Australasian College of Physical Scientists and Engineers in Medicine

ABN 44 005 379 162

Financial Statements

For the Year Ended 30 June 2020

Australasian College of Physical Scientists and Engineers in Medicine

ABN 44 005 379 162

Contents

For the Year Ended 30 June 2020

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Directors' Report
30 June 2020

The directors present their report on Australasian College of Physical Scientists and Engineers in Medicine for the financial year ended 30 June 2020.

1. General information

Information on directors

The names of each person who has been a director during the year and to the date of this report are:

Ian Robert SMITH (Aged 61)	
Experience	Currently employed as Senior Advisor - Physical Sciences and Clinical Outcomes Analysis at St Andrew's War Memorial Hospital and has held the position since 2014. Company Director from January 1, 2014 to 31st December 2019.
Dennis Sean GEOGHEGAN (Aged 49)	
Experience	Currently employed as State Director Radiation Oncology Medical Physics at SA Health. Company Director from January 1, 2006 to December 31,2007 and again from February 29, 2008 to 31st December 2019.
Richard Alan DOVE (Aged 54)	
Experience	Currently employed as Clinical Manager, Department of Medical Physics & Bioengineering at Canterbury District Health Board where he has held the position since July 2009. Company Director since January 1, 2009.
Kevin HICKSON (Aged 34)	
Experience	Currently employed as Head of Medical Physics and Radiation Safety South Australia Medical Imaging (SAMI), SA Health. Company Director since January 1, 2018.
Kym Rykers (Aged 52)	
Experience	Currently employed as Medical Physics Manager at Olivia Newton-John Cancer & Wellness Centre, Austin Health. Company Director since January 1, 2019.
Martin Ebert (Aged 49)	
Experience	Currently employed as Director of Physics Research, Department of Radiation Oncology, Sir Charles Gairdner Hospital. Company Director since January 1, 2019.
Lucy Cartwright (Aged 34)	
Experience	Currently employed as Medical Physics Specialist, Department of Radiology, Westmead Hospital. Company Director since January 1, 2019.
Natalka Suchowerska (Aged 59)	
Experience	Currently employed as Head of Research and Education (Medical Physics), Department of Radiation Oncology, Chris O'Brien Lifehouse. Company Director since January 1, 2019.
Ivan Williams (Aged 50)	
Experience	Currently employed as Branch Head: Medical Radiation Branch, Chief Medical Radiation Scientist at ARPANSA. Company Director since January 1, 2020
Michael Bernardo (Aged 35)	
Experience	Currently employed as Medical Physicist-Advanced Diagnostic Radiology at Biomedical Technology Services. Company Director since January 1, 2020
Rosemary Peavey (Aged 60)	
Experience	Experienced legal and governance professional within commercial and professional services environments. She recently left Aurecon Group Pty Ltd after 12 years as the Group Company Secretary and Snr Corporate Counsel. Company Director since February 6, 2020

1. General information (continued)

Information on directors (continued)

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

Principal activities

The principal activity of Australasian College of Physical Scientists and Engineers in Medicine during the financial year was to promote and further the development of physical sciences, radiopharmaceutical sciences and engineering as applied to medicine.

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

Members' guarantee

Australasian College of Physical Scientists and Engineers in Medicine 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, corporation 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 2020 the collective liability of members was $ 37,650 (2019: $ 37,500).

2. Other items

Matters or circumstances arising after the end of the year

The impact of the Coronavirus (COVID-19) pandemic is ongoing and has not caused significant detriment for the Company up to 30 June 2020, it is not practical 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.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

Future developments and results

The organisation plans to maintain all current services and expand operations to include conduct of the Medical Physicist Trainee (including Radio Pharmaceutical Science) Support Grant process, with funds provided by the Commonwealth Department of Health. The organisation is undertaking strategic projects to improve sustainability utilising retained surpluses from previous years.

Meetings of directors

During the financial year, [insert number] meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	**Number attended**
Ian Robert SMITH	3	3
Dennis Sean GEOGHEGAN	3	3
Richard Alan DOVE	7	7
Kevin HICKSON	7	7
Kym Rykers	7	6
Martin Ebert	7	7
Lucy Cartwright	7	7
Natalka Suchowerska	7	7
Ivan Williams	4	4
Michael Bernardo	4	4
Rosemary Peavy	3	3

Australasian College of Physical Scientists and Engineers in Medicine

ABN 44 005 379 162

Directors' Report

30 June 2020 (continued)

2. Other items (continued)

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 2020 has been received and can be found on page 5 of the financial report.

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

Director: ....

Michael Bernardo

Dated this ....7th.... day of ....October.... 2020

INDEPENDENT AUDIT SERVICES

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Level 1, Suite 1a, 33 Queen Street
BRISBANE QLD 4000

Australasian College of Physical Scientists and Engineers in Medicine

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Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Australasian College of Physical Scientists and Engineers in Medicine

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2020, 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.

