

Australian Acupuncture & Chinese Medicine Association Ltd

# ANNUAL REPORT 2020



• Since 1973 •

## AACMA

澳大利亚针灸中医学学会

[WWW.ACUPUNCTURE.ORG.AU](http://WWW.ACUPUNCTURE.ORG.AU)

Address:  
Suite 1, 1990 Logan Road,  
Upper Mount Gravatt, Qld 4122

Phone: (+61 7) 3457 1800  
[aacma@acupuncture.org.au](mailto:aacma@acupuncture.org.au)

# CONTENTS

1. AACMA PRESIDENT'S REPORT 2020

4. AACMA TREASURER'S REPORT 2020

5. MEMBERS OF THE BOARD

6. AACMA DIRECTOR'S REPORT 2020

9. AACMA FINANCIAL REPORT 2020

- STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
- STATEMENT OF FINANCIAL POSITION
- STATEMENT OF CHANGES IN EQUITY
- STATEMENT OF CASHFLOWS

14. NOTES TO THE FINANCIAL STATEMENTS

30. REPORT ON THE AUDIT OF THE FINANCIAL REPORT



• Since 1973 •

## AACMA

澳大利亚针灸中医学学会

Australian Acupuncture & Chinese  
Medicine Association Ltd.

ACN: 010 020 390

Registered National Office  
Suite 1, 1990 Logan Road,  
Upper Mount Gravatt, Qld 4122

Phone (+61 7) 3457 1800  
Email: [aacma@acupuncture.org.au](mailto:aacma@acupuncture.org.au)  
Web: [www.acupuncture.org.au](http://www.acupuncture.org.au)



# PRESIDENT'S REPORT 2020

I am pleased to present my report for 2020. The year of COVID-19 presented never before experienced challenges for the AACMA Board and National Office staff.

## THE NATIONAL OFFICE

The majority of staff worked from home during most of 2020 with regular Zoom meetings conducted to keep staff in touch and working cohesively as a team.

The appropriate documents to cover working from home arrangements were drawn up to protect AACMA and our staff during these times and the necessary equipment was purchased

to enable staff to be able to continue to work from home safely and securely.

The search for new premises has continued but again the uncertainty of COVID and poor availability of suitable commercial space for the AACMA national office to relocate has led to remaining at our current location for another year.

The new Client Management Resource and website has been operational for several months with the office staff attending training in all the necessary areas.

It has streamlined the submission of health fund reports to a touch of a button and has provided a payment platform for members to pay their membership fees directly.

## 2020 FOR MEMBERS

Lockdowns, social distancing and Federal, State and Territory Government imposed restrictions to combat the spread of the Coronavirus made practising difficult for many members last year.

Communication was the key with a whole new page "COVID-19 Latest Information" including FAQs, added to the AACMA website containing continually updated information on Government requirements nationally and for each State and Territory. This in itself was extremely difficult with information changing several times a day on some days and specific information on allied health practitioners and their ability to practise during these times not being provided at all or with very vague guidelines that were open to interpretation.

Regular email alerts were also employed to inform members immediately when any new strategy needed to be implemented or guideline adopted.

Infection control guidelines were strengthened from the normal clinic practice, to triaging patients before they attended for their appointments, hand sanitising before and after treatments now included patients not just practitioners, wearing of masks and social distancing limiting the number of people in clinics at any one time were all part of the new daily routine for practitioners who were able to continue to practise.

AACMA provided downloadable posters for clinics so members could display vital information for patients regarding COVID signs and symptoms and instructions on what the public should do to protect themselves and others if they had any symptoms.

Members were also provided all the relevant information and links to the Government financial packages that were available to them for support during the period that they were unable to earn a living.



**WAVENY HOLLAND** AACMA PRESIDENT

AACMA CEO Paul Stadhams and I conducted Facebook Live interactions for members in the weeks alternate to the regular fortnightly eNews letters providing members with another platform to communicate.

## AACMAC

Unfortunately, the COVID pandemic also caused the cancellation of AACMAC – the national and international Chinese medicine conference hosted and organised by AACMA each year in May.

With preparations well in hand to stage the conference, it was difficult to reschedule to later in the year due to the uncertainty of the spread of COVID.

