AUSTRALIAN
PHYSIOTHERAPY
ASSOCIATION

2020

ANNUAL REPORT

CONTENTS

National President's Report

Phil Calvert, APAM
APA Immediate Past National President

The past year has challenged, mobilised and transformed our profession like never before. In facing the immense fear, financial stress and general uncertainty that affected every part of our lives, the COVID-19 pandemic also brought out the brilliant best of our profession and our members. Courage was shown, innovation was embraced and our ability to band together to help each other was a privilege to observe. While the impacts of the pandemic continue, it is important to reflect on the way our organisation and members rose to the challenges of 2020.

Adapting to change

As the 2020 year began, it quickly became clear that things would change. Initially though, the magnitude of that change was impossible to predict. As the year wore on, and we became accustomed to a 'new normal', change continued to be rapid, and the way physiotherapy in Australia innovated and adapted was impressive. At the APA, we quickly prioritised advocacy around securing the role of physiotherapy as an essential service and, importantly, how we could arm our members with the best information in as timely a way as possible. Many aspects of APA activity considered as 'business as usual' were put on hold. The APA Board of Directors prioritised several key things: providing the right amount of support to our amazing staff, ensuring systems were in place to protect the financial stability of the organisation, and actively looking at ways to foster innovation.

But at the heart of everything we did in 2020 was the clear effort to support our members, to help provide the mechanisms by which they could continue to serve the health needs of Australians in a very different world. Most have recognised that our efforts were successful: member satisfaction levels peaked and we recorded our highest membership number in history. Our governance and operational efforts have secured the financial position of the APA, and this will be highly important to allow us to respond to the future challenges of a post-COVID-19 Australia.

In addition to securing ongoing funding for telehealth delivered by physiotherapists via private health insurance and the Medicare Benefits Schedule, we continued to work hard to deliver meaningful change:

- as key members of the government's primary care and health prevention reform processes
- to influence the outcomes of the Aged Care Royal Commission
- in driving structural change to the National Disability Insurance Scheme to increase access and quality care
- in foundation work to better articulate the economic value of physiotherapy
- to enact funding change for veterans' healthcare.

Our key partnerships

In reflecting on the past year, I firstly would like to acknowledge the outstanding efforts of our members, and in particular those who were in leadership roles with the APA. Our National Advisory Council, chaired by Associate Professor Richard Newsham-West, APAM, MACP, was instrumental in providing the Board and staff a solid sounding board as the year progressed. We also continued to work closely with some of our key partners, including the Physiotherapy Board of Australia, chaired by Associate Professor Kim Gibson, APAM; the Australian Physiotherapy

Council, chaired by Associate Professor Shane Patman, APAM, FACP; and the Council of Physiotherapy Deans of Australia, chaired by Professor Prue Morgan, APAM, FACP.

New governance framework

From a governance perspective, the Board spent much of the year planning the separation of the roles of chair of the Board and national president, to which Jenny Aiken and Scott Willis respectively have been appointed for 2021 and beyond. They have my full support and thanks for taking on these challenging roles; Jenny and Scott are outstanding and talented people, and will lead our organisation extremely well. Critically, the Board has established a strong framework for making sure the split in these roles succeeds.

In addition to congratulating Jenny and Scott, it is important to acknowledge the appointments of Mark Round and Rik Dawson as APA vice presidents. Amanda Mulcahy was re-appointed for a second term on the Board as a member director, and Peter Tziavrangos and Holly Brasher were appointed to the Board for the first time in 2021. Cath Willis was elected as the incoming chair of the National Advisory Council. My congratulations to all of our appointed leaders for 2021 and beyond, and sincere thanks for being prepared to take on these important positions.

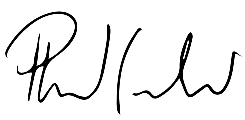
The APA has been fortunate to have been supported so well by Professor Darren Rivett and Jenny Aiken as national vice presidents. Professor Rivett, who finished his term as an APA director and vice president in 2020, has had a long and committed period of service at the APA, including as a past chair of Musculoskeletal Physiotherapy Australia. I thank him sincerely and wish him the best for the future.

Operational leadership

Our staff have been led superbly by Chief Executive Officer Anja Nikolic and her executive team. Anja took over the role from Cris Massis in 2019, and as a first time CEO could not have led us any better. I had the privilege of working extremely closely with Anja throughout the crisis of the pandemic in 2020, and can only marvel at her work ethic and commitment to our organisation and our members. I'm sure that many parts of Anja's life suffered in 2020 because of her relentless dedication to the APA, and I genuinely hope 2021 gives more time to spend with her family and friends—she deserves it.

