

Australian Acupuncture & Chinese Medicine Association Ltd

ANNUAL REPORT 2022



• Since 1973 •

AACMA

澳大利亚针灸中医学会

WWW.ACUPUNCTURE.ORG.AU

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**Australian Acupuncture & Chinese
Medicine Association Ltd.**

ACN: 010 020 390

Registered National Office
PO Box 6254
Upper Mount Gravatt, Qld 4122

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PRESIDENT'S REPORT 2022

I am pleased to present my report for 2022.

INTRODUCTION

2022 saw the gradual climb out of COVID-19 restrictions and lockdowns for our members. For AACMA it was a waiting game to see how membership numbers fared after so many of our members, especially in Victoria with the longest lockdown periods, were unable to practise.

The reduced patient load for many impacted heavily on their income with many choosing to retire from the profession. Despite this, member numbers remained stable with AACMA offering a reduction in renewal fees if paid by 30 November and other payment options to enable members under financial hardship to renew their membership.



WAVENY HOLLAND
AACMA PRESIDENT

THE NATIONAL OFFICE

Most staff have continued to work the majority of time from their homes with any meetings conducted via Zoom as needed. A stable, cohesive and well-functioning team, our staff continue to keep AACMA operating smoothly.

Staff have had the support of the AACMA Board to undertake professional development as required to enhance their knowledge and efficiency in their roles.

NEW PREMISES

The continued hunt for new premises was realised with the National Office relocating to a new, smaller but much more professional office suite in June of 2022. Located in the street behind the previous site, the new office has one big space that has been partitioned into individual staff work areas, a separate room for the CEO and a well equipped kitchen.

A reduced annual rent of \$20,000 and attentive landlords made it an even more attractive proposition.

CLIENT MANAGEMENT RESOURCE (CMR) AND WEBSITE

The client management resource installed in 2020 is functioning effectively streamlining member services. Secure online payments for member renewals and professional development seminars have eliminated the amount of time staff spent manually doing these tasks.

The monthly updates to private health funds are easily collated for submission again, freeing up staff for other tasks.

The "front facing" side of the website is still under construction. Promised 12 months ago, the developer has had issues with staffing due to COVID with a turnover of 4 successive people allocated to manage our new website design.

No date for completion of this project has been given by the developer.

The public facing pages will include a dedicated page for each member to "advertise" themselves and areas of interest, their clinic and provide links directly to their clinic website or booking systems.

There will also be a closed networking platform available to AACMA members only.

This feature will enable sharing of relevant information to enhance knowledge for clinical practice, research and general networking

AACMAC 2022

Again, like AACMAC 2021, AACMAC 2022 was a successful event. The conference was held at the Sea World Conference Centre on the Gold Coast, making it an ideal destination for members and their families to enjoy an extended weekend at the Gold Coast.

Though, there were more members attending online than in person proving that while a hybrid event offers both options, the live stream event is more attractive as members don't have to spend any money on travel or accommodation to attend in person.

Access to the recording for a few months post conference is a valuable learning resource that we provide our members and the other delegates.

Our international speakers pre-recorded their presentations and were then available for a live cross for real time question and answer sessions immediately after.

Local presenters were in person or live streamed including the Chair of the Chinese Medicine Board of Australia, the Chief Allied Health Officer and a representative from the Therapeutics Goods Administration presenting on the regulatory guidelines and information necessary for practice.

Thank you to all the trade exhibitors who attended in person. For delegates who attended online, they had the opportunity for viewing a virtual trade display which provided up to date information on practice essentials such as needles and clinic equipment, herbs, new books and the various insurances necessary for practice and business

CONTINUING PROFESSIONAL DEVELOPMENT (CPD)

AACMA provided approximately 50 hours of continuing professional development webinars for members. To help members recovering financially, many of the events were provided free and the others, heavily subsidised. Online interactive member forums were designed to engage members providing them the opportunity to achieve the required CPD for interaction while still keeping distance from others during the move out of COVID restrictions.