All registration fees paid for the conference were refunded and negotiations with the venue continued as they refused to refund the deposit paid. A financially more favourable agreement for AACMA was reached with the venue and they will host the 2021 conference as a hybrid event with local speakers in the room and overseas speakers presenting online.

International keynote speakers Lorne Brown, Debra Betts and Poney Chiang were engaged for 2020 and have confirmed their online attendance for AACMAC Gold Coast 2021.

Other international speakers, Peter Deadman, Julian Scott, and Yair Maimon have been approached to present via Zoom at AACMAC 2021.

With AACMAC cancelled, AACMA provided over 30 hours of recorded professional development seminars and workshops online, free to members so they could achieve their professional development requirements for registration and private health fund provider status.

Live presentations were also conducted via Zoom, attracting hundreds of members to a variety of seminars and workshops covering topics such as acupuncture techniques, herbal medicine, advertising guidelines and care for self/mental well being.



These were well received and feedback from members was positive.

The CMBA relaxed CPD requirements for 2020 due to the hardship of COVID.

The AACMA Board also voted to offer a 20% discount in membership fees if paid before November 30. Many members took advantage of this offer with the majority of them renewing the membership earlier than ever before.

## LOBBYING

Lobbying continued but included very different departments and agencies in our efforts to promote Chinese medicine and its practise especially during the COVID-19 pandemic.

The Chief Medical Officer was contacted regarding information on acupuncture and herbal treatments that could be employed in the fight against COVID-19, the Office of Health Protection, which is responsible for the National Stockpile, was approached to include Chinese medicine practitioners as allied health and thus primary care providers in the distribution of masks and hand sanitisers when supplies were limited. Manufacturers and suppliers were also contacted in the

hope of securing supplies of personal protective equipment for members.

Private health funds were advised by AACMA that as first aid courses were not being run due to COVID restrictions, members whose first aid training renewal fell due during lockdown would not be able to comply with those requirements. This resulted in health funds relaxing their requirements with practitioners able to continue to practice and complete their first aid training as soon as courses resumed.

Submissions were made to the ACCC for inclusion of telehealth rebates for Chinese medicine treatments. While the ACCC ruled that health funds could provide rebates for telehealth consultations, the health funds chose not to provide this benefit to their members.

AACMA also lobbied the CMBA to provide a discount in registration renewal fees as many practitioners were financially affected by the lockdowns.

The CMBA responded with a 15% discount for practitioners for their 2020 registration.

Lobbying for the inclusion of acupuncture into Medicare's Chronic



Disease Management (CDM) continued but unfortunately was stalled due to the Government's response to COVID. The NHMRC was to hand down its report on the evidence AACMA provided in the submission for the CDM but the need to assess the various COVID vaccines for the Therapeutic Goods Administration (TGA) naturally took precedence. AACMA continues to maintain contact with the relevant people and departments involved, to be able to progress this submission. It is hoped that the NHMRC report will be published in September 2021.

AACMA collaborated with other Chinese medicine associations to submit a proposal to the TGA for their November sitting. The proposal put forward was to have Zhi Fu Zi (prepared aconitum carmichaelii) rescheduled on the Poisons Standard or have Chinese medicine herbalists added to the authorised users list. The proposal advanced to the next stage with a call for public comment due by

27.01.2021. The Advisory Committee on Medicines Scheduling will meet again in March 2021 to decide if the proposal is successful.

## ACUPUNCTURE AND CHINESE MEDICINE RESEARCH BANK

As promised last year, work has commenced on the research bank. All current Chinese medicine studies will be assessed for quality and rigour and divided into two sections.

Section one will be the studies that are suitable to be used as references in advertising and section two will be quality studies that will enhance and inform clinical practice but may not meet Ahpra advertising standards.

This research bank will include any studies included in Chinese medicine treatments- acupuncture, herbal medicine, tui na, Qi Gong, Chinese remedial massage, gua sha, cupping and Chinese dietetics. It will be

available to all but free to AACMA members. Fees paid by non-members to access information will be ploughed back into sustaining this resource.

## SOCIAL MEDIA

AACMA has continued to post on its Facebook page to engage the public and promote Chinese medicine and AACMA members.