Anja and her executive team of Craig Maltman, James Fitzpatrick, Elles Vanderkley, Sharon Oliver, Leanne Kerr and Simon Tatz continue to position our profession as a health peak leader. Our whole staff, who are located across the country, continue to represent us, work for us, and support us in maximising our role in the health system. I genuinely thank all of you for your efforts, particularly during the chaos of the last 12 months.

The year ahead poses significant challenges, but our systems, strategy and people will ensure that we thrive and flourish and create opportunities for the future. On behalf of our Board of Directors, staff and members, thank you to everyone involved in the ongoing promotion and support of our wonderful profession.



Phil Calvert, APAM

Chief Executive Officer's Report

Anja Nikolic
APA Chief Executive Officer

2020 was a year like no other, presenting us with unexpected and immense challenges, but also opportunities to grow and adapt.

By the beginning of the first quarter, it was clear that the year would unfold differently to what was expected, and our efforts were directed towards two primary goals: protecting and supporting our members during a turbulent period, and ensuring the ongoing sustainability of the APA.

I am pleased to report that the year was a success despite its many challenges.

COVID-19 response

As outlined in the immediate past national president's report, our response to the COVID-19 crisis was rapid and comprehensive. It can broadly be categorised into two streams of work: advocating for the physiotherapy profession to protect its scope and accessibility while maintaining public safety, and educating and informing our members about the changing environment.

The APA's efforts in the former led to a number of key decisions by policy-makers about the role of physiotherapy in the pandemic. From the establishment of physiotherapy as an essential service, to the funding of telehealth consults, these advocacy wins were critical to the viability of the physiotherapy profession and wellbeing of our patients during the pandemic. Importantly, they are also significant milestones in the ongoing quest for the recognition of physiotherapy's value and role in our health system beyond the current crisis.

It is important to recognise that these favourable pandemic response decisions did not result solely from effective crisis advocacy. They were made possible by the many years of the APA's system-wide and sector-wide lobbying to establish physiotherapy as an essential, evidence-based and effective profession. As the peak body representing physiotherapy, it is the APA's responsibility to protect and advance the profession and we will continue to pursue our advocacy goals with vigour into the future.

The impact of COVID-19 restrictions on the allied health sector was profound. Like the rest of the sector, physiotherapists found themselves navigating a complex (and sometimes contradictory) web of rules governing their practice. The APA responded by interpreting and communicating the rules arising from restrictions in almost real-time, and actively lobbying for changes where they were warranted. This was at times a difficult task, and I applaud our Policy, and Marketing and Communications teams on the dedication they showed to supporting our profession.

Continued commitment to lifelong learning

A particular point of pride for Australian physiotherapists should be the delivery of the Physiotherapy Virtual Cardiorespiratory ICU Training course, developed in partnership with NSW Health in response to the need to build the capability of physiotherapists treating patients with COVID-19 in the ICU setting. In record time, the APA and a group of eminent Australian cardiorespiratory physiotherapists produced a world-class training program, which has now been undertaken by 6,500 participants from 35 countries.

More broadly, the APA migrated a vast number of previously face-to-face learning interventions to the online environment, enabling our members to continue their professional development journeys. We delivered 284 live lectures with 26,866 registrations online in 2020. The speed with which these changes were made attest to the APA's agility and readiness to do what is needed to support our members.

Despite the obvious interruptions to our normal working environment, we continued to develop the APA Career Pathways, and delivered new pathways towards Titling in Research and Specialisation in Pain. The most exciting initiative was a pilot of the Portfolio for Highly Developed physiotherapists.

Strong financial stewardship

The APA finished the financial year with a surplus, after tax, of $3.307 million; $1.98 million of this is attributable to the receipt of the JobKeeper assistance package, which the APA qualified for on the basis of a downturn in professional development revenue and cancellation of the APA conference. The remainder of the surplus is based on savings made through the pausing of planned projects and activities.

Shortly after the emergence of COVID-19, it became clear that the pandemic had the potential to devastate Australian organisations. Faced with a high level of uncertainty and potentially existential risks, the Board of Directors and management decided to pause discretionary spending, reserving the budget for mission-critical activities and those which would directly assist members in navigating the pandemic. Investments into major projects that had been planned for the year were put on hold, resulting in the recorded surplus.

This strong financial stewardship during the most uncertain of times has put the APA in a prime position to hold member fees steady for 2021 and to reinvigorate our major projects to boost member value.

Member satisfaction

Against the odds, in 2020 we recorded the highest ever member satisfaction result in our annual membership survey. It is clear that the APA's leadership of the profession throughout this most testing time was valued and recognised by our members. We are pleased to have finished the year with strong and healthy member retention.