International and local speakers presented during the year to fill the 50 hours of quality, clinically relevant or researched based content.

STUDENT ATTRACTION INITIATIVE

This initiative commenced in 2021, was designed to promote the study of Chinese medicine as a career path.



It has proven to be a success with an increase in student members for the association. AACMA continues to collaborate with the educational institutions to promote Chinese medicine as a worthwhile study option that offers an interesting career path.

The student brochure will be updated to maintain currency with the intent of distributing to careers advisors in high schools around Australia in 2023.

LOBBYING

1. Medicare Chronic Disease Management, the NDIS and Veteran's Affairs Health

With the new Labour Government in power, new strategies and relationships are being formed to further our aim for the inclusion of acupuncture into the Medicare Chronic Disease Management, the NDIS and Veteran's Affairs health.

2. Telehealth

With the opening up of business from COVID lockdowns, lobbying to get private health funds to provide rebates for telehealth consultations have ceased.

3. World Federation of Acupuncture and Moxibustion Societies (WFAS)

To celebrate 50 years of representing our members and advocating for the profession, AACMA submitted an expression of interest to host the World Federation of Acupuncture and Moxibustion Societies conference in 2023.

With tight timelines including only 2 weeks to make a promotional video for the submission plus the cost of 3 Board members and the AACMA CEO attending in person to present the submission in Singapore, the still relevant uncertainty of the COVID pandemic and potential of restrictions on international travel, the AACMA Board decided that there was too much risk involved in outlaying so much member money that a formal submission to host WFAS would not be made.

THE AACMA RESEARCH CENTRE

Up and running for a year, the research centre has been welcomed by members and is being constantly added to with the most current studies being assessed for inclusion.

The new website will provide an even more user friendly resource for members to access the best available research information on all aspects of Chinese medicine.

MEMBERSHIP RENEWAL FEES

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

AACMA also provides a few different payment plans for members to pay their renewal fees that gives them options that best suit their financial circumstances.

There was a higher retirement rate post COVID than at any other time mostly due to financial hardship. The AACMA Board and National Office acknowledged this by introducing the payment options to keep members in their practice.

SOCIAL MEDIA

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

Overall, there has been a wider reach of the content provided, with more “clicks” through to our practitioner search function, evidence that this marketing strategy is increasing awareness and potential market share for our practitioner members.

ONE VOICE BIG EVIDENCE PROJECT

AACMA is foundation member of this global initiative in collaboration with the European Traditional Chinese Medicine Association (ETCMA), National Certification Commission for Acupuncture and Oriental Medicine (NCCAOM).

This project is designed to use the World Health Organisation (WHO) International Classification of Diseases (ICD-11) codes in creating an international data base of 10,000 cases of the treatment of low back pain using acupuncture.

Chinese medicine is the first traditional medicine to be coded and included (May 2019) in the IDC-11 alongside western medicine.

IN CLOSING

A less challenging year for all as COVID is regarded as endemic rather than pandemic resulting in members being able to practice freely and the public being able to attend appointments.

A potential increase in market share for practitioner members according to information from our social pages is a pleasing highlight as is the increase in student membership due to the ongoing student attraction initiative.

The AACMA Research Centre, a high quality, topical, educational and clinically relevant resource that is constantly updated to maintain currency of the catalogued research on offer to members is proving to be valuable because it is an exclusive repository on all aspects of Chinese medicine.

Free or subsidised CPD opportunities offered to members have been designed and instigated to meet member needs and feedback from members suggests that we have achieved that goal we set.

Responding and acting on member feedback, comments, enquiries and complaints on external and internal issues has been a priority of the AACMA Board and National Office Staff.

Again, member feedback shows that AACMA has been achieving this very important goal with positive member outcomes on the majority of issues that have been raised.

The Board and Office Staff have worked hard to maintain good communication lines and member services to provide the best service to members.

Thank you to our office staff under the guidance of CEO Paul Stadhams, for their high capability and competence in the operational support of 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.