A Community Service Announcement (CSA) promoting the use of acupuncture for pain relief was filmed for release during 2020, but again, due to COVID, this campaign has been held over for release in 2021.

Contracts with Sky and Win TV have been negotiated for the CSA to be shown during prime time viewing.

## IN CLOSING

Despite the challenges faced in 2020, the Board and office staff has worked hard to maintain member services while coping with the extra demands that the pandemic created.

I would like to thank my fellow Board members, also volunteers, who have given up enormous amounts of time from family and clinic to be able to contribute to our association.

A team who has continued to work well together, Richard Li, (Vice President) Rose Pinter (Secretary) Drew Matfin (Audit and Risk) and Michael Poplewell (Director) Thank you!

Our office staff under the guidance of CEO Paul Stadhams, has very capably supported the Board

Yan (accounts), Mia (events), Elena (membership), Chris (membership) and Ethan (reception) thank you for all your hard work on behalf of the members and Board even more especially because of the hardship of working from home.

**Waveny Holland**

AACMA PRESIDENT



# TREASURER'S REPORT 2020

**2020** required adjustment and flexibility on a scale that the AACMA has potentially never had to undergo previously.

The financial uncertainty of the impact of COVID19 was always at the forefront of all financial and planning decisions that the Board made during 2020.

In 2019 the AACMA Board and CEO continued streamlining and improving how head office functioned. In particular, an upgrade of customer relationship management software was necessary. This upgrade was the major development of the year, supplanting a dated and cumbersome system with a more efficient, and as it ended up being, imperative program. This upgrade enabled the AACMA head office to function with staff being required to work from home during 2020. Further, this software has allowed for increased productivity and manoeuvrability as an organisation.

The AACMA Board recognised the impact of COVID19 on members and their businesses and budgeted in financial relief for members in the way of a 20% discount for membership fees for 2021, and provided a large array of free CPD options. Despite the uncertainty of 2020, the AACMA enjoyed modest positive membership growth.

The major expense for 2020 was the staff payroll remaining stable from the previous year. The continued efficiency of operating the head office, despite changes brought on by COVID19 is shown with once again low office expenses. This has been a hallmark of head office management under our current CEO.

Taking a conservative approach, the running of AACMA in 2020 was cancelled due to travel and border restrictions. This inevitably changed the landscape of the 2020 financial



**ANDREW MATFIN** CHAIR OF AUDIT AND RISK COMMITTEE

figures compared to previous years, with income and expenditure all comparatively low without this major event on the books.

Ultimately, the AACMA is in a strong financial position, with significant capital reserves to be able to deal with long term uncertainties. The boon of Jobkeeper and other government grants allowed the AACMA to show a profit for the 2020 year.

Personally, I would like to thank to the AACMA Financial Officer, Yan Zhang for her work this year, which was unwavering despite the difficulties 2020 brought; the attention to detail,

assistance, and provision of succinct information for the Board and Audit & Risk Committee is much appreciated and continues to provide the foundation of the AACMA financial stability.

## Andrew Matfin

CHAIR OF AUDIT AND RISK COMMITTEE



# MEMBERS OF THE BOARD



**WAVENY HOLLAND**

President / Staff Liason /  
Membership officer



**RICHARD LI**

Vice President / International  
Relations Officer



**MICHAEL POPPLEWELL**

Director



**ANDREW MATFIN**

Chair of Audit and Risk Committee



**ROSE PINTER**

Minutes Secretary



# DIRECTOR'S REPORT 2020

The directors present their report on Australian Acupuncture & Chinese Medicine Association Ltd for the financial year ended 31 December 2020.