Acknowledgment

The challenges of 2020 were polarising for member organisations. Some found themselves unable to provide leadership and value to their members, and the year had a damaging impact on them. Others found the strength and resourcefulness to keep delivering value and service to their members. I am proud that the APA belongs firmly with the latter.

My profound thanks go to the Board of Directors, and particularly the immediate past national president, Phil Calvert, whose term ended on 31 December 2020. Our Board provided strong leadership and support and remained steadfastly focused on strategy and governance.

To the engaged members who sit on our committees and councils, we are enormously grateful for your dedication and above-and-beyond contributions throughout the year.

Thank you to our 29,000-plus members who have banded together to support each another and the APA during these unsettling times.

And, finally, words cannot adequately express my gratitude for our staff. Your courage in the face of adversity and your commitment to the service of our members is humbling to witness. It is a privilege to lead you.

Anja Nikolic

Financial Report

Elaine Farrelly
Chair, Audit and Risk Committee

In the past few years we have reported strong surpluses while building funds to enable investment in key initiatives that will benefit members. We commenced this past financial year with a budget that would have seen us making a small loss due to the investment of some of those funds. When COVID-19 hit in March 2020, however, the Audit and Risk Committee, together with the Board and Executive Team, immediately undertook a thorough review of the APA's financial position. At that time, the organisation faced great uncertainty with little ability to forecast the depth or length of impact from COVID-19 on the APA and its members.

As a result of that budget review, a number of key initiatives were paused and the APA implemented a cautious approach of minimising expenditure where possible. Staff effort was diverted into core services and assisting our members as they navigated through the impact of the various lock-downs and ever-changing rules.

While COVID-19 did impact heavily on the APA's ability to generate revenue from professional development, the loss of that income was more than offset by the pause in expenditure on key initiatives, and also by the federal government JobKeeper payments. This ultimately resulted in a net surplus for the financial year to December 2021 of $3.4 million. The following items impacted on, or contributed to, the result:

- loss of professional development profit (vs prior year) ($0.37 million)
- receipt of JobKeeper $1.9 million
- travel and related costs savings $0.5 million
- pause in key initiative expenditure $0.6 million

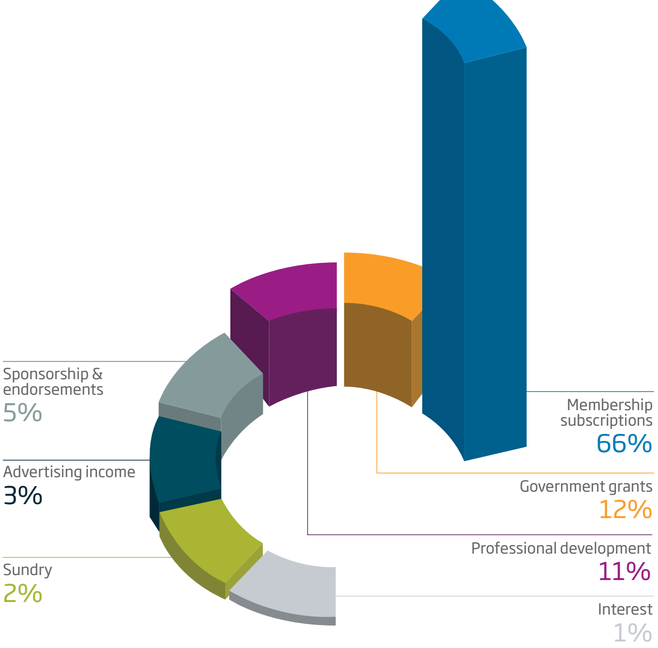
While our cautious approach along with government support delivered a strong financial result of $3.4 million surplus, we will see a 'catch-up' effect in future years as we restart initiatives and achieve velocity of roll-out. The surplus has also left us well positioned to fund a substantial (36%) increase in our insurance premiums that occurred in early 2021.

For the current financial year to December 2021, we will continue to take a cautious approach to expenditure until we are confident that we are able to form a view on the economic environment and implications for the APA beyond COVID-19. We will take a fiscally conservative approach of monitoring and adjusting our financial position throughout this year, and will work hard to reduce the ongoing cost of the APA's insurance premiums.

