILITIES		<u>795,148</u>	<u>702,398</u>
NON-CURRENT LIABILITIES			
Long-term provisions	12	14,380	6,211
TOTAL NON-CURRENT LIABILITIES		<u>14,380</u>	<u>6,211</u>
TOTAL LIABILITIES		<u>809,528</u>	<u>708,609</u>
NET ASSETS		<u>1,118,174</u>	<u>830,196</u>
<b>FUNDS</b>			
Accumulated Surplus		1,118,174	830,196
TOTAL FUNDS		<u>1,118,174</u>	<u>830,196</u>

The accompanying notes form part of these financial statements.

# Australian Association of Practice Management Ltd

ABN 91 010 067 615

## Statement of Changes in Funds For the Year Ended 30 June 2017

2017

	Retained Earnings
	\$
Balance at 1 July 2016	830,196
Total comprehensive income	<u>287,978</u>
Balance at 30 June 2017	<u><u>1,118,174</u></u>

2016

	Retained Earnings
	\$
Balance at 1 July 2015	848,671
Total comprehensive income	<u>(18,475)</u>
Balance at 30 June 2016	<u><u>830,196</u></u>

The accompanying notes form part of these financial statements.



# Australian Association of Practice Management Ltd

ABN 91 010 067 615

## Statement of Cash Flows

For the Year Ended 30 June 2017

	2017	2016
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	2,901,937	2,248,202
Payments to suppliers and employees	(2,390,695)	(2,150,444)
Interest received	2,347	1,906
Finance costs	(15,593)	(15,936)
Net cash provided by / (used in) operating activities	<u>497,996</u>	<u>83,728</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property, plant and equipment	(11,957)	(124,787)
Purchase of intangible assets	(1,500)	(2,400)
Net cash used by investing activities	<u>(13,457)</u>	<u>(127,187)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from borrowings	-	-
Repayment of borrowings	(18,221)	(381)
Net cash used by financing activities	<u>(18,221)</u>	<u>(381)</u>
Net increase / (decrease) in cash and cash equivalents held	466,318	(43,840)
Cash and cash equivalents at beginning of year	229,555	273,395
Cash and cash equivalents at end of financial year	5 <u>695,873</u>	<u>229,555</u>

The accompanying notes form part of these financial statements.

# Australian Association of Practice Management Ltd

ABN 91 010 067 615

## Notes to the Financial Statements For the Year Ended 30 June 2017

### 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) 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 Ltd

ABN 91 010 067 615

## Notes to the Financial Statements For the Year Ended 30 June 2017

### 1 Summary of Significant Accounting Policies

#### (e) 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).

#### (f) 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.

#### (g) 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 Ltd

ABN 91 010 067 615

## Notes to the Financial Statements For the Year Ended 30 June 2017

### 1 Summary of Significant Accounting Policies

#### (g) 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:

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
Buildings	2.5% 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.

#### (h) Financial instruments

##### Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is the equivalent to the date that the Company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

# Australian Association of Practice Management Ltd

ABN 91 010 067 615

## Notes to the Financial Statements For the Year Ended 30 June 2017

### 1 Summary of Significant Accounting Policies

#### (h) Financial instruments

##### Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method, or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

##### (i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting year.

##### (ii) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Fees payable on the establishment of loan facilities are recognised as transaction costs of the loan.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

##### Impairment

Objective evidence that a financial asset is impaired includes default by a debtor, evidence that the debtor is likely to enter bankruptcy or adverse economic conditions in the stock exchange. At the end of each reporting period, the Company assesses whether there is objective evidence that a financial asset has been impaired through the occurrence of a loss event.

Impairment losses are recognised through an allowance account for loans and receivables in the statement of surplus or deficit and other comprehensive income.

Where a subsequent event causes the amount of the impairment loss to decrease (e.g. payment received), the reduction in the allowance account (provision for impairment of receivables) is taken through profit and loss.