## 1. GENERAL INFORMATION

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

### HOLLAND, WAVENY

*Director*

#### QUALIFICATIONS

- Master of Chinese Medicine (UWS)
- Bachelor of Health Science (Acupuncture) (ACNM)
- Advanced Diploma of Health Science (Acupuncture)
- Certificate IV An Mo Tui Na (ACNM)
- Registered Nurse and Midwife (Non-practicing)

#### EXPERIENCE

- Member of AACMA (19 years), AACMA Fellow
- Member Chinese Medicine Reference Group
- Member Profession's Reference Group
- Member of ITCMDA Advisory Board
- Member WFCMS
- 22 years Clinical Practice in Australia
- QLD State Committee Member (2009 - Current)
- Chair QLD State Committee (2011 - 2014)
- Practitioner/ owner Serendip Natural Healing and Wellness Centre (2003 Current)
- Registered with the CMBA
- Registered with the NMBA

### LI, RICHARD KE YUAN

*Director*

#### QUALIFICATIONS

- Bachelor of Medicine (TCM)
- Certificate of English for Academic Purpose
- Certificate IV Workplace Training and Assessment
- Certificate of Information Technology

#### EXPERIENCE

- Member of AACMA (24 years), AACMA, Fellow
- Over 30 years of Clinical Practice in Australia & 4 years Clinical Practice overseas
- Lecturer at Shanghai University of TCM (4 years) & sessional lecturer at Western Sydney University (16 years)
- Vice president, World Federation of Acupuncture Moxibustion Society
- Former practitioner member of Chinese Medicine Council of NSW
- Registered with CMBA



### PINTER, ROSEMARY

*Director*

#### QUALIFICATIONS

- Bachelor of Health Science (Acupuncture)
- Diploma (Acupuncture Theory and Practice, Moxibustion and Tui Na) China
- Diploma (Acupuncture Theory and Practice)
- Australian Company Directors Course (GAICD)
- Certificate IV Small Business Management
- Bachelor of Arts (Literary Theory)

#### EXPERIENCE

- Member AACMA (8 years)
- Past State Committee Chair (4 years)
- Current Deputy Chair of State Committee
- Clinical practice since 1985
- Internship Guangxi University of Traditional Chinese Medicine (TCM)
- Registered with CMBA
- AACMA WA State Committee member for 7 years



**MATFIN, ANDREW**  
*Director*

**QUALIFICATIONS**

- Diploma Applied Science (Acupuncture) 1997 ACNM
- Certificate IV (Oriental Massage) 1996 ACNM
- Master of Health Science (Acupuncture) with Distinction 2012 UWS

**EXPERIENCE**

- AACMA member 27 years
- Practicing Acupuncturist 25 years' experience
- Registered Acupuncturist with CMBA since 2012
- AACMA Queensland State Committee 6 years
- AACMA Mentoring Program Mentor 3 years
- Governance Training 2020 with a focus on Foundations, Risk, and Finance (AICD)

**POPPLEWELL, MICHAEL**  
*Director*

**QUALIFICATIONS**

- Bachelor of Applied Science (Acupuncture) (UTS)
- Master of Engineering Research (USyd)
- PhD (UTS)

**EXPERIENCE**

- Member of AACMA (23 years), AACMA Member
- 25 years Clinical Practice in Australia
- Practitioner/ owner Wentworth Clinic (1996 Current)
- Registered with the CMBA
- TCM practice management lecturer and guest lecturer at the University of Technology Sydney (9 years)

**PRINCIPAL ACTIVITIES**

The principal activity of Australian Acupuncture & Chinese Medicine Association Ltd during the financial year was regulate, represent and promote the profession of acupuncture and traditional Chinese Medicine.

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

**MEMBERS' GUARANTEE**

Australian Acupuncture & Chinese Medicine Association 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 \$ 100 for members that are

corporations and \$ 100 for all other members, subject to the provisions of the company's constitution.

At 31 December 2020 the collective liability of members was \$210,900 (2019: \$207,600).

## 2. OPERATING RESULTS

The surplus of the Company after providing for income tax amounted to \$194,944 (2019: \$103,254).

## 3. OTHER ITEMS

**FUTURE DEVELOPMENTS AND RESULTS**

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

**MEETINGS OF DIRECTORS**

During the financial year, 14 meetings of Directors (including AGM, committees of directors) were held. 2 informal strategic planning sessions were also held.