INDEPENDENT AUDIT SERVICES
Chartered Accountants

Jiahui (Jeremiah) Thum
Director

Brisbane, QLD
Date: 7th October 2020

Australasian College of Physical Scientists and Engineers in Medicine

ABN 44 005 379 162

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2020

	Note	2020 $	2019 $
Revenue	5	**2,269,526**	2,311,593
DOH underspent prior year (AASB 15)		**120,064**	77,826
MPT support 2018-2020(G2) (AASB 15)		**1,822,489**	3,130,000
Finance income	6	**113,626**	155,386
Other income	5	**184,972**	142,915
Employee benefits expense	7	**(1,050,133)**	(1,140,900)
Depreciation and amortisation expense	7	**(73,908)**	(30,590)
G2 project expenses		**(1,930,631)**	(3,330,000)
G1 project expenses		**(60,000)**	-
DOH underspent prior year		**(120,064)**	(77,826)
Finance expenses	6	**(4,271)**	(55)
Other expenses		**(1,052,355)**	(1,010,808)
Surplus before income tax		**219,315**	227,541
Income tax expense		**-**	-
Surplus for the year		**219,315**	227,541
Other comprehensive income, net of income tax		**-**	-
Items that will not be reclassified subsequently to profit or loss		**-**	-
Items that will be reclassified to profit or loss when specific conditions are met		**-**	-
Total comprehensive income for the year		**219,315**	227,541

The Company has initially applied AASB 15 and AASB 1058 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 111, AASB 118, AASB 1004 and related interpretations.

The Company has initially applied AASB 16 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 117 and related interpretations.

Notes:

G1 Project and G2 Project refer to the Grant Agreement Supporting Medical Physicists between the Commonwealth Department of Health and the ACPSEM which includes two activities:

- Activity One (G1 Project): Supporting the training education and assessment of medical physicists including radiopharmaceutical scientists
- Activity Two (G2 Project): Medical Physicist Trainee Support – Grant paid to facilities employing the trainees

Statement of Financial Position

As At 30 June 2020

	Note	2020 $	2019 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	**4,925,700**	3,153,317
Trade and other receivables	9	**149,777**	190,210
Other financial assets	10	**2,051,707**	1,989,052
Other assets	13	**69,888**	65,699
TOTAL CURRENT ASSETS		**7,197,072**	5,398,278
NON-CURRENT ASSETS			
Other financial assets	10	**348,178**	2,399,885
Property, plant and equipment	12	**437,342**	458,696
Right-of-use assets	14	**136,640**	-
TOTAL NON-CURRENT ASSETS		**922,160**	2,858,581
TOTAL ASSETS		**8,119,232**	8,256,859
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	15	**315,557**	632,470
Contract liabilities	11	**4,960,302**	5,230,516
Lease liabilities	14	**47,637**	-
Employee benefits	17	**88,896**	65,492
TOTAL CURRENT LIABILITIES		**5,412,392**	5,928,478
NON-CURRENT LIABILITIES			
Lease liabilities	14	**60,242**	-
Long-term provisions	16	**43,698**	-
TOTAL NON-CURRENT LIABILITIES		**103,940**	-
TOTAL LIABILITIES		**5,516,332**	5,928,478
NET ASSETS		**2,602,900**	2,328,381
EQUITY			
Reserves		**292,951**	237,747
Retained earnings		**2,309,949**	2,090,634
		2,602,900	2,328,381
TOTAL EQUITY		**2,602,900**	2,328,381

The Company has initially applied AASB 15 and AASB 1058 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 111, AASB 118, AASB 1004 and related interpretations.

The Company has initially applied AASB 16 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 117 and related interpretations.

Statement of Changes in Equity

For the Year Ended 30 June 2020

2020

	Retained Earnings $	Asset Revaluation Surplus $	General Reserve $	Total $
Balance at 1 July 2019	**2,090,634**	**213,008**	**24,739**	**2,328,381**
Surplus for the year	**219,315**	**-**	**-**	**219,315**
Transactions with owners in their capacity as owners				
Branch Reserves NSW/ACT	**-**	**-**	**24,314**	**24,314**
Branch Reserves QLD	**-**	**-**	**16,341**	**16,341**
Branch Reserves VIC/TAS	**-**	**-**	**8,863**	**8,863**
Branch Reserves WA	**-**	**-**	**1,564**	**1,564**
Branch Reserves SA	**-**	**-**	**1,719**	**1,719**
Branch Reserves NZ	**-**	**-**	**2,403**	**2,403**
Total other comprehensive income for the period	**-**	**-**	**-**	**-**
Balance at 30 June 2020	**2,309,949**	**213,008**	**79,943**	**2,602,900**

2019

	Retained Earnings $	Asset Revaluation Surplus $	General Reserve $	Total $
Balance at 1 July 2018	2,077,983	213,008	-	2,290,991
Surplus for the year	227,541	-	-	227,541
Transactions with owners in their capacity as owners				
Branch Reserves NSW/ACT	-	-	24,739	24,739
Prior year adjustment (1)	(197,890)	-	-	(197,890)
Prior year adjustment (2)	(17,000)	-	-	(17,000)
Total other comprehensive income for the period	-	-	-	-
Balance at 30 June 2019	2,090,634	213,008	24,739	2,328,381

The Company has initially applied AASB 15 and AASB 1058 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 111, AASB 118, AASB 1004 and related interpretations.