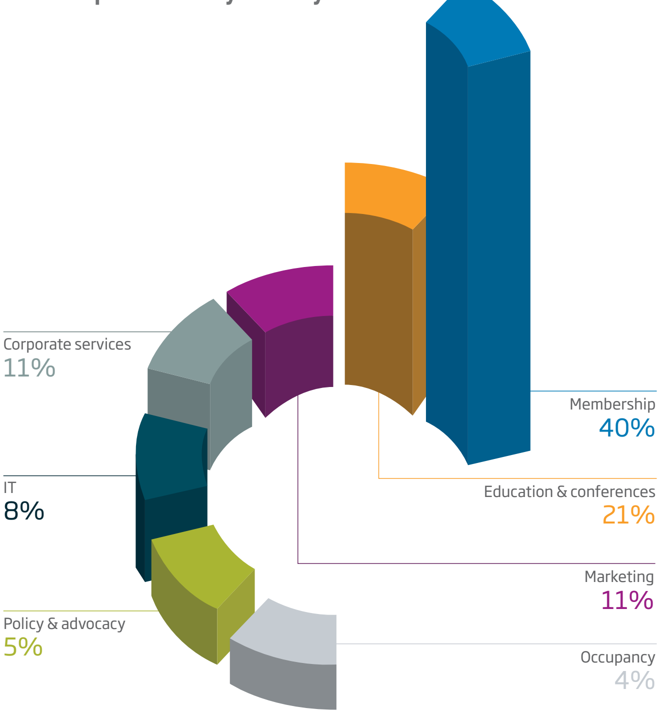
Revenue
The adjacent top graph shows the APA's annual revenue by key category of revenue type. As can be seen, membership subscription revenue is the main source of revenue for the APA. Fortunately, early indications from the 2021 membership renewal indicate that COVID-19 will not have a significant adverse impact on our membership income this year.

Expenditure
The adjacent bottom graph shows the APA's annual expenditure by key category of expense type. In the past financial year, the APA spent 40% of its total cost

2020 Revenue



2020 Expenditure by activity



budget on membership activities. As noted earlier, with the arrival of COVID-19 we paused a number of budget initiatives and applied increased effort into member support. The proportionate spend on education and conferences dropped from 28% in the prior year to 21% in the 2020 year due to COVID-19 disruption of in-person education, and the cancellation of the conference.

Assets and cash reserves

The APA's balance sheet has continued to strengthen with a Net Asset balance of $13.5 million. Of this, $6.9 million is held in the form of the office property, related equipment and furniture, and the capitalised leases. The remaining assets are utilised to cover operating cash flow requirements and are held for investment in future investments and initiatives.

At 31 December 2020, the cash and term deposit reserves of the APA, excluding the Physiotherapy Research Foundation, were $15.9 million. These balances are recorded at a high point at the end of December when cash has been received from the receipt of 2021 membership subscriptions, but the payment of insurance premiums to our group insurer had not yet occurred. In December 2020 this balance was higher than usual due to the receipt of earlier membership payments arising from the early bird renewal discount offered to members in November.

The APA typically sees its lowest cash balance in October prior to the opening of the next membership renewal period. In managing its cash reserves, the APA will always take a measured approach to ensure there are sufficient cash reserves to cover future expenditure and any unforeseen requirements such as the significant insurance premium increase received in early 2021.

Despite the uncertain environment created by COVID-19, the APA continues to be in a solid financial position and is well positioned to continue to serve the needs of APA members.

E Farrelly

Elaine Farrelly

The Australian Physiotherapy Association is a not-for-profit company limited by guarantee. Subject to the Corporations Act, the APA operates under a Constitution, which was last amended in April 2013. The APA Constitution is available at **www.australian.physio**.

The APA Board of Directors has responsibility for the control and direction of the affairs of the Association. All member directors of the Board are elected by the National Advisory Council. Board members serve a three-year term, and may serve no more than six consecutive years on the Board except in circumstances where Board members are elected to the position of president, vice president or chair.

The Board can elect external directors to the Board and they can serve a maximum of three, three-year terms.

The Board is supported in its governance function by the National Advisory Council, Branch Councils, National Group Committees, the Australian College of Physiotherapists, the Journal of Physiotherapy Editorial Board, and the National Professional Standards Panel.