Attendances by each director during the year were as follows:

NAME OF DIRECTOR	DIRECTOR'S MEETINGS	
	No. Eligible to attend	No. Attended
Holland, Waveny	14	14
Li, Richard Ke Yuan	14	13
Pinter, Rosemary	14	14
Matfin, Andrew	14	14
Popplewell, Michael	14	14

## AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 31 December 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:   
Holland, Waveny

Secretary:   
Paul Stadhams

Dated this **15th** day of **March 2021**





# FINANCIAL REPORT 2020

## AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF AUSTRALIAN ACUPUNCTURE & CHINESE MEDICINE ASSOCIATION LTD

I declare that, to the best of my knowledge and belief, during the year ended 31 December 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

Dated this 15th day of March 2021



**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

For the Year Ended 31 December 2020

		2020	2019
	Note	\$	\$
Revenue	4	879,630	1,093,908
Finance income	5	18,551	32,534
Other income	4	249,983	107,383
Board related expenses		(1,944)	(35,442)
Employee benefits expense	6	(477,967)	(500,996)
Depreciation and amortisation expense	6	(79,539)	(72,026)
AACMAC related expenses		(1,232)	(152,629)
Audit, legal and consultancy fees		(89,614)	(91,122)
Computer related expenses		(12,082)	(8,410)
Directors' fees		(60,000)	(57,500)
Jing-Luo related expenses		(14,980)	(20,160)
Office related expenses		(59,777)	(73,297)
Member service expenses		(95,225)	(54,038)
Website related expenses		(25,926)	(30,405)
AGM related expenses		-	(1,488)
Other operating expenses		(34,934)	(33,058)
<b>Surplus before income tax</b>		<b>194,944</b>	<b>103,254</b>
Income tax expense		-	-
<b>Surplus for the year</b>		<b>194,944</b>	<b>103,254</b>
<b>Other comprehensive income, net of income tax</b>		<b>-</b>	<b>-</b>
<b>Items that will not be reclassified subsequently to profit or loss</b>		<b>-</b>	<b>-</b>
<b>Items that will be reclassified to profit or loss when specific conditions are met</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>194,944</b>	<b>103,254</b>

The accompanying notes form part of these financial statements.



**STATEMENT OF FINANCIAL POSITION**

As At 31 December 2020

	Note	2020 \$	2019 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	7	1,783,232	1,699,537
Trade and other receivables	8	9,043	11,967
Other assets	10	71,857	52,360
<b>TOTAL CURRENT ASSETS</b>		<b>1,864,132</b>	<b>1,763,864</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	9	101,769	48,771
Right-of-use assets	9	40,742	111,810
<b>TOTAL NON-CURRENT ASSETS</b>		<b>142,511</b>	<b>160,581</b>
<b>TOTAL ASSETS</b>		<b>2,006,643</b>	<b>1,924,445</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	138,853	162,132
Short-term provisions	13	52,269	-
Employee benefits	15	67,323	39,584
Contract liabilities	14	710,629	775,918
Lease liabilities	11	29,120	50,752
<b>TOTAL CURRENT LIABILITIES</b>		<b>998,194</b>	<b>1,028,386</b>
<b>NON-CURRENT LIABILITIES</b>			
Long-term provisions	13	-	52,269
Lease liabilities	11	-	30,285
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>-</b>	<b>82,554</b>
<b>TOTAL LIABILITIES</b>		<b>998,194</b>	<b>1,110,940</b>
<b>NET ASSETS</b>		<b>1,008,449</b>	<b>813,505</b>
<b>EQUITY</b>			
Retained earnings		1,008,449	813,505
<b>TOTAL EQUITY</b>		<b>1,008,449</b>	<b>813,505</b>

The accompanying notes form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY**

As of 31 December 2020

**2020**

	Retained Earnings	Total
	\$	\$
Balance at 1 January 2020	813,505	813,505
Surplus for the year	194,944	194,944
Total other comprehensive income for the year	-	-
Balance at 31 December 2020	1,008,449	1,008,449

**2019**

	Retained Earnings	Total
	\$	\$
Balance at 1 January 2019	710,251	710,251
Surplus for the year	103,254	103,254
Total other comprehensive income for the period	-	-
Balance at 31 December 2019	813,505	813,505

The accompanying notes form part of these financial statements.