The Company has initially applied AASB 16 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 117 and related interpretations.

Statement of Cash Flows

For the Year Ended 30 June 2020

	Note	2020 $	2019 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		**4,167,270**	4,848,575
Payments to suppliers and employees		**(4,455,677)**	(5,637,953)
Interest received		**113,626**	155,386
Interest paid		**(4,271)**	(55)
Net cash used in operating activities	26	**(179,052)**	(634,047)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds/(Purchase) of other financial assets	10	**1,989,052**	(4,388,937)
Purchase of property, plant and equipment		**-**	(2,272)
Net cash provided by/(used in) investing activities		**1,989,052**	(4,391,209)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Repayment of lease liabilities		**(37,617)**	-
Net cash used in financing activities		**(37,617)**	-
Net increase/(decrease) in cash and cash equivalents held		**1,772,383**	(5,025,256)
Cash and cash equivalents at beginning of year		**3,153,317**	8,178,573
Cash and cash equivalents at end of financial year	8	**4,925,700**	3,153,317

The Company has initially applied AASB 15 and AASB 1058 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 111, AASB 118, AASB 1004 and related interpretations.

The Company has initially applied AASB 16 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 117 and related interpretations.

Notes to the Financial Statements

For the Year Ended 30 June 2020

The financial report covers Australasian College of Physical Scientists and Engineers in Medicine as an individual entity. Australasian College of Physical Scientists and Engineers in Medicine is a not-for-profit Company limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of Australasian College of Physical Scientists and Engineers in Medicine is Australian dollars.

The financial report was authorised for issue by the Directors on 7th October 2020.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards and the *Corporations Act 2001.*

These financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

2 Change in Accounting Policy

Revenue from Contracts with Customers - Adoption of AASB 15/Income of Not-for-Profit Entities - Adoption of AASB 1058

The Company has adopted AASB 15 *Revenue from Contracts* with Customers and AASB 1058 *Income of Not-for-Profit Entities* for the first time in the current year with a date of initial application of 1 July 2019.

The Company has applied AASB 15 and AASB 1058 using the cumulative effect method which means the comparative information has not been restated and continues to be reported under AASB 111, AASB 118, AASB 1004 and related interpretations. All adjustments on adoption of AASB 15 and AASB 1058 have been taken to retained earnings at 1 July 2019.

Upfront fees - Subscriptions

The Company has recognised membership joining fees (subscriptions) in accordance with AASB 15 where the fees that do not relate to a performance obligation have been combined with other goods and services transferred to the customer and were spread over the expected life of the contract with the customer (i.e. the time that the member will remain a member).

Grants - Operating

Under AASB 1004, most grant income was recognised as revenue on receipt. Under AASB 1058 and AASB 15, where an agreement is enforceable and contains sufficiently specific performance obligations, the revenue is either recognised over time as the work is performed or recognised at the point in time that the control of the services passes to the customer.

There are no changes to the Company's accounting policies and no impact on these financial statements from applying AASB 15 and AASB 1058.

2 Change in Accounting Policy (continued)

Leases - Adoption of AASB 16

The Company has adopted AASB 16 *Leases* using the modified retrospective (cumulative catch-up) method from 1 July 2019 and therefore the comparative information for the year ended 30 June 2019 has not been restated and has been prepared in accordance with AASB 117 *Leases* and associated Accounting Interpretations.

Impact of adoption of AASB 16

The impact of adopting AASB 16 is described below:

Company as a lessee

Under AASB 117, the Company assessed whether leases were operating or finance leases based on its assessment of whether the significant risks and rewards of ownership had been transferred to the Company or remained with the lessor. Under AASB 16, there is no differentiation between finance and operating leases for the lessee and therefore all leases which meet the definition of a lease are recognised on the statement of financial position (except for short-term leases and leases of low value assets).

Practical expedients used on transition

AASB 16 includes a number of practical expedients which can be used on transition, the Company has used the following expedients:

- contracts which had previously been assessed as not containing leases under AASB 117 were not re-assessed on transition to AASB 16;
- a single discount rate was applied to all leases with similar characteristics;
- the right-of-use asset was adjusted by the existing onerous lease provision (where relevant) at 30 June 2020 rather than perform impairment testing of the right-of-use asset;
- excluded leases with an expiry date prior to 30 June 2021 from the statement of financial position and lease expenses for these leases have been recorded on a straight-line basis over the remaining term;
- used hindsight when determining the lease term if the contract contains options to extend or terminate the lease;
- for leases which were classified as finance leases under AASB 117, the carrying amount of the right-of-use asset and the lease liability at 1 July 2019 are the same value as the leased asset and liability on 30 June 2019.

Financial statement impact of adoption of AASB 16

The Company has recognised right-of-use assets of $145,496, make good provision of $43,698 and lease liabilities of $145,496 on 1 July 2019, for leases previously classified as operating leases.