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), Rodd Sanchez (director) and Lily Feng (director).

I appreciate your contribution to AACMA in 2022.

Waveny Holland

AACMA PRESIDENT



TREASURER'S REPORT 2022



The AACMA again had to traverse an interesting financial landscape during 2022, whilst also looking towards the future for our industry and providing immediate support to the AACMA membership.

With projections into 2022, in 2021 the AACMA executives and Board decided to provide a 10% discount for early payment of membership fees. This discount was taken up by the majority of members, and led to only 6.7% growth in revenue compared to 2021.

The rise in inflation rates (7.8% for the 2022 calendar year according to the ABS) was met with two staff pay increases during 2022 to avoid costly staff attrition. As per previous years, staff wages are the most significant individual expense item. The wage rises amounted to a 6.1% increase.

Non-wage related expenses increased 10.05% from 2021 to 2022. This includes relocation expenses to a smaller office space. The new office suits the new online capable

AACMA head office requirements, and ultimately will cost less over the time of the lease. Further, included in these non-wage expenses was the website development and costs of researchers for the AACMA Research Centre, an initiative being led by AACMA member Amber Moore, costing \$49,815 in 2022. The Research Centre is designed to provide a resource for



ANDREW MATFIN

CHAIR OF AUDIT AND
RISK COMMITTEE

evidence-based practice and a source for high quality clinical research to be utilised for advertising. Another major expense partially paid for during the 2022 year was the preparations for the 50th years of AACMA celebration, amounting to \$48,950. This significant expense is also an investment in future marketing, with planned footage being able to be cross purposed for public advertising to promote the AACMA and its members as the peak Chinese medicine practitioners in Australia.

Despite these increases in costs and the 10% discount for membership fees, 2022 was another year where an operating profit was recorded, amounting to just under \$80,000.

AACMA 2022 was a financial success, bringing in a profit of \$11,000 more than 2021's profit. This was obtained mainly through substantially less expense being spent on the venue and its in-house audio-visual costs.

The AACMA is still in a strong financial position, with substantial capital reserves, providing the Board ability to confidently approach long term uncertainties and for the Board to plan some significant new projects.

Personally, I again would like to thank the AACMA Financial Officer, Yan Zhang for her meticulous work this year. I would also like to thank my fellow ARC members, the Board, and Paul Stadhams. It has been a pleasure to be able to give back to the AACMA, and guide the associations financial well-being through what will hopefully be the last year of economic turmoil due to Covid19.

Andrew Matfin

CHAIR OF AUDIT AND
RISK COMMITTEE

CEO'S REPORT 2022

After what felt like a lifetime of lockdowns, restrictions, mandates, and uncertainty, 2022 was a chance for us to stop, take a breath, and take a closer look at our new reality and how AACMA can adapt what we offer our members to help successfully navigate this ever-changing world.

THE PROFESSION

A member Survey early in the year gave us some exciting insights into the profession, including finding out the following:

- 62% of respondents worked under 30 hours per week,
- 59% are solo practitioners running their clinics,
- 11% have training in another health modality, and
- 75% claim word of mouth from existing customers is the most common way to grow their client base.

Also, an analysis of the AHPRA-provided statistics shows us that there is a **slight decline** in uptake in the Chinese Medicine profession compared to other modalities.

The below table shows us that since 2017 the Chinese Medicine Board has

only had a **minor increase of 0.67%** (33 people), which, compared to other registered professions, is extremely low. However, AACMA has seen the **Practicing Membership GROW by 6%** (98 people) during this period.

YEAR (December)	CMBA	Chiro	Osteopathy	Podiatry	Physio
2017	4,905	5,364	2,324	4,999	31,276
2018	4,933	5,522	2,512	5,243	33,188
2019	4,939	5,700	2,723	5,509	35,290
2020	4,953	5,893	2,921	5,691	38,628
2021	4,931	6,072	3,148	5,989	39,781
2022	4,938	6,285	3,348	6,095	40,171
Total Growth	33	921	1,024	1,096	8,895
% Growth	0.67%	14.65%	30.59%	17.98%	22.14%





AACMA EVENTS

In 2022, AACMA held 10 CPD events, including our flagship AACMAC. Even though this was a slight decrease in the number of events from the previous year, this allowed us to adapt to the new world structure and ensure our services met our members' needs and were of the highest possible caliber.