**STATEMENT OF CASH FLOWS**

For the Year Ended 31 December 2020

	Note	2020 \$	2019 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from customers		1,132,537	1,198,380
Payments to suppliers and employees		(954,007)	(1,069,469)
Interest received		18,551	32,534
Net cash provided by operating activities		<u>197,081</u>	<u>161,445</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Purchase of property, plant and equipment		<u>(63,466)</u>	<u>(47,109)</u>
Net cash used in investing activities		<u>(63,466)</u>	<u>(47,109)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Payment of finance lease liabilities		<u>(49,920)</u>	<u>(49,121)</u>
Net cash used in financing activities		<u>(49,920)</u>	<u>(49,121)</u>
Net increase in cash and cash equivalents held		83,695	65,215
Cash and cash equivalents at beginning of year		<u>1,699,537</u>	<u>1,634,322</u>
Cash and cash equivalents at end of financial year	7	<u><u>1,783,232</u></u>	<u><u>1,699,537</u></u>

The accompanying notes form part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2020

The financial report covers Australian Acupuncture & Chinese Medicine Association Ltd as an individual entity. Australian Acupuncture & Chinese Medicine Association Ltd is a not-for-profit Company limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of Australian Acupuncture & Chinese Medicine Association Ltd is Australian dollars.

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 - Reduced Disclosure Requirements and the *Corporations Act 2001*.

## 2 Summary of Significant Accounting Policies

### (a) Revenue and other income

#### Revenue from contracts with customers

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:

#### Subscriptions

The Company generates revenue from member subscriptions by delivering a range of services and benefits to support members throughout Australia. 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.



## 2 Summary of Significant Accounting Policies (continued)

### (a) Revenue and other income (continued)

#### Specific revenue streams (continued)

#### AACMAC Annual Conference, Jing-Luo Royalty Income and Rental Income from State Committee Function

The Company's comprehensive membership packages includes marketing, business and professional development support and the essential tools needed to establish and maintain a proactive. Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

The Company has determined that no significant financing component exists in respect of the sales and services revenue streams since the period between when the Company transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less.

A receivable in relation to these services is recognised when a bill has been invoiced, as this is the point in time that the consideration is unconditional because only the passage of time is required before payment is due.

#### 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).

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.

**2 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)***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.



## 2 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 significantly less than fair value have been recorded at the acquisition date fair value.

#### Right-of-use - Buildings

Right-of-use - 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
Plant and Equipment	20% - 33.33%

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.

#### 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:

- amortised cost



## 2 Summary of Significant Accounting Policies (continued)

### (e) Financial instruments (continued)

#### Financial assets (continued)

- fair value through profit or loss - FVTPL - Not applicable to the Company
- fair value through other comprehensive income - equity instrument (FVOCI - equity) - Not applicable to the Company
- fair value through other comprehensive income - debt investments (FVOCI - debt) - Not applicable to the Company

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 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.

#### *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- Not applicable to the Company

When determining whether the credit risk of a financial assets has increased significant 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.

## 2 Summary of Significant Accounting Policies (continued)

### (e) Financial instruments (continued)

#### Financial assets (continued)

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 and contract assets have 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 contract asset 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*

Impairment 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 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 and other payables and lease liabilities.

### (f) Impairment of non-financial assets

At the end of each reporting period the Company determines whether there is an 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



## 2 Summary of Significant Accounting Policies (continued)

### (f) Impairment of non-financial assets (continued)

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

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.



**2 Summary of Significant Accounting Policies (continued)****(h) Leases (continued)****Lessee accounting (continued)**

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.

**(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.

**(j) Adoption of new and revised accounting standards**

The Company has adopted all standards which became effective for the first time at 31 December 2020, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company.

**3 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 plant and equipment and right-of-use buildings**

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 plant and equipment and right-of-use buildings. As a result, no value-in-use calculations are required.

