

Australian Acupuncture & Chinese Medicine Association Ltd

ANNUAL REPORT 2021



• Since 1973 •

AACMA

澳大利亚针灸中医学会

WWW.ACUPUNCTURE.ORG.AU

Address:
PO Box 6254
Upper Mount Gravatt, Qld 4122

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

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Australian Acupuncture & Chinese
Medicine Association Ltd.

ACN: 010 020 390

Registered National Office
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PRESIDENT'S REPORT 2021

I am pleased to present my report for 2021. A second consecutive year during which COVID-19 restrictions and lockdowns impacted on the way our members were able to practice safely and within the State, Territory and Federal Government health directives.

Mandatory vaccination directives from State and Territory Governments were an issue for practitioners from all the health professions with some practitioners choosing to lose their jobs or leave their private practices rather than comply with the vaccine mandate.

THE NATIONAL OFFICE

Again, most of the staff worked the majority of time from their homes during 2021 with Zoom meetings conducted as needed. When allowed, all staff attended the office once a week on Thursday which was useful to break the sense of isolation and continue to work cohesively as a team.

NEW PREMISES

The search for new premises continued through 2021. Suitable properties at an affordable rental or purchase price have been difficult to find.

As a consequence, the Board voted to remain at the current office location.

The lease on this property has been renegotiated until July 2022 with options to renew.

As the lease is on a 1+1+1 option, the search will continue for a better site.

CLIENT MANAGEMENT RESOURCE (CMR)

The client management resource installed in 2020 has proved to be as user friendly as expected with more streamlined member services and secure online payments working well



WAVENY HOLLAND
AACMA PRESIDENT

for member renewals and professional development seminars.

The monthly updates to private health funds have become far less labour and time intensive enabling easier collation of information for submission.

Further additions within the CMR are planned that will improve member services and engagement with and between members.

2021 FOR MEMBERS

Lockdowns and restrictions were gradually lifted in all the states and territories as the nation was vaccinated, making it easier to practice as people were able to attend appointments.

Communication continued to be the key but the lack of recognition as an allied health profession was sustained making it difficult to get clear information on our members' ability to

practice through imposed restrictions. This situation was improved by the direct intervention on behalf of the profession and its practitioners by the new Chair of the CMBA Prof Danform Lim contacting the Chief Allied Health Officer who confirmed the allied health status of Chinese medicine.

The AACMA Research Centre

The AACMA Research Centre was finally realised with a team of 3 researchers led by Dr Amber Moore searching world databases for the most current studies on all aspects of Chinese medicine practice.

These 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.

Included will be any studies on 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.

There was a soft launch just prior to Christmas, of this dynamic asset which will not only inform clinical practice but also provide suitably assessed, Ahpra compliant studies that can be used for advertising purposes.

This on-going resource will be constantly updated to provide members with quality information.

Membership Renewal Fees

The AACMA Board also voted to offer a 10% discount of membership fees if paid before November 30. Many members took advantage of this offer with the majority of them renewing the membership early.



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CPD

With restrictions due to COVID and the uncertainty of being able to conduct state committee events, AACMA provided over 50 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 care for self/mental wellbeing, oncology acupuncture, herbal medicine and advertising guidelines

These were well received and feedback from members was positive

The CMBA again relaxed CPD requirements for 2021 due to the hardship of COVID.

STUDENT ATTRACTION INITIATIVE

2021 also saw the implementation of the student attraction initiative.

Designed to promote the study of Chinese medicine as a career path, AACMA extended invitations to the universities and colleges that teach CMBA approved Chinese medicine courses to collaborate on this initiative.

A student information brochure was designed and shared with the educational institutions for them to add their logo next to the AACMA logo for distribution to prospective students online, as open days were not held due to COVID restrictions.

The AACMA website has a dedicated page promoting the various institutions with direct links to their website and their Chinese medicine course.

The universities and colleges were appreciative and grateful that AACMA recognised the issue of declining student numbers to instigate this initiative.