2022 events resulted in impressive statistics, including:

- 42.50 hours of new, high quality CPD,
- 80.50 hours are now available for download, and
- Cumulative attendance of 1,878 people.

AACMA SOCIAL MEDIA

Our social media presence kickstarted into high gear through 2022 following a minor downturn during COVID in 2021

Over the months, we have received overwhelming feedback from members and the public, especially around our September campaign, which saw a fresh, new creative approach across our social platforms.

Every social media post we upload has a 'Book Now' button included in the creative, encouraging viewers

to click and go directly to our 'Find a Practitioner' page on the AACMA website. We intend to ensure our social media helps potential new clients find our members easier.

Our social media campaign's success depends on the click-through results to the 'Find a Practitioner' page.

In 2022 we saw an impressive increase of around **3% YoY of click-throughs** from the social pages or almost 4,700 people.

Given our exciting growth and success with our social campaigns, we expect this to continue through 2023.



PAUL STADHAMS
AACMA CEO

IN SUMMARY

With solid financial results, highly talented and loyal members, and a team of dedicated professionals working to ensure the best results possible, 2022 can be considered a very positive and successful year for AACMA. And as long as we continue to be one dedicated and united team, AACMA can remain strong and prosperous; and continue to battle for the recognition and respect our profession, and members deserve

Thank you to the Board for the trust they have put in me. My dedicated team for their ongoing support. And most importantly, you, our incredible members who offer unwavering dedication to your profession and keep so many people in our community healthy and happy.

Thank you

Paul Stadhams

CHIEF EXECUTIVE OFFICER

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 2022



The directors present their report on Australian Acupuncture & Chinese Medicine Association Ltd for the financial year ended 31 December 2022.

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 (22 years), AACMA Fellow
- Member Chinese Medicine Reference Group
- Member Profession's Reference Group
- Member WFCMS
- Member Steering Committee WHO ICD-11 Chinese medicine
- 25 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 (26 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 (17 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 29 years
- Practicing Acupuncturist 26 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)
- Governance Training 2022 with a focus on Association Boards & Governance (Associations Forum)

SANCHEZ, RODD

Director

QUALIFICATIONS

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

EXPERIENCE

- 20 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

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)



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 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 2022 the collective liability of members was \$97,850 (2021: \$96,950).

2. OPERATING RESULTS AND REVIEW OF OPERATIONS FOR THE YEAR

OPERATING RESULTS

The profit of the Company after providing for income tax amounted to \$79,978 (2021: \$87,438).

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

NAME OF DIRECTOR	DIRECTOR'S MEETINGS	
	No. Eligible to attend	No. Attended
Holland, Waveny	12	12
Li, Richard Ke Yuan	12	12
Matfin, Andrew	12	12
Feng, Li/Lily	12	12
Sanchez, Rodd	12	10



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 2022 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 **3rd March 2023**

FINANCIAL REPORT 2022

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 2022, 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