### 3 Critical Accounting Estimates and Judgments (continued)

#### 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 estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

#### 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.

#### 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.

### 4 Revenue and Other Income

	2020 \$	2019 \$
Revenue from contracts with customers		
- Sale of goods	14,809	15,110
- Membership subscriptions	829,801	826,773
- AACMAC related income	77	184,495
- Jing-Luo income	16,305	13,292
- State committee function income	15,208	46,901
- Others	3,430	7,337
<b>Total Revenue</b>	<b>879,630</b>	<b>1,093,908</b>



#### 4 Revenue and Other Income (continued)

	2020	2019
	\$	\$
Other Income		
- Grant income – ATO JobKeeper	117,000	-
- Grant income – ATO Cash Flow Boost	83,774	-
- Grant income – Other Funding	-	62,000
- Others	49,209	45,383
	<u>249,983</u>	<u>107,383</u>

#### 5 Finance Income

	2020	2019
	\$	\$
Interest income		
- Assets measured at amortised cost	18,551	32,534
<b>Total finance income</b>	<u>18,551</u>	<u>32,534</u>

#### 6 Result for the Year

The result for the year includes the following specific expenses:

	2020	2019
	\$	\$
Other expenses:		
Employee benefits expense	477,967	500,996
Depreciation expense	79,539	72,026

#### 7 Cash and Cash Equivalents

	2020	2019
	\$	\$
Cash at bank and in hand	1,783,232	1,699,537
	<u>1,783,232</u>	<u>1,699,537</u>

#### 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	1,783,232	1,699,537
<b>Balance as per statement of cash flows</b>	<u>1,783,232</u>	<u>1,699,537</u>



# 8 Trade and Other Receivables

	2020	2019
	\$	\$
CURRENT		
Trade receivables	-	1,325
Deposits	8,800	8,800
GST receivable	243	1,842
<b>Total current trade and other receivables</b>	<b>9,043</b>	<b>11,967</b>

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.

# 9 Property, plant and equipment

	2020	2019
	\$	\$
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	290,537	179,961
Accumulated depreciation	(188,768)	(178,300)
<b>Total plant and equipment</b>	<b>101,769</b>	<b>1,661</b>
Capital work-in-progress		
At cost	-	47,110
<b>Total Capital work-in-progress</b>	<b>-</b>	<b>47,110</b>
<b>Total Plant and Equipment</b>	<b>101,769</b>	<b>48,771</b>
Right-of-Use - Buildings		
At cost	180,430	182,427
Accumulated depreciation	(139,688)	(70,617)
<b>Total Right-of-Use - Buildings</b>	<b>40,742</b>	<b>111,810</b>
<b>Total Property, plant and equipment</b>	<b>142,511</b>	<b>160,581</b>

## 9 Property, plant and equipment (continued)

### (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:

	Capital Works in Progress	Plant and Equipment	Right-of-Use - Buildings	Total
	\$	\$	\$	\$
<b>Year ended 31 December 2020</b>				
Balance at the beginning of year	47,110	1,661	111,810	160,581
Additions	61,390	2,076	-	63,466
Transfers	(108,500)	108,500	-	-
Depreciation expense	-	(10,468)	(69,071)	(79,539)
Other changes, movements	-	-	(1,997)	(1,997)
<b>Balance at the end of the year</b>	<b>-</b>	<b>101,769</b>	<b>40,742</b>	<b>142,511</b>

## 10 Other assets

	2020	2019
	\$	\$
CURRENT		
Prepayments	71,857	52,360

## 11 Leases

### Company as a lessee

The Company has lease over the office premise where the Company operates. The lease has provided the Company the right-of-use for 2 years.

#### *Terms and conditions of leases*

#### Office Premise

The Company leases office premise to operate its principal activities. The term of lease is 2 years which include a renewal option to allow the Company to renew for up to 1 year of the non-cancellable lease term.

The Company is dependent on the right-of-use of the office premise to operate its principal activities. The rent is \$48,000 in the first year with a subsequent increment of 4% over the lease term of 2 years. As at 31 December 2020, there are 6 months remaining on the lease. The office premise is restricted to the principal activities of the Company.

The Company is currently engaged with real estate agent to either find a new location or renew the current lease. The Directors do not consider the expiry of the current lease to be of major concern as the Company's operation is now fully digital and staff are able to work remotely as physical location is not regarded as an impediment for business continuity.

# 11 Leases (continued)

## 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 \$	> 5 years \$	Total undiscounted lease liabilities \$	Lease liabilities included in this Statement Of Financial Position \$
<b>2020</b>					
Lease liabilities	29,120	-	-	29,120	29,120
<b>2019</b>					
Lease liabilities	50,752	30,285	-	81,037	81,037

# 12 Trade and Other Payables

	2020 \$	2019 \$
<b>CURRENT</b>		
Trade payables	63,280	96,434
Sundry payables and accrued expenses	75,573	65,698
	<u>138,853</u>	<u>162,132</u>

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.