GOVERNANCE

NATIONAL ADVISORY COUNCIL 2020

National Advisory Council Chair
Richard Newsham-West, MACP

National Group Representatives
Acupuncture
Jennifer Lucy, APAM

Animal
Lynne Harrison, APAM

Aquatic
Miriam Fletcher, APAM

Business
Peter Tziavrangos, APAM

Cancer, Palliative Care and Lymphoedema
Elise Gane, APAM

Cardiorespiratory
Meredith King, APAM

Disability
Alison Chung, APAM

Educators
Lorraine Sheppard, APAM

Emergency Department
Caitlin Farmer, APAM, MACP

Gerontology
Vanessa Jessup, APAM, MACP

Leadership and Management
Nicole Bellet, APAM

Mental Health
Joanne Connaughton, APAM

Musculoskeletal
Phillip Hughes, APAM, MACP

Neurology
Natalie Fini, APAM, MACP

Occupational Health
Deborah Sutherland, APAM, MACP

Orthopaedic
Ian Scarborough, APAM, MACP

Paediatric
Nicole Haynes, APAM

Pain
Dianne Wilson, APA Honoured Member

Sports and Exercise
Damian Raper, APAM

Women's, Men's and Pelvic Health
Catherine Willis, APAM

Branch Presidents
Australian Capital Territory
Jason Whittingham, APAM

New South Wales
Shane Roenne, APAM

Queensland
Benjamin Weeks, APAM

South Australia
Aaron Beck, APAM

Tasmania
Simon Watt, APAM

Victoria
Tom Hindhaugh, APAM

Western Australia
Darren Elliott, APAM

Entity Chairs
Aboriginal and Torres Strait Islander Health Committee
Michael Reynolds, APAM, MACP

Australian College of Physiotherapists
Darren Beales, APAM, FACP (President)

Journal of Physiotherapy
Ilana Ackerman, APAM

National Professional Standards Panel
Ian Cooper, APAM

Rural Advisory Committee
Tom McMillan, APAM, FACP

Student representative
James Jansz

BOARD SUBCOMMITTEES 2020

Audit and Risk Committee

Elaine Farrelly (Chair)

Jenny Aiken, APAM

Mark Round, APAM

Ruth Faulkner (Independent Chartered Accountant)

Insurance and Safety Committee

Scott Willis, APAM (Chair)

Ian Cooper, APAM (Chair, National Professional Standards Panel)

Amanda Mulcahy, APAM

Catherine Willis, APAM (Chair, Women's, Men's and Pelvic Health National Group)

Shamus Breen, Managing Director, BMS

Nominations and Remuneration Committee

Darren Rivett, APAM (Chair)