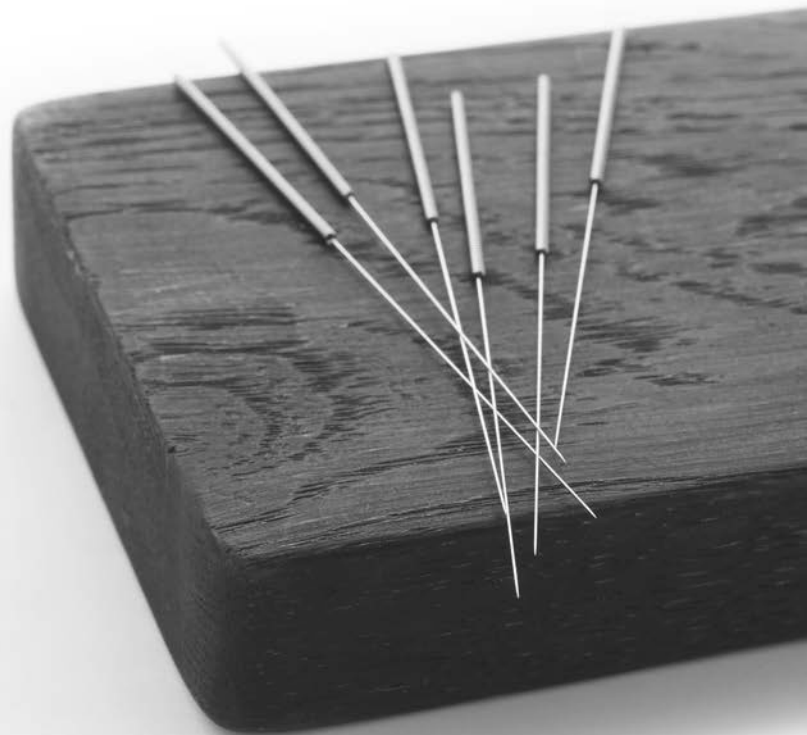


Jiahui (Jeremiah) Thum

Director

Brisbane, QLD

Dated this 2nd day of March 2023



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 2022

		2022	2021
	Note	\$	\$
Revenue	4	1,048,680	983,055
Finance income	5	7,725	12,094
Other income	4	54,787	50,021
Board related expenses		(5,792)	(1,658)
Employee benefits expense		(481,061)	(453,282)
Depreciation and amortisation expense		(76,332)	(92,859)
AACMAC related expenses		(103,919)	(127,540)
Audit, legal and consultancy fees		(82,708)	(92,331)
Computer related expenses		(9,454)	(11,759)
Directors' fee		(60,200)	(60,000)
Jing-Lou related expenses		(365)	(251)
Office related expenses		(48,113)	(49,615)
Member service expenses		(61,295)	(20,162)
Website related expenses		(25,176)	(20,291)
Other operating expenses		(72,284)	(27,071)
Finance expenses	5	(4,514)	(913)
Surplus before income tax		79,979	87,438
Income tax expense		-	-
Surplus for the year		79,979	87,438
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		79,979	87,438

The accompanying notes form part of these financial statements.

Australian Acupuncture & Chinese Medicine Association Ltd

ABN 52 010 020 390

Statement of Financial Position

As At 31 December 2022

	Note	2022 \$	2021 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	2,125,127	2,035,845
Trade and other receivables	8	7,565	9,464
Other assets	10	20,530	18,824
TOTAL CURRENT ASSETS		<u>2,153,222</u>	<u>2,064,133</u>
NON-CURRENT ASSETS			
Property, plant and equipment	9	38,107	67,309
Right-of-use assets	11	58,743	74,326
TOTAL NON-CURRENT ASSETS		<u>96,850</u>	<u>141,635</u>
TOTAL ASSETS		<u>2,250,072</u>	<u>2,205,768</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	130,484	154,014
Lease liabilities	11	24,046	48,090
Employee benefits	15	79,686	70,868
Other financial liabilities	14	751,383	759,264
TOTAL CURRENT LIABILITIES		<u>985,599</u>	<u>1,032,236</u>
NON-CURRENT LIABILITIES			
Lease liabilities	11	36,338	25,375
Long-term provisions	13	52,269	52,269
TOTAL NON-CURRENT LIABILITIES		<u>88,607</u>	<u>77,644</u>
TOTAL LIABILITIES		<u>1,074,206</u>	<u>1,109,880</u>
NET ASSETS		<u>1,175,866</u>	<u>1,095,888</u>
EQUITY			
Retained earnings		<u>1,175,866</u>	<u>1,095,888</u>
TOTAL EQUITY		<u>1,175,866</u>	<u>1,095,888</u>

The accompanying notes form part of these financial statements.