# 13 Provisions

	2020 \$	2019 \$
<b>CURRENT</b>		
Make Good Provision	52,269	-
	<u>52,269</u>	<u>-</u>
<b>NON-CURRENT</b>		
Make Good Provision	-	52,269
	<u>-</u>	<u>52,269</u>



### 13 Provisions (continued)

	Make Good Provision \$	Total \$
<b>Current</b>		
Opening balance at 1 January 2020	52,269	52,269
Provisions used	-	-
<b>Balance at 31 December 2020</b>	<b>52,269</b>	<b>52,269</b>

### 14 Contract Liabilities

	2020 \$	2019 \$
<b>CURRENT</b>		
Prepaid memberships	710,629	775,918

### 15 Employee Benefits

	2020 \$	2019 \$
<b>CURRENT</b>		
Annual Leave	67,323	39,584

### 16 Capital Commitments

	2020 \$	2019 \$
Contracted commitments for:		
Plant and equipment	-	61,400

#### Capital Commitments

Capital commitments relates to items of plant and equipment specifically Bond/Website implementation where funds have been committed but the asset is yet to be 100% implemented/completed. No capital commitments for financial year ended 31 December 2020 as the Bond/Website implementation has been 100% implemented/completed.

### 17 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 \$ 100 each towards meeting any out standings and obligations of the Company. At 31 December 2020 the number of members was 2,109 (2019: 2,076).

### 18 Key Management Personnel Disclosures

The total remuneration paid to key management personnel of the Company is \$ 60,000 (2019: \$ 57,500).

**19 Contingencies**

In the opinion of the Directors, the Company did not have any contingencies at 31 December 2020 (31 December 2019: None).

**20 Related Parties****(a) The Company's main related parties are as follows:**

Key management personnel - refer to Note 18.

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.

There are no related party transactions identified during the year.

**(c) Loans to/from related parties**

There are no loans to or from related parties identified during the year.

**21 Events Occurring After the Reporting Date**

The financial report was authorised for issue on 15<sup>th</sup> March 2021 by the Board of Directors.

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.

**22 Leasing Commitments****(a) Operating leases**

	2020	2019
	\$	\$
- not later than one year	-	81,035

Operating leases are in place for 1 year commencing 16 July 2018 and ended on 15 July 2019. No operating leases as at 31 December 2019 due to the Adoption of AASB 16 Leases effective from 1 January 2019. Refer Note 11 Leases.

**23 Statutory Information**

The registered office and principal place of business of the company is:  
Australian Acupuncture & Chinese Medicine Association Ltd  
Suite 1, 1990 Logan Road  
Upper Mount Gravatt QLD 4112

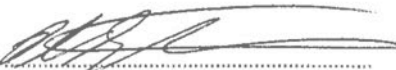
## Directors' Declaration

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 5 to 23, 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 31 December 2020 and of the performance for the year ended on that date of the Company.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Director   
Holland, Waverly

CEO   
Paul Stadhams

Dated this 15<sup>th</sup> day of March 2021



# REPORT ON THE AUDIT OF THE FINANCIAL REPORT

## Independent Audit Report to the members of Australian Acupuncture & Chinese Medicine Association Ltd

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Australian Acupuncture & Chinese Medicine Association Ltd (the Company), which comprises the statement of financial position as at 31 December 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 31 December 2020 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

#### Basis for Opinion

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

#### 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.

Independent Audit Services Pty Ltd ABN 87 168 884 875  
Limited liability by a scheme approved under Professional Standards Legislation.  
Registered Authorised Audit Company No. 460755



*Independent Audit Services***Responsibilities of Directors for the Financial Report (continued)**

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.
- 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, actions taken to eliminate threats or safeguards applied.

**INDEPENDENT AUDIT SERVICES****Chartered Accountants**
**Jiahui (Jeremiah) Thum****Director**

Brisbane, QLD

Dated this 15<sup>th</sup> day of March 2021