AACMAC 2021

After the cancellation of AACMAC 2020, international keynote speakers Lorne Brown, Debra Betts and Poney Chiang were finally able to present online at AACMAC 2021, as did Peter Deadman from the UK and Yair Maimon from Israel. Their pre-recorded presentations were played, followed by a live cross for real time question and answer sessions immediately after.

The hybrid nature of the conference also allowed online delegates to take virtual tours of the trade exhibits thus promoting our sponsors and exhibitors face to face and online.

Three book launches also occurred during the event.

A big thank you to all the trade exhibitors and sponsors for their continued support of our association.

AACMAC 2021 proved to be the most successful conference that has been held to date.





LOBBYING

Medicare Chronic Disease Management

Lobbying for the inclusion of acupuncture into Medicare's Chronic Disease Management (CDM) has stalled. There has been no response from the relevant government departments with the Government's response to COVID given as the main reason. The NHMRC report that was to be published in September 2021 on the AACMA submission is still not available.

TGA

The AACMA collaboration with other Chinese medicine associations on the proposal to the TGA to have Zhi Fu Zi (prepared aconitum carmichaelii) rescheduled on the Poisons Standard or have Chinese medicine herbalists added to the authorised users list was unsuccessful.

It was acknowledged that the information submitted was comprehensive and compelling, but the Advisory Committee had concerns on the availability and ability to control the sale of Zhi Fu Zi so that it was limited solely to registered Chinese medicine herbalists and dispensers.

This seemed to be the reason for their ruling to not alter the current standards.

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 released during the year. It was shown during prime time and on regional television to promote our rural and remote members. The CSA was also broadcast in Canberra in the hope of raising awareness of the benefits of acupuncture amongst the Federal politicians during sitting time.

IN CLOSING

The challenges of the previous year continued into 2021, though less demanding in the need for immediate responses as members and the public alike, became more familiar with restrictions and lockdowns that occurred regularly in 2020.

The exciting new initiatives and innovations, especially the research bank will hopefully attract new members to our association.

The Board and office staff have worked hard to maintain good communication lines and member services while coping with the extra demands of working from home.

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) Drew Matfin (Audit and Risk) and Rodd Sanchez (Director) Lily Feng (director) who replaced the retiring Rose Pinter (minutes Secretary) in December Thank you all!

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



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TREASURER'S REPORT 2021

Whilst 2021 was a more stable year than 2020, the AACMA still had to navigate uncertainty and provide support to the AACMA membership, whilst having decreased financial support from the Australian government's Jobkeeper and other packages.

The growth from previous years enabled the AACMA head office to provide member support with staff working remotely. The software employed also led to changes in the AACMA website, which has enabled for continued growth of member services with the development of the AACMA Research Centre, which was launched in December. This project will provide membership another resource to access evidence-based knowledge for Chinese medicine treatment, with a goal of also highlighting best quality evidence for advertising purposes.

In recognition of the impact of Covid19 on members and their businesses, the Board created provision for financial



ANDREW MATFIN
CHAIR OF AUDIT AND
RISK COMMITTEE



relief for members with a 20% discount for membership fees for 2021. In comparison to 2020, the AACMA received no government funding to supplement the costs of employment. As such, revenue was going to be less than 2020. However, the success of the hybrid onsite & online AACMAC offset some of this loss of incoming funds. A decrease of just under \$103,000 in revenue was recorded between 2020 & 2021.

The major expense for 2021 was the staff payroll, remaining stable from the previous years. The continued efficiency of operating the head office is shown once again with low office expenses. This continues to be a hallmark of head office management under our current CEO. The cost of operating AACMAC 2021 was also a significant expense, however due to the success of the event the AACMA yielded a substantial profit, which has increased equity.

The AACMA is again in a strong financial position, with substantial capital reserves, providing the ability

to deal with long term uncertainties. Recognising again the impact of Covid19 on members and their businesses, and the potential for losing members due to the difficulty of running Chinese medicine practices in the current economic and social climate; the Board utilized the fiscal capacity of the AACMA as an organisation to provide a discount to membership fees for 2022.