Louise McElvogue

Amanda Mulcahy, APAM

Scott Willis, APAM

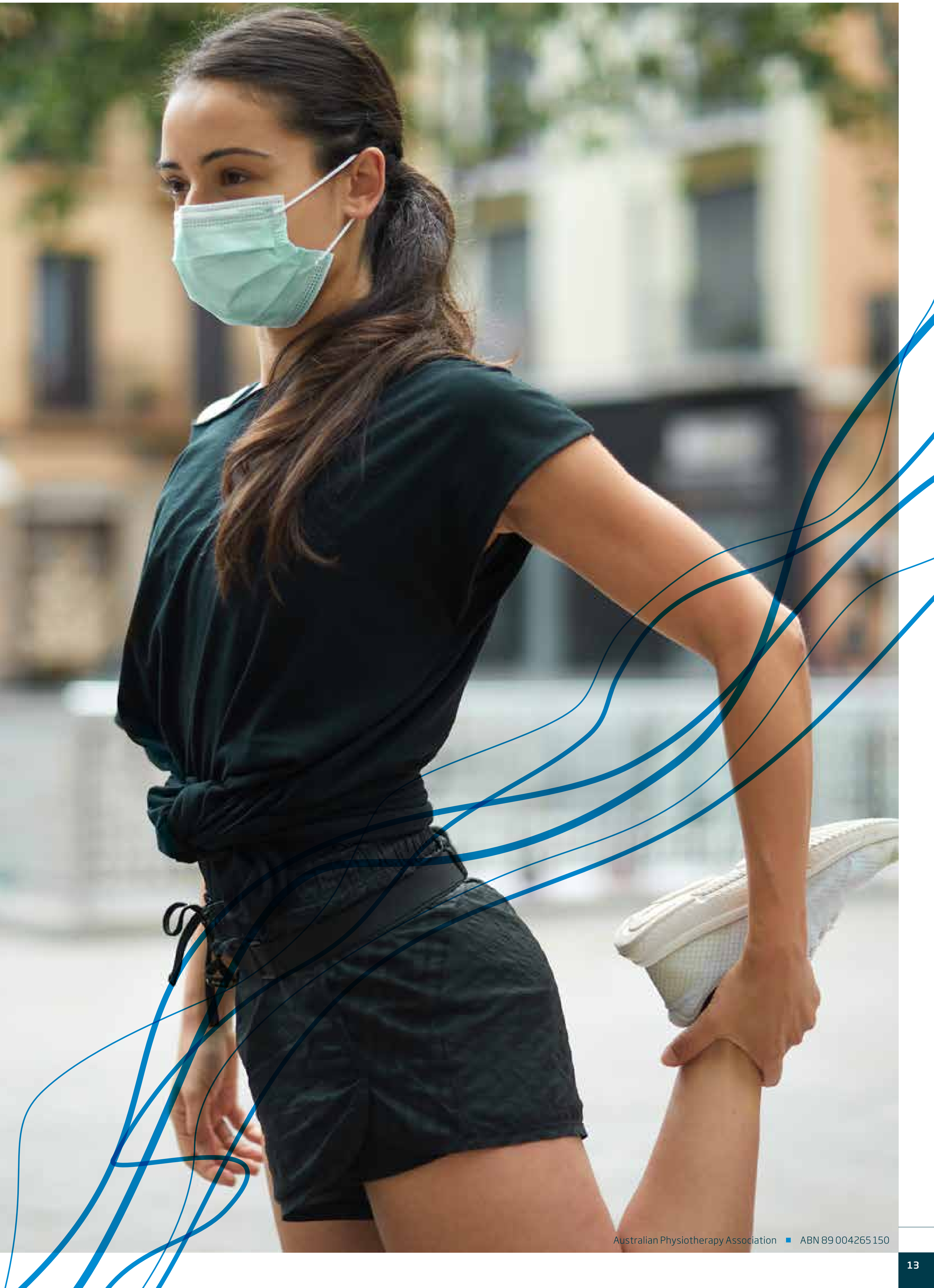
Physiotherapy Research Foundation

Jenny Aiken, APAM (Chair)

Rik Dawson, APAM

Catherine Said, APAM (Chair, Grants Review Committee)

DIRECTORS' REPORT



Directors' report

The directors present their report on the Australian Physiotherapy Association (APA) and controlled entities for the year ended 31 December 2020. The names of directors in office and their relevant qualifications, experience and special responsibilities at the date of this report are as follows.

JENNY AIKEN, APAM
CHAIR OF THE BOARD

BAppSc(Phty), GAICD

Jenny Aiken an APA Sports Physiotherapist who has spent the majority of her career in private practice and owned and operated two large multidisciplinary sports injury clinics. Jenny also spent more than 12 years in healthcare management, overseeing physiotherapy clinics and other allied health businesses across three states while working with Health Networks Australia.

Jenny's current role is as a commercialisation facilitator for AusIndustry's Entrepreneurs' Programme, assisting researchers and entrepreneurs to commercialise their ideas, particularly in the life sciences and medical technology sectors. Jenny is also the current chair of the Industry Advisory Board for Physiotherapy at the University of Technology Sydney.

Jenny is interested in the governance of healthcare and specifically advocating for sustainable healthcare funding that recognises the value of physiotherapy. She is an Honorary Fellow of Macquarie University and is also a graduate of the Australian Institute of Company Directors.

Previous governance roles have included chair of Inner West Sydney Medicare Local, chair of Central Sydney Allied Health Network, member of the Physiotherapy Council of New South Wales, advisory board member for Macquarie University's Doctor of Physiotherapy program and National Advisory Council representative for the APA Business Group.

SCOTT WILLIS, APAM
NATIONAL PRESIDENT

BAppSc(Physio), GAICD

Scott Willis graduated as a physiotherapist in 1993 from The University of Sydney. He relocated to the rural and remote areas of Tasmania and is the founding co-director of Coastal Physiotherapy, a multidisciplinary physiotherapy clinic providing a wide range of services including corporate health, outreach, pain management, aged care, National Disability Insurance Scheme, Aboriginal and general private practice services.

Scott has held numerous roles within the APA including as the national chair of the APA Business Group from 2015 to 2018, member of the National Advisory Council from 2015 to 2018, and member of the Tasmania Branch Council from 2012 to 2018.

Scott has had extensive experience in policy and health reforms and was the first elected allied health board member of General Practice North West (Division of General Practice in Tasmania), was appointed to the Tasmanian Medicare Local's Primary Health Care Strategic Advisory Council and the Clinical Advisory Council of Primary Health Tasmania. He is a graduate of the Australian Institute of Company Directors.

He has a significant interest in sustainable and effective health funding and policy design to achieve effective service delivery for all Australians in all areas of the country.

Special responsibilities

- Insurance and Safety Committee

RIK DAWSON, APAM
NATIONAL VICE PRESIDENT

BAppSc(Phty), BCA, GAICD

Rik Dawson graduated from The University of Sydney in 1993 and is a graduate of the Australian Institute of Company Directors. He is an APA Gerontological Physiotherapist who began his career as a paediatric physiotherapist working for NSW Health.

In 2001 Rik opened a private practice, Agewell, specialising in aged care. At its peak Agewell employed more than 100 physiotherapists across residential aged care, community settings, the National Disability Insurance Scheme, day therapy and in private practice. Rik sold his practice in 2020.

Rik is currently a higher degree research candidate at the Institute of Musculoskeletal Health, The University of Sydney, under the supervision of Professor Cathie Sherrington. His topic is 'Telehealth physiotherapy for older people'.