3 Summary of Significant Accounting Policies

(a) Revenue and other income

For comparative year

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

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

Grant revenue

Grant revenue is recognised in the statement of profit or loss and other comprehensive income when the Company obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

When grant revenue is received whereby the Company incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Rendering of services

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period.

If the outcome cannot be reliably estimated, then revenue is recognised to the extent of expenses recognised that are recoverable.

Subscriptions

Revenue from the provision of membership subscriptions is recognised on a straight-line basis over the financial year.

Sponsorship

Sponsorship is recognised as revenue when received.

Rental income

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Other income

Other income is recognised on an accrual basis when the Company is entitled to it.

3 Summary of Significant Accounting Policies (continued)

(a) Revenue and other income (continued)

Revenue from contracts with customers – from 1 July 2019

For current year

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer

2. Identify the performance obligations

3. Determine the transaction price

4. Allocate the transaction price to the performance obligations

5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Company are:

Revenue from contracts with customers (AASB 15)

Subscriptions

The Company generates revenue from member subscriptions by delivering a range of services and benefits to support members throughout Australia and New Zealand. Revenue from the provision of membership subscriptions is recognised on a straight-line basis over the financial year. Any prepaid memberships are recognised under liabilities on the statement of financial position.

Grant Income

Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligation then the revenue is recognised when control of each performance obligations is satisfied.

The performance obligations are varied based on the agreement but may include management of education events, courses, conferences, presentations at symposiums.

3 Summary of Significant Accounting Policies (continued)

(a) Revenue and other income (continued)

Specific revenue streams (continued)

Grant income (continued)

Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control and within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract.

Where control is transferred over time, generally the input methods being either costs or time incurred are deemed to be the most appropriate methods to reflect the transfer of benefit.

Revenue recognition policy for contracts which are either not enforceable or do not have sufficiently specific performance obligations (AASB 1058)

Rental income

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Sponsorship

Sponsorship is recognised as revenue when received.

Statement of financial position balances relating to revenue recognition

Contract assets and liabilities

Where the amounts billed to customers are based on the achievement of various milestones established in the contract, the amounts recognised as revenue in a given period do not necessarily coincide with the amounts billed to or certified by the customer.

When a performance obligation is satisfied by transferring a promised good or service to the customer before the customer pays consideration or the before payment is due, the Company presents the contract as a contract asset, unless the Company's rights to that amount of consideration are unconditional, in which case the Company recognises a receivable.

When an amount of consideration is received from a customer prior to the entity transferring a good or service to the customer, the Company presents the contract as a contract liability.

Contract cost assets

The Company recognises assets relating to the costs of obtaining a contract and the costs incurred to fulfil a contract or set up / mobilisation costs that are directly related to the contract provided they will be recovered through performance of the contract.

Costs to obtain a contract

Costs to obtain a contract are only capitalised when they are directly related to a contract and it is probable that they will be recovered in the future. Costs incurred that would have been incurred regardless of whether the contract was won are expensed, unless those costs are explicitly chargeable to the customer in any case (whether or not the contract is won).

3 Summary of Significant Accounting Policies (continued)

(a) Revenue and other income (continued)

Statement of financial position balances relating to revenue recognition (continued)

Contract cost assets (continued)

The capitalised costs are amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates.

Set-up / mobilisation costs

Costs required to set up the contract, including mobilisation costs, are capitalised provided that it is probable that they will be recovered in the future and that they do not include expenses that would normally have been incurred by the Company if the contract had not been obtained. They are recognised as an expense on the basis of the proportion of actual output to estimated output under each contract. If the above conditions are not met, these costs are taken directly to profit or loss as incurred.

Costs to fulfil a contract

Where costs are incurred to fulfil a contract, they are accounted for under the relevant accounting standard (if appropriate). Otherwise if the costs relate directly to a contract, the costs generate or enhance resources of the Company that will be used to satisfy performance obligations in the future and the costs are expected to be recovered then they are capitalised as contract costs assets and released to the profit or loss on a systematic basis consistent with the transfer to the customer of the goods or services to which the asset relates.

Provisions relating to contracts with customers

There are no provisions relating to contracts with customers.

Financing component of contracts with customers

There is no financing component of contracts with customers.

Other income

Other income is recognised on an accruals basis when the Company is entitled to it.

(b) Income Tax

The Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(c) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

3 Summary of Significant Accounting Policies (continued)

(d) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

Buildings

Buildings are measured using the cost model.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Company, commencing when the asset is ready for use.

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

Fixed asset class	Depreciation rate
Buildings	2.5%
Plant and Equipment	10% - 66.67%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(e) Financial instruments

Financial instruments are recognised initially 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).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

3 Summary of Significant Accounting Policies (continued)

(e) Financial instruments (continued)

Financial assets (continued)

- amortised cost;
- fair value through profit or loss - FVTPL;
- fair value through other comprehensive income - equity instrument (FVOCI - equity) - Not applicable; and
- fair value through other comprehensive income - debt investments (FVOCI - debt) - Not applicable.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

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

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

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

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at FVTPL.