Personally, I would like to thank to the AACMA Financial Officer, Yan Zhang for her diligent work this year. I would also like to thank my fellow ARC members during the year, the Board, and Paul Stadhams for all of the assistance received in providing positive decision making, which provides the foundation for the financial stability and strength of our association.

Andrew Matfin

CHAIR OF AUDIT AND
RISK COMMITTEE



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CEO'S REPORT 2021

Lockdowns, varying state-based restrictions, ever-changing government legislation and the addition of vaccine mandates, made 2021 a very challenging year.

While AACMA was able to record positive results across the majority of common business indices, it was our continued focus on our Purpose that allowed us to achieve the most success.

EVENTS

By embracing the latest technology, AACMA has been able to offer a mixture of free and discounted CPD to all of our members, regardless of their location or lockdown status. This new approach has not only seen a record number of members access our CPD Events, but by partnering with organisations such as Beyond Blue and a bevy of great presenters from around the world, we have been able to expand what we can offer to ensure all topics are current, relevant and interesting.

The numbers for our Events in 2021 are quite extraordinary;

- 13 Events (including AACMAC 2021)
- 48.5 hours of new, high quality CPD
- 69.5 hours total available, high quality CPD
- 53% of all CPD provided free to members
- Cumulative attendance of 3,433 people
- Average attendance per event (not AACMAC) of 244 people
- Record AACMAC attendance of 511 people

In 2022, we look forward to hosting more hybrid events, giving members the choice of attending either in person or online and expanding further the topics that are covered.



SOCIAL MEDIA

As was the norm for the majority of associations and companies this year, our approach to our Social Media was intentionally conservative, to stay firmly on message, promoting the benefits and advantages of Acupuncture and Chinese Medicine.

Our core purpose, as always, has been to attract the general public to our "Find an AACMA Practitioner" feature and in turn direct them towards you. Reaching 319,000 Australians with over 3,500+ 'book now' visitors to the practitioner search function this year and many members informing us they had seen an increase in patients as a result, we believe that this has been a success.

MEMBERSHIP

Despite a slight decrease in membership numbers, AACMA members still account for 40% of all CMBA registered Practitioners. While disappointing, this decrease was not



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unexpected as many things outside of our control impacted our membership, including;

- vaccine mandates
- the financial pressures of extended lockdowns
- an AHPRA backlog in registration of overseas trained practitioners
- new graduates delaying registration until business conditions improved
- long-time members choosing retirement because of the uncertainty of the past two years

With COVID restrictions easing across the country, more practitioners gaining an understanding of the value of being a part of an Association that is dedicated to Chinese Medicine and not focused on Massage Therapy, Myotherapy, Naturopathy etc, along with all the new initiatives that we are offering, we expect to return to membership growth in 2022.

THE TEAM

Our team has welcomed remote working, allowing us to reduce operational costs and decrease our environmental footprint all while increasing productivity and achieving our primary goal of providing better outcomes for members. All AACMA staff report a superior work / life balance, improved mental health and a stronger sense of belonging within the organisation.



PAUL STADHAMS
AACMA CEO



SUMMARY

Thank you for continuing to be part of the AACMA community. We can all be proud that AACMA continues to be the largest and most diverse professional association in Australia, exclusively dedicated to supporting members and the advancement of Acupuncture and Chinese Medicine. With your continued support, AACMA will keep leading the fight to grow the profession and build towards our long-term goal of being a genuine partner in a truly integrated medical system.

On a personal note, I wish to thank the Board for giving me the freedom, the guidance, the trust and the support to play my part in leading this incredible profession. Waveny, Richard, Drew, Rodd, Lily and of course Rose who has now retired, thank you. To my team, Yan, Chris, Elena, Mia and Ethan, thank you for your dedication, hard work, good humour, support and

for generally making me better. To our main contractors, Amanda and Wade, thank you for all of your hard work, creativity and guidance. Last but certainly not least, I wish to thank you, our members, while it is for you that we do what we do, we all understand that without you, we would not be able to do what we do.