Australian Acupuncture & Chinese Medicine Association Ltd

ABN 52 010 020 390

Statement of Changes in Equity

For the Year Ended 31 December 2022

2022

	Retained Earnings	Total
	\$	\$
Balance at 1 January 2022	1,095,887	1,095,887
Surplus for the year	79,979	79,979
Total comprehensive income	-	-
Balance at 31 December 2022	1,175,866	1,175,866

2021

	Retained Earnings	Total
	\$	\$
Balance at 1 January 2021	1,008,450	1,008,450
Surplus for the year	87,438	87,438
Total comprehensive income	-	-
Balance at 31 December 2021	1,095,888	1,095,888

The accompanying notes form part of these financial statements.



Australian Acupuncture & Chinese Medicine Association Ltd

ABN 52 010 020 390

Statement of Cash Flows

For the Year Ended 31 December 2022

	2022	2021
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	1,033,384	1,032,655
Payments to suppliers and employees	(903,135)	(739,425)
Interest received	7,725	12,094
Interest paid	(4,514)	(914)
Net cash provided by/(used in) operating activities	<u>133,460</u>	<u>304,410</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of plant and equipment	450	-
Purchase of property, plant and equipment	(8,290)	(2,791)
Net cash provided by/(used in) investing activities	<u>(7,840)</u>	<u>(2,791)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of lease liabilities	(36,338)	(49,006)
Net cash provided by/(used in) financing activities	<u>(36,338)</u>	<u>(49,006)</u>
Net increase/(decrease) in cash and cash equivalents held	89,282	252,613
Cash and cash equivalents at beginning of year	<u>2,035,845</u>	<u>1,783,232</u>
Cash and cash equivalents at end of financial year	<u>7</u> <u>2,125,127</u>	<u>2,035,845</u>

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Notes to the Financial Statements

For the Year Ended 31 December 2022

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 Summary of Significant Accounting Policies

Accounting policies

The financial report has been prepared under the historical cost conventions and does not take into account changing money values except to the extent that they are reflected in the revaluation of certain assets.

(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

ABN 52 010 020 390

Notes to the Financial Statements For the Year Ended 31 December 2022

2 Summary of Significant Accounting Policies

(a) Revenue and other income

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.

Australian Acupuncture & Chinese Medicine Association Ltd

ABN 52 010 020 390

Notes to the Financial Statements For the Year Ended 31 December 2022

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Statement of financial position balances relating to revenue recognition

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 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 during the year.

Financing component of contracts with customers

There are no financing component of contracts with customers during the year.

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*.

Australian Acupuncture & Chinese Medicine Association Ltd

ABN 52 010 020 390

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

2 Summary of Significant Accounting Policies

(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.

(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.

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 (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

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

Australian Acupuncture & Chinese Medicine Association Ltd

ABN 52 010 020 390

Notes to the Financial Statements For the Year Ended 31 December 2022

2 Summary of Significant Accounting Policies

(e) Financial instruments

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.

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 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.

Australian Acupuncture & Chinese Medicine Association Ltd

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Notes to the Financial Statements For the Year Ended 31 December 2022

2 Summary of Significant Accounting Policies

(e) Financial instruments

Financial assets

Trade receivables

Impairment of trade receivables 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.

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 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.

Australian Acupuncture & Chinese Medicine Association Ltd

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Notes to the Financial Statements For the Year Ended 31 December 2022

2 Summary of Significant Accounting Policies

(f) Impairment of non-financial assets

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 comprises 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.

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.

Australian Acupuncture & Chinese Medicine Association Ltd

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Notes to the Financial Statements For the Year Ended 31 December 2022

2 Summary of Significant Accounting Policies

(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.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

(j) Adoption of new and revised accounting standards

The Company has adopted all standards which became effective for the first time at 31 December 2022, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company or refer to Note for details of the changes due to standards adopted.