Net gains or losses, including any interest or dividend income are recognised in profit or loss (refer to hedging accounting policy for derivatives designated as hedging instruments.)

The Company holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

The Company's financial assets measured at FVTPL comprise a Guaranteed Annuity in the statement of financial position.

3 Summary of Significant Accounting Policies (continued)

(e) Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost
- debt investments measured at FVOCI

When determining whether the credit risk of a financial assets has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

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.

Trade receivables

Impairment of trade receivables has been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairments of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12

3 Summary of Significant Accounting Policies (continued)

(e) Financial instruments (continued)

Financial assets (continued)

months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

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 financial liabilities of the Company comprise trade payables, bank and other loans and lease liabilities.

(f) Impairment of non-financial assets

At the end of each reporting period the Company determines whether there is any evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

(g) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(h) Leases

The Company has applied AASB 16 using the modified retrospective (cumulative catch-up) method and therefore the comparative information has not been restated and continues to be reported under AASB 117 and related Interpretations.

For comparative year

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

3 Summary of Significant Accounting Policies (continued)

(h) Leases (continued)

For current year

At inception of a contract, the Company assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right, then there is no identified asset.
- The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Company has the right to direct the use of the asset i.e. decision-making rights in relation to changing how and for what purpose the asset is used.

Lessee accounting

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

At the lease commencement, the Company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Company believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Company's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Company's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

3 Summary of Significant Accounting Policies (continued)

(i) 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 period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period 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 satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

(j) Adoption of new and revised accounting standards

The Company has adopted all standards which became effective for the first time at 30 June 2020, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company (refer to Note 2 for details of the changes due to standards adopted).

4 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - impairment of property, plant and equipment

The Company assesses impairment at the end of each reporting period 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.

There are no indicators of impairment with the Company's property, plant and equipment. As a result, no value-in-use calculations are required.

Key estimates - fair value of financial instruments

The Company has certain financial assets and liabilities which are measured at fair value. Where fair value has not able to be determined based on quoted price, a valuation model has been used. The inputs to these models are observable, where possible, however these techniques involve significant estimates and therefore fair value of the instruments could be affected by changes in these assumptions and inputs.

Key estimates - employee benefits

As discussed in note 3, 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.

4 Critical Accounting Estimates and Judgments (continued)

Key estimates - property held at fair value

An independent valuation of property (land and buildings) carried at fair value was obtained on 27 February 2007. The directors have reviewed this valuation and updated it based on valuation indexes for the area in which the property is located. The valuation is an estimation which would only be realised if the property is sold.

The valuation was made on the basis of open market value.

Key estimates - Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience, historical collection rates, the impact of the Coronavirus (COVID-19) pandemic and forward-looking information that is available. The allowance for expected credit losses, as disclosed in note 8, is calculated based on the information available at the time of preparation. The actual credit losses in future years may be higher or lower.

Key estimates - lease make good provision

A provision has been made for the present value of anticipated costs for future restoration of leased premises. The provision includes future cost estimates associated with closure of the premises. The calculation of this provision requires assumptions such as application of closure dates and cost estimates. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for sites are recognised in the statement of financial position by adjusting the asset and the provision. Reductions in the provision that exceed the carrying amount of the asset will be recognised in profit or loss.

Key judgments - 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.

Key judgments - Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the company estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

4 Critical Accounting Estimates and Judgments (continued)

Key judgments - Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the company's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The Company reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances. As of the date of this financial report, the company has decided to review the renewal option closer to expiry of the lease agreement.

5 Revenue and Other Income

Revenue from continuing operations

	2020	2019
	$	$
Revenue from contracts with customers (AASB 15)		
- Member fees	**249,123**	239,086
- Advertising	**26,270**	36,905
- Certification	**7,880**	22,767
- Other Fees	**22,108**	27,954
- MP Register	**4,290**	7,890
- Accreditation fees	**30,514**	31,554
- Conferences/ courses/ events	**62,046**	79,669
	402,231	445,825
Revenue recognised on receipt (not enforceable or no sufficiently specific performance obligations - AASB 1058)		
- TEAP & Government support	**367,295**	365,768
- Supporting TEAP 2018-2020 (G1)	**1,500,000**	1,500,000
	1,867,295	1,865,768
Total Revenue	**2,269,526**	2,311,593

	2020	2019
	$	$
- Rental income	**30,404**	29,375
- Sponsorship	**41,409**	43,909
- Miscellaneous income	**63,159**	69,631
- Grant income - ATO cash boost	**50,000**	-
Total Other Income	**184,972**	142,915

Notes to the Financial Statements

For the Year Ended 30 June 2020 (continued)

6 Finance Income and Expenses

Finance income

	2020 $	2019 $
Interest income		
- Assets measured at amortised cost	**113,626**	155,386
Total finance income	**113,626**	155,386

Finance expense

	2020 $	2019 $
Interest expense on lease liability	**4,271**	55
Total finance expense	**4,271**	55

7 Result for the Year

The result for the year includes the following specific expenses:

	2020 $	2019 $
Other expenses:		
Employee benefits expense	**1,050,133**	1,140,900
Depreciation expense	**73,908**	30,590
Honorariums/Lectures/Fees	**121,571**	87,678
- Doubtful debts	**(1,912)**	(11)
Rental expense on operating leases:		
- Minimum lease payments	**24,948**	62,437

8 Cash and Cash Equivalents

	2020 $	2019 $
Cash at bank and in hand	**4,925,700**	3,153,317
	4,925,700	3,153,317

Reconciliation of cash

Cash and Cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:

	2020 $	2019 $
Cash and cash equivalents	**4,925,700**	3,153,317
Balance as per statement of cash flows	**4,925,700**	3,153,317

9 Trade and other receivables

		2020 $	2019 $
CURRENT			
Trade receivables		**153,539**	195,149
(Less) Allowance for expected credit losses	(a)	**(3,762)**	(5,674)
		149,777	189,475
Other receivables		**-**	735
Total current trade and other receivables		**149,777**	190,210

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

(a) Impairment of receivables

The Company applies the simplified approach to providing for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The loss allowance provision as at 30 June 2020 is determined as follows, the expected credit losses incorporate forward looking information.

30 June 2020	Current	< 30 days overdue	< 90 days overdue	> 90 days overdue	Total
Expected loss rate (%)	-	-	-	**100.00**	
Gross carrying amount ($)	-	-	-	**3,762**	**3,762**
ECL provision	-	-	-	**3,762**	**3,762**

30 June 2019	Current	< 30 days overdue	< 90 days overdue	> 90 days overdue	Total
Expected loss rate (%)	-	-	-	100.00	
Gross carrying amount ($)	-	-	-	5,674	5,674
ECL provision	-	-	-	5,674	5,674

9 Trade and other receivables (continued)

Reconciliation of changes in the provision for impairment of receivables is as follows:

	2020	2019
	$	$
Balance at beginning of the year (calculated in accordance with AASB 139)	**5,674**	10,940
Amounts written off as uncollectible		
Directly to P&L	**-**	(5,255)
Movement through provision	**(1,912)**	(11)
Balance at end of the year	**3,762**	5,674

The Company measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss (ECL). The ECL on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

The Company has recognised a loss allowance of 100.00% against all receivables greater than 90 days because historical experience has indicated that these receivables are generally not recoverable.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The Company writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings or when the trade receivables are over 1 years past due, whichever occurs first.

None of the receivables that have been written off is subject to enforcement activity.

(b) Collateral held as security

The Company does not hold any collateral over any receivables balances.

10 Other Financial Assets

Financial assets at fair value through profit or loss

		2020	2019
		$	$
CURRENT			
Other financial assets	(a)	**2,051,707**	1,989,052
		2,051,707	1,989,052
NON-CURRENT			
Other financial asset	(a)	**348,178**	2,399,885
		348,178	2,399,885
Total other financial assets		**2,399,885**	4,388,937

Notes to the Financial Statements

For the Year Ended 30 June 2020 (continued)

10 Other Financial Assets (continued)

Financial assets at fair value through profit or loss (continued)

(a) During the last financial year ended 30th June 2019, the Company invested $6,000,000 on a Guaranteed Annuity with Challenger Life Company Limited over the term of 3 years commencing 10 August 2018 with interest rate of 3.11% p.a. (paid monthly). The investment amount is returned over the term, as part of the regular payments. Hence, there will be no capital left at the end of the term.

11 Contract Balances

Contract liabilities

The Company has recognised the following contract assets and liabilities from contracts with customers:

	2020	2019
	$	$
CURRENT		
Grant received in advance (G1)	**750,000**	2,250,000
Grant received in advance (G2)	**3,906,661**	2,650,000
Deferred income - TEAP	**263,277**	210,452
Deferred income - Others	**40,364**	-
Income in advance - DOH unspent	**-**	120,064
Total current contract liabilities	**4,960,302**	5,230,516

12 Property, plant and equipment

		2020	2019
Buildings			
At cost		**435,000**	435,000
Accumulated depreciation		**(36,320)**	(25,445)
Total buildings		**398,680**	409,555
Plant and equipment			
At cost		**144,402**	144,402
Accumulated depreciation		**(105,740)**	(95,261)
Total plant and equipment		**38,662**	49,141
Total property, plant and equipment	**(a)**	**437,342**	458,696

12 Property, plant and equipment (continued)

(a) Movements in carrying amounts of property, plant and equipment

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

	Buildings	Plant and Equipment	Total
	$	$	$
Year ended 30 June 2020			
Balance at the beginning of year	**409,555**	**49,141**	**458,696**
Depreciation expense	**(10,875)**	**(10,479)**	**(21,354)**
	398,680	**38,662**	**437,342**

	Buildings	Plant and Equipment	Total
	$	$	$
Year ended 30 June 2019			
Balance at the beginning of year	420,430	66,584	487,014
Additions - (Prior year's adjustments)	-	2,272	2,272
Depreciation expense	(10,875)	(19,715)	(30,590)
	409,555	49,141	458,696

13 Other Assets

	2020	2019
	$	$
CURRENT		
Deposit	**15,699**	15,699
Meeting advances	**50,000**	50,000
Prepayments – Lease liabilities	**4,189**	-
	69,888	65,699

The Company has initially applied AASB 15 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 111, AASB 118 and related interpretations.