Thank You

Paul Stadhams
CHIEF EXECUTIVE OFFICER



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BUSINESS STRATEGY



OUR CORE VALUES

- Honour our History
- Respect our Community
- Act with Integrity
- Lead with Passion



OUR PURPOSE: WHY WE EXIST

To support our members & advance the profession



OUR BRAND PROMISE: WHAT WE DO

Educate the public / Promote the profession



OUR BIG HAIRY AUDACIOUS GOAL: BHAG (10 YEARS)

Genuine partners in an integrated medical system



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MEMBERS OF THE BOARD



WAVENY HOLLAND

President / Staff Liaison /
Membership officer



RICHARD LI

Vice President / International
Relations Officer



ANDREW MATFIN

Chair of Audit and Risk Committee



RODD SANCHEZ

Director



LI / LILY FENG

Director

DIRECTOR'S REPORT 2021

The directors present their report on Australian Acupuncture & Chinese Medicine Association Ltd for the financial year ended 31 December 2021.

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:

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 (21 years), AACMA Fellow
- Member Chinese Medicine Reference Group
- Member Profession's Reference Group
- Member WFCMS
- Member Steering Committee WHO ICD-11 Chinese medicine
- 24 years Clinical Practice in Australia
- QLD State Committee Member (2009 - 2021)
- 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 (25 years), AACMA, Fellow
- Over 30 years of Clinical Practice in Australia & 5 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 member of Chinese Medicine Council of NSW
- Registered with CMBA

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 28 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)

SANCHEZ, RODD

Director (Appointed on 31/05/2021)

QUALIFICATIONS

- Diploma of Traditional Chinese Medicine (SITCM), Masters of Traditional Chinese Medicine (UWS Sydney)

EXPERIENCE

- 19 years Clinical Practice in Australia
- Practitioner/ owner Natural Health Practice: Sydney Acupuncture (2003 - Current)
- Registered with the CMBA
- TCM and Multi-disciplinary practice manager, senior lecturer and guest lecturer at the University of Western Sydney, Sydney Institute of Traditional Chinese Medicine.



FENG, LI LILY*Director (Appointed on 1/12/2021)***QUALIFICATIONS**

- Bachelor of Medicine (TCM) (Shanghai university of Traditional Chinese Medicine 1995)
- Master of Public Health (Netherlands school of public and occupational health 2002)

EXPERIENCE

- Registered medical doctor in China (work in Shanghai Long Hua hospital, teaching hospital of Shanghai TCM University) 1995-2001
- Registered TCM lecturer (worked for Shanghai TCM university, international acupuncture training centre) 1995-2001
- Private practice since 2003
- Registered with the CMBA
- Clinical supervisor for RMIT Master of acupuncture & Herbal medicine (2019, 2020)

PINTER, ROSEMARY*Director (Resigned on 30/11/2021)***POPPLEWELL, MICHAEL***Director (Retired on 31/05/2021)*

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 Australian Acupuncture & Chinese Medicine Association Ltd during the financial year was to 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 \$50 for members that are corporations and \$50 for all other members, subject to the provisions of the company's constitution.

At 31 December 2021 the collective liability of members was \$96,950 (2020: \$105,450).

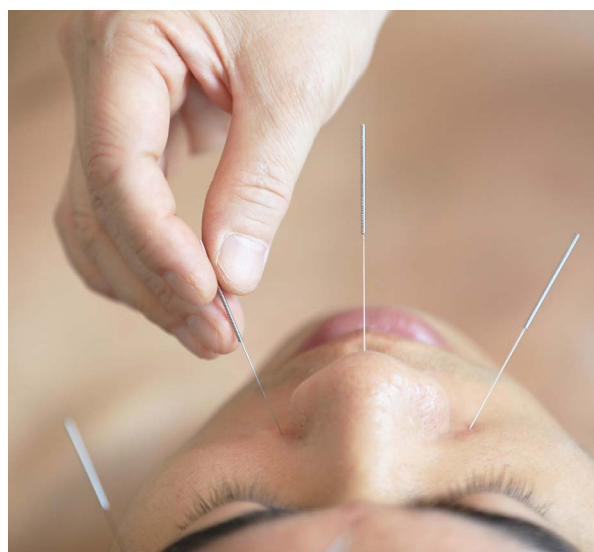
2. OPERATING RESULTS AND REVIEW OF OPERATIONS FOR THE YEAR

OPERATING RESULTS

The profit of the Company after providing for income tax amounted to \$87,438 (2020: \$194,944).