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 property, plant and equipment

The Company assesses impairment at the end of each reporting period by evaluating conditions specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

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

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.

Australian Acupuncture & Chinese Medicine Association Ltd

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Notes to the Financial Statements For the Year Ended 31 December 2022

3 Critical Accounting Estimates and Judgments

Key judgments - lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgment 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.

Key judgments - incremental borrowing rate

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

4 Revenue and Other Income

Revenue from continuing operations

	2022	2021
	\$	\$
Revenue from contracts with customers (AASB 15)		
- Membership subscription (over time)	814,835	745,609
- AACMAC related income (at a point in time)	182,267	195,185
- Jing-Luo income (at a point in time)	104	5,060
- Sale of goods (at a point in time)	11,096	9,547
- State committee function income (at a point in time)	37,704	25,404
- Others (at a point in time)	2,674	2,250
Total Revenue	1,048,680	983,055

	2022	2021
	\$	\$
Other Income		
- others	53,877	50,021
- donations	910	-
	54,787	50,021

Australian Acupuncture & Chinese Medicine Association Ltd

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**Notes to the Financial Statements
For the Year Ended 31 December 2022**

5 Finance Income and Expenses

Finance income

	2022	2021
	\$	\$
Interest income		
- Assets measured at amortised cost	7,725	12,094
Total finance income	7,725	12,094

Finance expenses

	2022	2021
	\$	\$
Interest expense on lease liability	4,514	913
Total finance expenses	4,514	913

6 Result for the Year

The result for the year includes the following specific expenses:

	2022	2021
	\$	\$
Cost of sales	5,792	1,658
Other expenses:		
Employee benefits expense	481,061	453,282
Depreciation expense	76,332	92,859

7 Cash and Cash Equivalents

	2022	2021
	\$	\$
Cash at bank and in hand	2,125,127	2,035,845
	2,125,127	2,035,845

8 Trade and Other Receivables

	2022	2021
	\$	\$
CURRENT		
Trade receivables	140	-
Deposits	7,425	8,800
GST receivable	-	664
Total current trade and other receivables	7,565	9,464

Australian Acupuncture & Chinese Medicine Association Ltd

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**Notes to the Financial Statements
For the Year Ended 31 December 2022**

9 Property, Plant and Equipment

	2022	2021
	\$	\$
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	294,229	293,328
Accumulated depreciation	(256,122)	(226,019)
Total property, plant and equipment	38,107	67,309

(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:

	Plant and Equipment	Total
	\$	\$
Year ended 31 December 2022		
Balance at the beginning of year	67,309	67,309
Additions	8,290	8,290
Depreciation	(37,492)	(37,492)
Balance at the end of the year	38,107	38,107

10 Other Assets

	2022	2021
	\$	\$
CURRENT		
Prepayments	20,530	18,824
	20,530	18,824

11 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.

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

Australian Acupuncture & Chinese Medicine Association Ltd

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Notes to the Financial Statements For the Year Ended 31 December 2022

11 Leases

Terms and conditions of leases

The Company has 2 leases in place during the year. They are as follows:

1. Lease of Suite 1, Groud Floor, 1990 Logan Road. 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 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. On 15 June 2022, the Company terminated the lease contract.

2. Lease of Suite 6A, Groud Floor, 50-56 Sanders Street. The annual rent is \$27,000 plus GST in the first year with a subsequent increment of 3.5% over the lease term of 2 years. As at 31 December 2022 there are 2 years and 10 months remaining on the lease with no option to renew option. The office premise is restricted to the principal activities of the Company.