An active member of the national APA Gerontology Group committee, Rik was the national chair of the group and the National Advisory Council representative. He was also the APA representative on the National Aged Care Alliance from 2014 to 2016 and is currently supporting the APA with the Royal Commission into Aged Care Quality and Safety.

Rik is motivated to enhance physiotherapy's value proposition in healthcare and has a strong interest in working with service funders such as state and federal health departments, insurers and consumers to provide sustainable funding for physiotherapists. He has a passion for promoting evidence-based practice so that physiotherapists can deliver positive outcomes for the consumer and build a strong brand for the physiotherapy profession within the community.

Rik has a degree in performing arts, is a professional opera singer and enjoys public speaking.

Special responsibilities

- Chair, Nominations and Remuneration Committee
- Physiotherapy Research Foundation Committee

Directors' report

MARK ROUND, APAM
NATIONAL VICE PRESIDENT

BAppSci(Physio), GradCertSportsPhysio, GradCertMgt, GAICD

Mark Round is currently the managing director of Symmetry Physiotherapy, a multidisciplinary physiotherapy and allied health group in Melbourne that currently operates out of nine sites.

Mark has been actively involved in APA governance since 2013 when he joined the Victorian Branch Council, serving as president in 2015 and 2016 before being elected to the APA Board. He also serves on the Board of Directors of the Australian Physiotherapy Council, and is a member of the Clinical Council of the North Western Melbourne Primary Health Network.

Through these positions, Mark has been involved on many committees, including the Primary Care Safety and Quality Framework Committee for the Australian Commission on Safety and Quality in Health Care; and the Physiotherapy Return to Work Advisory Group, a working party with the Health Services Disability Group for WorkSafe Victoria and the Transport Accident Commission.

Mark has also been heavily involved in other allied health advocacy and governance work, as the inaugural chair of the South West Allied Health Network in Melbourne and as the allied health representative on the Clinical Leadership Committee of the South Western Melbourne Medicare Local. He is a graduate of the Australian Institute of Company Directors.

Special responsibilities

- Chair, Physiotherapy Research Foundation
- Audit and Risk Committee

HOLLY BRASHER, APAM, MACP

BAppSc(Phty), MSportsPhysio

Holly Brasher is an APA Sports and Exercise Physiotherapist who graduated from Sydney University and then completed her Master of Sports Physiotherapy at La Trobe University.

Her early years were spent working in public and private hospitals locally and overseas before moving into private practice. She has experience in sports, musculoskeletal, women's health and working in high-performance environments.

Since 2012, Holly has been the founder and co-director of SquareOne Physio, a private practice that operates from two locations in Sydney with a growing team of 45-plus.

Holly is an active member of the APA Sports and Exercise Group. She has served on the APA NSW Sports and Exercise Group committee since 2013, has sat on the National Advisory Council, was the national chairperson for the APA Sports and Exercise Group (2015–18) and has served on numerous working parties and standing committees for the Australian College of Physiotherapists Council. She has intimate knowledge of the Career Pathways development and is in touch with the profession from clinical and training perspectives and from an advocacy point of view.

Holly is passionate about Brand Physio, the role of physiotherapists in delivering exercise, and increasing Australian physiotherapists' engagement with the APA. She looks forward to continuing to progress the profession for the benefit of members and patients.

Special responsibilities

- Nominations and Remuneration Committee

LOUISE MCELVOGUE

BA, MA, FAICD

Louise McElvogue is a non-executive director and digital technology expert.

Current board roles include Healthdirect, Cluey Learning, 1stGroup and the Australian Institute of Company Directors' NSW Council. Previous board roles include cybersecurity company Whitehawk and the Convergence Review Committee, reviewing media and internet regulation for the Australian federal government.

Louise is an adjunct professor at the University of Technology Sydney Business School and was formerly an Industry Professor, where she designed the School's first online-only degree, the Master of Digital Marketing.

Louise has global experience leading strategy and technology for corporates, governments and start-ups. She has built digital products in the United States, Europe and Australia for companies including McDonald's, British Gas, Fairfax Media and the BBC. She previously worked as a journalist for a range of outlets including The Los Angeles Times, The New York Times, CNN Business News and The Guardian.

Louise holds a Bachelor of Arts in Communications from the University of Technology Sydney, a Master of Arts from Goldsmiths, University of London, is a Fellow of the Australian Institute of Company Directors and a graduate of the Company Directors course.

Special responsibilities

- Nominations and Remuneration Committee

AMANDA MULCAHY, APAM

BSc(Phty), MHPol, GAICD

Amanda Mulcahy brings attributes in health policy and clinical experience to the Board of Directors. She has worked as a physiotherapist in the public and private hospital sectors, primarily within cardiorespiratory areas.