# Australian Association of Practice Management Ltd

ABN 91 010 067 615

## Notes to the Financial Statements For the Year Ended 30 June 2017

### 1 Summary of Significant Accounting Policies

#### (h) Financial instruments

##### Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

#### (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.

#### (j) 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.

# Australian Association of Practice Management Ltd

ABN 91 010 067 615

## Notes to the Financial Statements For the Year Ended 30 June 2017

### 1 Summary of Significant Accounting Policies

#### (j) Intangibles

##### 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.

#### (k) 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 including credit card liabilities. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

#### (l) 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.

#### (m) 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.

# Australian Association of Practice Management Ltd

ABN 91 010 067 615

## Notes to the Financial Statements For the Year Ended 30 June 2017

### 1 Summary of Significant Accounting Policies

#### (n) 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.

#### (o) Going concern

The financial statements record as a current liability a loan payable for the purchase of the head office premises. The loan is classified as current as it is repayable on demand to the finance provider and therefore impacts on the working capital position of the Company. The loan is secured by a registered first mortgage over the property, which has a value in excess of the loan balance. At the date of this report there is no indication that the loan will be recalled by the finance provider.

For this reason the directors continue to adopt the going concern basis in preparing the financial statements.

#### (p) Authorisation of financial statements

The financial statements were approved and authorised for issue by the Board of Directors on 30 September 2017. The Directors have the power to amend the financial report at any time.

### 2 Revenue and Other Income

	2017	2016
	\$	\$
Operating activities		
- Membership subscriptions	668,710	590,317
- Publications	38,063	66,291
- Sponsorship and grants	369,016	387,540
- Member education end events	217,107	250,687
- Conference income	689,055	813,939
- Grants received	589,944	-
	<u>2,571,895</u>	<u>2,108,774</u>
Other revenue		
- Interest income	2,347	1,906
- Premises rental	22,367	19,250
- Other income	1,573	5,072
	<u>26,287</u>	<u>26,228</u>
<b>Total Revenue</b>	<u><u>2,598,182</u></u>	<u><u>2,135,002</u></u>



# Australian Association of Practice Management Ltd

ABN 91 010 067 615

## Notes to the Financial Statements For the Year Ended 30 June 2017

### 3 Result for the Year

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

	2017	2016
	\$	\$
Finance costs	<u>15,593</u>	<u>15,936</u>

### 4 Remuneration of Key Management Personnel

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

Total key management remuneration	<u>169,715</u>	<u>152,699</u>
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### 5 Cash and Cash Equivalents

Cash at bank	<u>695,873</u>	<u>229,555</u>
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### 6 Trade and Other Receivables

CURRENT		
Trade debtors	<u>54,170</u>	<u>124,287</u>

### 7 Other Assets

CURRENT		
Prepayments	45,475	23,889
Conference seed funding	37,000	37,000
Deposits Paid	-	4,189
	<u>82,475</u>	<u>65,078</u>

# Australian Association of Practice Management Ltd

ABN 91 010 067 615

## Notes to the Financial Statements For the Year Ended 30 June 2017

### 8 Property, Plant and Equipment

	2017	2016
	\$	\$
LAND AND BUILDINGS		
Land		
At cost	<u>590,000</u>	590,000
Building		
At cost	491,221	491,221
Accumulated depreciation	<u>(74,292)</u>	(55,143)
Total buildings	<u>416,929</u>	436,078
Total land and buildings	<u>1,006,929</u>	1,026,078
Plant and equipment		
At cost	128,385	116,429
Accumulated depreciation	<u>(70,589)</u>	(60,548)
Total plant and equipment	<u>57,796</u>	55,881
Total property, plant and equipment	<u>1,064,725</u>	1,081,959

#### (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
	\$	\$	\$	\$
<b>2017</b>				
Balance at the beginning of year	590,000	436,078	55,881	1,081,959
Additions	-	-	11,956	11,956
Depreciation expense	-	(19,149)	(10,041)	(29,190)
<b>Balance at 30 June 2017</b>	<u>590,000</u>	<u>416,929</u>	<u>57,796</u>	<u>1,064,725</u>