REVIEW OF OPERATIONS

A review of the operations of the Company during the financial year and the results of those operations show a net profit of \$87,438 and a corresponding increase in net assets as a result.



3. OTHER ITEMS

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

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

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.

ENVIRONMENTAL MATTERS

The Company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

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	12	12
Li, Richard Ke Yuan	12	12
Pinter, Rosemary	12	12
Matfin, Andrew	12	12
Popplewell, Michael	6	5
Sanchez, Rodd	7	7
Feng, Li/Lily	-	-

INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of Australian Acupuncture & Chinese Medicine Association Ltd.



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 2021 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

Company Secretary: 
Paul Stadhams

Dated this **28th** day of **February 2022**

FINANCIAL REPORT 2021

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 2021, 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 28th day of February 2022



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Australian Acupuncture & Chinese Medicine Association Ltd

ABN 52 010 020 390

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2021

		2021	2020
	Note	\$	\$
Revenue	5	983,055	879,631
Finance income	6	12,094	18,551
Other income	5	50,021	249,983
Board related expenses		(1,658)	(1,944)
Employee benefits expense	7	(453,282)	(477,967)
Depreciation and amortisation expense	7	(92,859)	(79,539)
AACMAC related expenses		(127,540)	(1,232)
Audit, legal and consultancy fees		(92,331)	(89,614)
Computer related expenses		(11,759)	(12,082)
Directors' fees		(60,000)	(60,000)
Jing-Luo related expenses		(251)	(14,980)
Office related expenses		(49,615)	(59,777)
Member service expenses		(20,162)	(95,225)
Website related expenses		(20,291)	(25,926)
Other operating expenses		(27,070)	(34,934)
Finance expenses	6	(914)	-
Surplus before income tax		87,438	194,944
Income tax expense		-	-
Surplus for the year		87,438	194,944
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		87,438	194,944

The accompanying notes form part of these financial statements.



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Statement of Financial Position
As At 31 December 2021

	Note	2021 \$	2020 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	2,035,845	1,783,232
Other receivables	9	9,464	9,043
Other assets	11	18,824	71,857
TOTAL CURRENT ASSETS		2,064,133	1,864,132
NON-CURRENT ASSETS			
Plant and equipment	10	67,308	101,769
Right-of-use assets	12	74,326	40,742
TOTAL NON-CURRENT ASSETS		141,634	142,511
TOTAL ASSETS		2,205,767	2,006,643
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	154,014	138,853
Lease liabilities	12	48,090	29,120
Short-term provisions	14	-	52,269
Employee benefits	16	70,868	67,323
Contract liabilities	15	759,264	710,629
TOTAL CURRENT LIABILITIES		1,032,236	998,194
NON-CURRENT LIABILITIES			
Lease liabilities	12	25,375	-
Long-term provisions	14	52,269	-
TOTAL NON-CURRENT LIABILITIES		77,644	-
TOTAL LIABILITIES		1,109,880	998,194
NET ASSETS		1,095,887	1,008,449
EQUITY			
Retained earnings		1,095,887	1,008,449
TOTAL EQUITY		1,095,887	1,008,449

The accompanying notes form part of these financial statements.



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Statement of Changes in Equity
For the Year Ended 31 December 2021**2021**

	Retained Earnings	Total
	\$	\$
Balance at 1 January 2021	1,008,449	1,008,449
Surplus for the year	87,438	87,438
Total other comprehensive income for the year	-	-
Balance at 31 December 2021	1,095,887	1,095,887

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 period	-	-
Balance at 31 December 2020	1,008,449	1,008,449

The accompanying notes form part of these financial statements.