Right-of-use assets

	Buildings \$	Total \$
Year ended 31 December 2022		
Balance at beginning of year	74,326	74,326
Additions to right-of-use assets	75,527	75,527
Reductions in right-of-use assets due to changes in lease liability	(52,269)	(52,269)
Depreciation charge	(38,841)	(38,841)
Balance at end of year	58,743	58,743

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 \$	Total undiscounted lease liabilities \$	Lease liabilities included in this Statement Of Financial Position \$
2022				
Lease liabilities	27,630	38,238	65,868	60,384
2021				
Lease liabilities	50,419	25,709	76,128	73,465

Australian Acupuncture & Chinese Medicine Association Ltd

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Notes to the Financial Statements For the Year Ended 31 December 2022

11 Leases

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:

	2022	2021
	\$	\$
Interest expense on lease liabilities	4,514	913
	<u>4,514</u>	<u>913</u>

12 Trade and Other Payables

	2022	2021
	\$	\$
CURRENT		
Trade payables	8,701	8,826
GST payable	72,772	79,201
Sundry payables and accrued expenses	49,011	65,987
	<u>130,484</u>	<u>154,014</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

	2022	2021
	\$	\$
NON-CURRENT		
Make Good Provision	52,269	52,269
	<u>52,269</u>	<u>52,269</u>
	Make Good Provision	Total
	\$	\$
Current		
Opening balance at 1 January 2022	52,269	52,269
Balance at 31 December 2022	<u>52,269</u>	<u>52,269</u>

14 Contract Liabilities

	2022	2021
	\$	\$
CURRENT		
Prepaid memberships	751,383	759,264
Total	<u>751,383</u>	<u>759,264</u>

Australian Acupuncture & Chinese Medicine Association Ltd

ABN 52 010 020 390

Notes to the Financial Statements
For the Year Ended 31 December 2022

15 Employee Benefits

	2022	2021
	\$	\$
Current liabilities		
Provision for employee benefits	79,686	70,868
	<u>79,686</u>	<u>70,868</u>

16 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 disclosed below.

Specific risks

- Liquidity risk

Financial instruments used

- Other receivable
- Cash at bank
- Trade and other payable
- Lease liability

	2022	2021
	\$	\$
Financial assets		
Held at amortised cost		
Cash and cash equivalents	2,125,127	2,035,845
Trade and other receivables	7,565	9,464
Total financial assets	<u>2,132,692</u>	<u>2,045,309</u>
Financial liabilities		
Financial liabilities measured at amortised cost	190,868	227,479
Total financial liabilities	<u>190,868</u>	<u>227,479</u>

Australian Acupuncture & Chinese Medicine Association Ltd

ABN 52 010 020 390

Notes to the Financial Statements For the Year Ended 31 December 2022

16 Financial Risk Management

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.

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.

Australian Acupuncture & Chinese Medicine Association Ltd

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Notes to the Financial Statements For the Year Ended 31 December 2022

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 \$50 each towards meeting any outstanding obligations of the Company. At 31 December 2022 the number of members was 1,957 (2021: 1,939).

18 Key Management Personnel Disclosures

The remuneration paid to key management personnel of the Company is \$60,200 (2021: \$60,000).

19 Auditors' Remuneration

	2022	2021
	\$	\$
Remuneration of the auditor for:		
- auditing the financial statements	7,500	7,000
Total	7,500	7,000

20 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 31 December 2022 (31 December 2021: None).

21 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

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.

Australian Acupuncture & Chinese Medicine Association Ltd

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Notes to the Financial Statements

For the Year Ended 31 December 2022

22 Events After the End of the Reporting Period

The financial report was authorised for issue on 2 March 2023 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.

23 Statutory Information

The registered office and principal place of business of the company is:
Australian Acupuncture & Chinese Medicine Association Ltd
Suite 6A, 50-56 Sanders Street
Upper Mount Gravatt
QLD 4112



Australian Acupuncture & Chinese Medicine Association Ltd

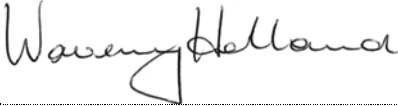
ABN 52 010 020 390

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 2022 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, Waveny

Secretary 
Stadhams, Paul

Dated 3rd March 2023

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 2022, 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 2022 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.

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.

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Australian Acupuncture & Chinese Medicine Association Ltd

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

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 2nd day of March 2023