14 Leases

The Company has applied AASB 16 using the modified retrospective (cumulative catch-up) method and therefore the comparative information has not been restated and continues to be reported under AASB 117 and related Interpretations.

Company as a lessee

The Company has leases over the office premise where the Company operates. The lease has provided the Company the right-of-use for 3 years.

Notes to the Financial Statements

For the Year Ended 30 June 2020 (continued)

14 Leases (continued)

Information relating to the leases in place and associated balances and transactions are provided below.

Terms and conditions of leases

Office Premise - Sydney Office

The Company leases office premise to operate its principal activities. The term of lease is 3 years which includes 3 years of non-cancellable lease term renewal to the Company.

The Company is dependent on the right-of-use of the office premise to operate its principal activities. The rent is $55,292.08 in the first year with a subsequent yearly increment of 3% over the lease term of 3 years. As of 30 June 2020, there are 2 years and 2 months remaining on the lease. The Company is looking to review the lease agreement closer to expiry of the lease agreement for renewal and office premise is restricted to the principal activities of the Company.

Right-of-use assets

	Buildings $	Total $
Year ended 30 June 2020		
Additions to right-of-use assets	**189,194**	**189,194**
Less: Accumulated depreciation	**(52,554)**	**(52,554)**
Balance at end of year	**136,640**	**136,640**

Lease liabilities

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	< 1 year $	1 – 5 years $	More than 5 years $	Total undiscounted lease liabilities $	Lease liabilities included in this Statement of Financial Position $
2020					
Lease liabilities	**47,637**	**60,242**	**-**	**107,879**	**107,879**

15 Trade and Other Payables

	2020 $	2019 $
CURRENT		
Trade payables	**77,597**	23,619
Deposits	**7,600**	7,600
GST payable	**13,040**	17,634
Sundry payables and accrued expenses	**217,320**	583,617
	315,557	632,470

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

Notes to the Financial Statements

For the Year Ended 30 June 2020 (continued)

16 Provisions

	2020	2019
	$	$
NON-CURRENT		
Make good provision	**43,698**	-
	43,698	-

	Make good provision	Total
	$	$
Non-current		
Opening balance at 1 July 2019	-	-
Additional provisions	**43,698**	**43,698**
Balance at 30 June 2020	**43,698**	**43,698**

17 Employee Benefits

	2020	2019
	$	$
Current liabilities		
Annual leave	**88,896**	65,492
	88,896	65,492

18 Reserves

(a) Asset revaluation reserve

The asset revaluation reserve records fair value movements on property, plant and equipment held under the revaluation model.

(b) General reserve

The general reserve records funds set aside for future expansion of Australasian College of Physical Scientists and Engineers in Medicine.

19 Leasing Commitments

(a) Operating Leases

	2020	2019
	$	$
Minimum lease payments under non-cancellable operating leases:		
- not later than one year	**-**	50,266
- between one year and five years	**-**	105,101
	-	155,367

Office Premise - Sydney

No operating leases as at 30 June 2020 due to the Adoption of AASB 16 Leases effective from 1 July 2019.

20 Financial Risk Management

The Company is exposed to a variety of financial risks through its use of financial instruments.

The Company's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The most significant financial risks to which the Company is exposed to are described below:

Specific risks

- Liquidity risk
- Credit risk

Financial instruments used

The principal categories of financial instrument used by the Company are:

- Trade receivables
- Cash at bank
- Trade and other payables
- Lease liabilities

	2020	2019
	$	$
Financial assets		
Held at amortised cost		
Cash and cash equivalents	**4,925,700**	3,153,317
Trade and other receivables	**149,777**	190,210
Fair value through profit or loss (FVTPL)		
Other financial assets - current	**2,399,885**	1,989,052
Other financial assets - non-current	**-**	2,399,885
Total financial assets	**7,475,362**	7,732,464
Financial liabilities		
Financial liabilities measured at amortised cost	**315,557**	632,470
Total financial liabilities	**315,557**	632,470

Objectives, policies and processes

The Board of Directors has overall responsibility for the establishment of Australasian College of Physical Scientists and Engineers in Medicine's financial risk management framework. This includes the development of policies covering specific areas such as foreign exchange risk, interest rate risk, liquidity risk, credit risk and the use of derivatives.

20 Financial Risk Management (continued)

Objectives, policies and processes (continued)

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Australasian College of Physical Scientists and Engineers in Medicine's activities.

The day-to-day risk management is carried out by Australasian College of Physical Scientists and Engineers in Medicine's finance function under policies and objectives which have been approved by the Board of Directors. The Chief Financial Officer has been delegated the authority for designing and implementing processes which follow the objectives and policies. This includes monitoring the levels of exposure to interest rate and foreign exchange rate risk and assessment of market forecasts for interest rate and foreign exchange movements.