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Statement of Cash Flows**For the Year Ended 31 December 2021**

	Note	2021 \$	2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		1,032,655	1,132,537
Payments to suppliers and employees		(739,425)	(954,007)
Interest received		12,094	18,551
Interest paid		(914)	-
Net cash provided by operating activities		<u>304,410</u>	<u>197,081</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of plant and equipment		(2,791)	(63,466)
Net cash used in investing activities		<u>(2,791)</u>	<u>(63,466)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Repayment of lease liabilities		(49,006)	(49,920)
Net cash used in financing activities		<u>(49,006)</u>	<u>(49,920)</u>
Net increase in cash and cash equivalents held		252,613	83,695
Cash and cash equivalents at beginning of year		<u>1,783,232</u>	<u>1,699,537</u>
Cash and cash equivalents at end of financial year	8	<u><u>2,035,845</u></u>	<u><u>1,783,232</u></u>

The accompanying notes form part of these financial statements.



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NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2021

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 - Simplified Disclosures and the *Corporations Act 2001*.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 Change in Accounting Policy

In the previous year, the Company prepared general purpose financial statements that have been prepared in accordance with the *Australian Accounting Standards - Reduced Disclosure Requirements* which complied with all recognition and measurement requirements except for deferred tax accounting.

In adopting this standard, the Company has applied AASB 1 *First Time Adoption of Australian Accounting Standards*.

There is no change to the Company's accounting policies in transitioning to Australian Accounting Standards - Simplified Disclosures.

3 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.

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.



Australian Acupuncture & Chinese Medicine Association Ltd

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Notes to the Financial Statements**For the Year Ended 31 December 2021 (continued)****3 Summary of Significant Accounting Policies (continued)****(a) Revenue and other income (continued)****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.

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.



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**Notes to the Financial Statements
For the Year Ended 31 December 2021 (continued)****3 Summary of Significant Accounting Policies (continued)****(a) Revenue and other income (continued)****Statement of financial position balances relating to revenue recognition (continued)***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 straight-line basis over the expected life of the contract.

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 an 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.



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Notes to the Financial Statements**For the Year Ended 31 December 2021 (continued)****3 Summary of Significant Accounting Policies (continued)****(d) Plant and equipment**

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

Items of plant and equipment acquired for significantly less than fair value have been recorded at the acquisition date fair value.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

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

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



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Notes to the Financial Statements**For the Year Ended 31 December 2021 (continued)****3 Summary of Significant Accounting Policies (continued)****(e) Financial instruments (continued)****Financial assets***Amortised cost*

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

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.

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 are 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 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.



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Notes to the Financial Statements**For the Year Ended 31 December 2021 (continued)****3 Summary of Significant Accounting Policies (continued)****(e) Financial instruments (continued)****Financial assets (continued)**

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 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.



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Notes to the Financial Statements**For the Year Ended 31 December 2021 (continued)****3 Summary of Significant Accounting Policies (continued)****(h) Leases**

At inception of a contract, the Company assesses whether a lease exists.

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.

Exceptions to lease accounting

The Company has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Company recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

(i) Employee benefits

Provision is made for the Company's liability for employee benefits, those 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.

Australian Acupuncture & Chinese Medicine Association Ltd

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Notes to the Financial Statements**For the Year Ended 31 December 2021 (continued)****3 Summary of Significant Accounting Policies (continued)****(j) Adoption of new and revised accounting standards**

The Company has adopted all standards which became effective for the first time at 31 December 2021, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company.

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

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.



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Notes to the Financial Statements**For the Year Ended 31 December 2021 (continued)****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 renew another 1 year after the first 12 months of the lease. The Company will further review the renewal option closer to expiry of the lease agreement.

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.