# Australian Association of Practice Management Ltd

ABN 91 010 067 615

## Notes to the Financial Statements For the Year Ended 30 June 2017

### 9 Intangible Assets

#### Carrying values table

	2017	2016
	\$	\$
Patents, trademarks and other rights		
Cost	4,855	4,855
Accumulated amortisation	(2,210)	(1,916)
<b>Net carrying value</b>	<b>2,645</b>	<b>2,939</b>
Computer software		
Cost	121,766	120,266
Accumulated amortisation	(93,952)	(85,279)
<b>Net carrying value</b>	<b>27,814</b>	<b>34,987</b>
<b>Total Intangibles</b>	<b>30,459</b>	<b>37,926</b>

#### (a) Movements in Carrying Amounts

	Patents, trademarks and other rights	Computer software	Total
	\$	\$	\$
<b>Year ended 30 June 2017</b>			
Balance at the beginning of the year	2,939	34,987	37,926
Additions	-	1,500	1,500
Amortisation	(294)	(8,673)	(8,967)
<b>Closing Balance 30 June 2017</b>	<b>2,645</b>	<b>27,814</b>	<b>30,459</b>

# Australian Association of Practice Management Ltd

ABN 91 010 067 615

## Notes to the Financial Statements For the Year Ended 30 June 2017

### 10 Trade and Other Payables

	2017	2016
	\$	\$
CURRENT		
Unsecured liabilities		
Trade payables	28,210	86,714
Sundry payables and accrued expenses	233,186	129,238
Amounts received in advance	389,823	319,344
	<u>651,219</u>	<u>535,296</u>

### 11 Borrowings

CURRENT		
Unsecured liabilities:		
Other loans	-	7,221
Secured liabilities:		
Bank loans	11(a) <u>99,036</u>	110,036
<b>Total current borrowings</b>	<u>99,036</u>	<u>117,257</u>

#### (a) Total current and non-current secured liabilities

Bank loans	<u>99,036</u>	<u>110,036</u>
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The bank loan is secured by a registered first mortgage over the freehold land and buildings of the Company. Refer to Note 1(o) for additional disclosure.

#### (b) Bank facilities

The company has made loan repayments in advance amounting to \$533,664 and has a credit card facility amounting to \$10,000. At 30 June 2017, this facility was fully available (2016: \$5,813). Interest rates are variable.

### 12 Employee benefits

CURRENT		
Provision for employee benefits	<u>44,893</u>	49,845
NON-CURRENT		
Provision for employee benefits	<u>14,380</u>	6,211

# Australian Association of Practice Management Ltd

ABN 91 010 067 615

## Notes to the Financial Statements For the Year Ended 30 June 2017

### 13 Capital and Leasing Commitments

#### (a) Operating lease commitments - Lessee

	2017	2016
	\$	\$
Payable - minimum lease payments:		
- no later than 1 year	-	2,905
	<u>-</u>	<u>2,905</u>

The operating lease for computer equipment and software licenses has since expired on 31 March 2017, no new operating lease has been entered into since this date.

#### (b) Operating lease commitments - Lessor

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

Receivable - minimum lease receipts:		
- no later than 1 year	3,667	22,000
- between 1 year and 5 years	-	3,667
	<u>3,667</u>	<u>25,667</u>

An operating lease has been entered into for Ground floor, 60 Lothian Street, North Melbourne. Lease charges receivable are increased on an annual basis to reflect market rentals. The lease will expire on 31 August 2017, and will roll on a monthly basis. AAPM is in the process of negotiating a long term lease.

### 14 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 2017 the number of members was 2,024 (2016: 1,890).

# Australian Association of Practice Management Ltd

ABN 91 010 067 615

## Notes to the Financial Statements For the Year Ended 30 June 2017

### 15 Financial Risk Management

The main risks Australian Association of Practice Management Ltd 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:

	2017	2016
	\$	\$
<b>Financial Assets</b>		
- Cash and cash equivalents	695,873	229,555
- Trade and other receivables	136,645	189,365
<b>Total financial assets</b>	<u>832,518</u>	<u>418,920</u>
<b>Financial Liabilities</b>		
Financial liabilities at amortised cost		
- Trade and other payables	651,219	535,296
- Current borrowings	99,036	117,257
<b>Total financial liabilities</b>	<u>750,255</u>	<u>652,553</u>

### 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.