The Board of Directors receives monthly reports which provide details of the effectiveness of the processes and policies in place.

Mitigation strategies for specific risks faced are described below:

Liquidity risk

Liquidity risk arises from the Company's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities as and when they fall due. The Company maintains cash to meet its liquidity requirements for up to 30-day periods.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company.

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as outstanding receivables and committed transactions.

The Company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The utilisation of credit limits by customers is regularly monitored by line management. Customers who subsequently fail to meet their credit terms are required to make purchases on a prepayment basis until creditworthiness can be re-established.

21 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 obligations of the Company. At 30 June 2020 the number of members was 753 (2019: 750).

22 Key Management Personnel Remuneration

The totals of remuneration paid to the key management personnel of Australasian College of Physical Scientists and Engineers in Medicine during the year are as follows:

	2020	2019
	$	$
Short-term employee benefits	**248,326**	328,186

23 Auditors' Remuneration

	2020	2019
	$	$
Remuneration of the auditor, Independent Audit Services, for:		
- auditing or reviewing the financial statements	**16,200**	15,000

24 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2020 (30 June 2019: None).

25 Related Parties

(a) The Company's main related parties are as follows:

Key management personnel - refer to Note 22.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

(b) Transactions with related parties

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

During the financial year, oMamQA Update and MTC 2019 course were provided by Ms. Lucy Cartwright who is the Course Director of Online Mammography Quality Assurance (oMamQA) course. A position description exists for this role. The services provided were to the value of $2,807 (2019: $3,346).

Miss Gemma Flynn was employed as a casual staff at minimum wages according to the National Employment Standards to assist with office works and fill in during recruitments. The employment commenced on 11th October 2018. Gross wage payments for 2020 Financial year was $25,715. An employment contract and work plans exist for this role. Miss Flynn is the daughter of the CEO. (2019: $20,463).

Apart from the details disclosed in this note, no director has entered into a material contract with the company since the end of the previous financial year and there were no material contracts involving directors' interests existing at year end.

25 Related Parties (continued)

(c) Loans to/from related parties

There are no loans to or from the company's related parties during the year.

26 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2020 $	2019 $
Surplus for the year	**219,315**	227,541
Non-cash flows in profit:		
- depreciation	**73,908**	30,590
- prior year adjustment (1)	**-**	(197,890)
- prior year adjustment (2)	**-**	(17,000)
- additions to general reserve	**55,204**	24,739
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	**40,433**	22,767
- (increase)/decrease in other assets	**(4,189)**	6,652
- increase/(decrease) in trade and other payables	**(316,913)**	(117,579)
- (increase)/decrease in contract liabilities	**(270,214)**	(621,636)
- increase/(decrease) in employee benefits	**23,404**	7,769
Cashflows from operations	**(179,052)**	(634,047)

27 Events after the end of the Reporting Period

The financial report was authorised for issue on 7th October 2020 by the Board of Directors.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and has not caused significant detriment for the Company up to 30 June 2020, 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. Based on the current available information, the Board of Directors' believe that the Company will remain a going concern.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

28 Statutory Information

The registered office and principal place of business of the company is:

Australasian College of Physical Scientists and Engineers in Medicine
Suite 7.12 Aero247
247 Coward Street
MASCOT NSW 2020

Australasian College of Physical Scientists and Engineers in Medicine

ABN 44 005 379 162

Directors' Declaration

The directors of the entity declare that:

1. The financial statements and notes, as set out on pages 6 to 35, are in accordance with the *Corporations Act 2001* and:

   (a) comply with Australian Accounting Standards; and

   (b) give a true and fair view of the financial position as at 30 June 2020 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 ....
Michael Bernardo

Dated 7th October 2020

INDEPENDENT AUDIT SERVICES

www.independentauditservices.com.au

T 07 3905 9430
Level 1, Suite 1a, 33 Queen Street
BRISBANE QLD 4000

Australasian College of Physical Scientists and Engineers in Medicine

ABN 44 005 379 162

Independent Audit Report to the members of Australasian College of Physical Scientists and Engineers in Medicine

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Australasian College of Physical Scientists and Engineers in Medicine (the Company), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity 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 2020 and of its financial performance for the year ended 30 June 2020; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the Corporations Act 2001. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other Matter – Going Concern

We draw attention to Note 27 of the financial report which describes the current outbreak of the Coronavirus (COVID-19) which may have an impact on the going concern of the entity within the next 12 months of the signed financial report. The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been financially positive for the company up to 30 June 2020, 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.

We also noted the entity's business operation is dependent on the Federal Government's continued financial support through renewal of the existing grant funding. As of the date of this report, the current grant funding agreement has been extended to 2021. Our opinion is not modified in respect of this matter.

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 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Auditor's Responsibilities for the Audit of the Financial Report (continued)

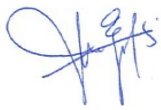
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

INDEPENDENT AUDIT SERVICES
Chartered Accountants



Jiahui (Jeremiah) Thum
Director

Brisbane, QLD
Dated this 7th day of October 2020