5 Revenue and Other Income

Revenue from continuing operations

	2021	2020
	\$	\$
Revenue from contracts with customers (AASB 15)		
- Membership subscriptions (over time)	745,609	829,801
- AACMAC related income (at a point in time)	195,185	77
- Jing-Luo income (at a point in time)	5,060	16,305
- Sale of goods (at a point in time)	9,547	14,809
- State committee function income (at a point in time)	25,404	15,208
- Others (at a point in time)	2,250	3,430
Total Revenue	983,055	879,630

	2021	2020
	\$	\$
Other Income (at a point in time)		
- Grant income – ATO JobKeeper	-	117,000
- Grant income – ATO Cash Flow Boost	-	83,774
- Others	50,021	49,209
Total Other Income	50,021	249,983



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Notes to the Financial Statements**For the Year Ended 31 December 2021 (continued)****6 Finance Income and Expenses***Finance income*

	2021 \$	2020 \$
Interest income		
- Assets measured at amortised cost	12,094	18,551
Total finance income	12,094	18,551

Finance expenses

	2021 \$	2020 \$
Interest expense on lease liability	914	-
Total finance expenses	914	-

7 Result for the Year

The result for the year includes the following specific expenses:

	2021 \$	2020 \$
Other expenses:		
Employee benefits expense	453,282	477,967
Depreciation expense	92,859	79,539

8 Cash and Cash Equivalents

	2021 \$	2020 \$
Cash at bank and in hand	2,035,845	1,783,232
	2,035,845	1,783,232

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:

	2021 \$	2020 \$
Cash and cash equivalents	2,035,845	1,783,232
Balance as per statement of cash flows	2,035,845	1,783,232

Australian Acupuncture & Chinese Medicine Association Ltd

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Notes to the Financial Statements**For the Year Ended 31 December 2021 (continued)****9 Other Receivables**

	2021	2020
	\$	\$
CURRENT		
Deposits	8,800	8,800
GST receivable	664	243
Total current other receivables	9,464	9,043

10 Plant and equipment

	2021	2020
	\$	\$
Plant and equipment		
At cost	293,327	290,537
Accumulated depreciation	(226,019)	(188,768)
Total Plant and Equipment	67,308	101,769

(a) Movements in Carrying Amounts

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

	Plant and Equipment	Total
	\$	\$
Year ended 31 December 2021		
Balance at the beginning of year	101,769	101,769
Additions	2,791	2,791
Depreciation expense	(37,252)	(37,252)
Balance at the end of the year	67,308	67,308

11 Other assets

	2021	2020
	\$	\$
CURRENT		
Prepayments	18,824	71,857

12 Leases**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 2 years from 16th July 2020 to 15th June 2021. During the financial year and at the date of this report, the lease was renewed for another 1 year from 16th June 2021 to 15th June 2022.

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Notes to the Financial Statements**For the Year Ended 31 December 2021 (continued)****12 Leases (continued)**

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

*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 non-cancellable lease term. During the financial year and at the date of this report, the lease was renewed for another 1 year with an option of two times one year option 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 \$48,000 in the first year with a subsequent increment of 4% over the lease term of 2 years. The rent for the renewed lease is \$49,920 over the lease term of 1 year with a subsequent increment of 3% per year if the Company takes up the two times one year renewal option.

As at 31 December 2021, there are 1 year and 6 months remaining on the lease. The Company is looking to take up the one-year renewal option and to review the lease agreement in year 2023 for renewal or to relocate to a new location. The office premise is restricted to the principal activities of the Company.

Right-of-use assets

	Buildings \$	Total \$
Year ended 31 December 2021		
Balance at beginning of year	40,742	40,742
Depreciation charge	(55,607)	(55,607)
Additions to right-of-use assets	89,191	89,191
Balance at end of year	74,326	74,326

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 \$
2021					
Lease liabilities	50,419	25,709	-	76,128	73,465
2020					
Lease liabilities	29,120	-	-	29,120	29,120



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Notes to the Financial Statements

For the Year Ended 31 December 2021 (continued)

12 Leases (continued)

Statement of Profit or Loss and Other Comprehensive Income

The amounts recognised in the statement of profit or loss and other comprehensive income relating to interest expense on lease liabilities and short-term leases or leases of low value assets are shown below:

	2021	2020
	\$	\$
Interest expense on lease liabilities	914	-
	<u>914</u>	<u>-</u>

13 Trade and Other Payables

	2021	2020
	\$	\$
CURRENT		
Trade payables	8,826	2,731
GST payable	79,201	57,109
Sundry payables and accrued expenses	65,987	79,013
	<u>154,014</u>	<u>138,853</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.

14 Provisions

	2021	2020
	\$	\$
CURRENT		
Make Good Provision	-	52,269
	<u>-</u>	<u>52,269</u>
NON-CURRENT		
Make Good Provision	52,269	-
	<u>52,269</u>	<u>-</u>
	Make Good Provision	Total
	\$	\$
Current		
Opening balance at 1 January 2021	52,269	52,269
Provisions used	-	-
Balance at 31 December 2021	<u>52,269</u>	<u>52,269</u>



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Notes to the Financial Statements**For the Year Ended 31 December 2021 (continued)****15 Contract liabilities**

	2021	2020
	\$	\$
CURRENT		
Prepaid memberships	759,264	710,629

16 Employee Benefits

	2021	2020
	\$	\$
CURRENT		
Annual leave	63,120	67,323
Long service leave	7,748	-
	70,868	67,323

17 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

Financial instruments used

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

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

Financial assets

Held at amortised cost

Cash and cash equivalents
Other receivables

Total financial assets

	2021	2020
	\$	\$
Cash and cash equivalents	2,035,845	1,783,232
Other receivables	9,464	9,043
Total financial assets	2,045,309	1,792,275



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Notes to the Financial Statements**For the Year Ended 31 December 2021 (continued)****17 Financial Risk Management (continued)**

	2021 \$	2020 \$
Financial liabilities		
Financial liabilities measured at amortised cost	227,479	167,973
Total financial liabilities	227,479	167,973

Objectives, policies and processes

The Board of Directors have overall responsibility for the establishment of Australian Acupuncture & Chinese Medicine Association Ltd'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.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Australian Acupuncture & Chinese Medicine Association Ltd's activities.

The day-to-day risk management is carried out by Australian Acupuncture & Chinese Medicine Association Ltd's finance function under policies and objectives which have been approved by the Board of Directors. The Chief Executive 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 and marketable securities to meet its liquidity requirements for up to 30-day periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

The Company manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash-outflows due in day-to-day business.

Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well a rolling 30-day projection. Long-term liquidity needs for a 180-day and a 360-day period is identified monthly.

At the reporting date, these reports indicate that the Company expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances and will not need to draw down any of the financing facilities.



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Notes to the Financial Statements**For the Year Ended 31 December 2021 (continued)****18 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 31 December 2021 the number of members was 1,939 (2020: 2,109).

19 Key Management Personnel Disclosures

The total remuneration paid to key management personnel of the Company is \$60,000 (2020: \$60,000).

20 Auditors' Remuneration

	2021 \$	2020 \$
Remuneration of the auditor for:		
- auditing or reviewing the financial statements	7,000	6,400
Total	7,000	6,400

21 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 31 December 2021 (31 December 2020: None).

22 Related Parties

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

Key management personnel - refer to Note 19.

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 they year.

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

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



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Notes to the Financial Statements

For the Year Ended 31 December 2021 (continued)

23 Events Occurring After the Reporting Date

The financial report was authorised for issue on 28th February 2022 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.

24 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



• Since 1973 •

AACMA
澳大利亚针灸中医学学会

Australian Acupuncture & Chinese Medicine Association Ltd

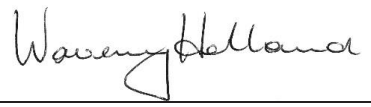
ABN 52 010 020 390

Directors' Declaration

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 6 to 26, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards - Simplified Disclosure Standard; and
 - b. give a true and fair view of the financial position as at 31 December 2021 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 
Waveny Holland

Company Secretary 
Paul Stadhams

Dated this 28th day of February 2022

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 2021, 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 2021 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards - Simplified Disclosures 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 - Simplified Disclosures 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 28th day of February 2022