Amanda has a strong knowledge of health policy across government, measuring health system performance as well as service delivery. She currently works as the senior director for performance, measurement and reporting for the Bureau of Health Information in New South Wales. Previously, she has had experience in roles with the Mental Health Branch in NSW Health, activity-based funding within WA Health, and at the Australian Commission on Safety and Quality in Healthcare.

Amanda has had a long involvement with the APA, including as president of the APA WA Branch, chair of national Business and Leadership symposia, and as NSW Branch Councillor.

Ensuring the delivery of safe, high-quality healthcare to Australians is Amanda's passion. She is a strong advocate of the APA's Career Pathways and the push towards physiotherapists using data to drive better consumer outcomes for health system value.

Special responsibilities

- Chair, Insurance and Safety Committee
- Nominations and Remuneration Committee

Directors' report

ELAINE FARRELLY

FAICD, CA, BCom, MA, GCertJourn

Elaine Farrelly is a highly experienced director with more than a decade of board roles in addition to her executive career. She has served on boards across a range of sectors and chaired numerous audit and risk committees.

Elaine's executive experience spans the telecommunications, media, property development, manufacturing and not-for-profit sectors. She has worked for national and international corporations including KPMG, Optus, Fairfax and the Movember Foundation, and has a long-held interest in healthcare since working in Cambodia with Save the Children.

Elaine has developed a deep level of commercial expertise through her career in the corporate sector and more recently in the non-profit environment. She has strengths in setting strategy, multifunction corporate management, and financial and analytical skills. She has a proven record of leading teams to deliver business growth and draws on her broad experience to contribute effectively as a non-executive director.

Elaine is a Chartered Accountant and a Fellow of the Australian Institute of Company Directors.

Special responsibilities

- Chair, Audit and Risk Committee

PETER TZIAVRANGOS, APAM

BAppSc(Physio)

Peter Tziavrangos graduated as a physiotherapist from the University of South Australia in 1996.

Peter initially worked in public hospitals in Adelaide and then in the United Kingdom, before returning to Australia to commence work in musculoskeletal private practice.

Since 2003, Peter has owned and managed Move for Better Health. His role as managing director oversees the provision of allied health services including physiotherapy, exercise physiology, psychology, podiatry and dietetics across multiple sites. He also continues to maintain a small clinical workload.

Prior to his election to the APA Board of Directors, Peter was the national chair of the APA Business Group, which provides support for physiotherapy clinic owners in Australia and played a crucial role through the COVID-19 pandemic.

In recent years he has also participated in multiple working groups for the APA including the COVID Innovation Work Group, the PHI Work Group and the Allied Health Roundtable Committee as part of the Commonwealth Primary Health Care 10 year plan.

Peter is a member of the Australian Institute of Company Directors, a graduate of the Australian Centre for Business Growth program and is currently studying a Master of Business Administration at the University of South Australia.

Special responsibilities

- Audit and Risk Committee

Directors' meeting attendance 2020

		Meetings attended	Meetings total
Jenny AIKEN	Director	9	9
Phil Grayson CALVERT	Director*	9	9
Rik Percival DAWSON	Director	9	9
Elaine FARRELLY	Non-member Director	8	9
Louise McELVOGUE	Non-member Director	9	9
Amanda MULCAHY	Director	8	9
Darren RIVETT	Director*	9	9
Mark ROUND	Director	9	9
Scott WILLIS	Director	9	9

*Resigned 31 December 2020

Holly Brasher and Peter Tziavrangos joined the Board on 1 January 2021. All directors except those who are non-member directors hold tertiary qualifications in physiotherapy and are members of the Australian Physiotherapy Association. Ruth Faulkner BSc(Hons), GAICD, CA is an independent member of the Audit and Risk Committee.

Company secretary

Craig Maltman, BBus, CPA is the appointed company secretary.

National President

The Board decided that the role of the National President, due to increasing workload, be split between the National President and Chair of the Board. The change took place from 1 January 2021 and the roles were filled by Scott Willis and Jenny Aiken respectively.

Objectives of the Australian Physiotherapy Association

The Australian Physiotherapy Association is a not-for-profit company limited by guarantee. The APA is bound by the terms of its Constitution, part two of which outlines the objectives of the Association. The objectives are broad and permit the Association to engage in a wide range of activities focused on members, member services, advocacy, education and quality.

Review of operations and future developments

The Association, like many organisations, spent the bulk of 2020 navigating its way through the COVID-19 pandemic. Our focus was on two key areas—delivery of support, advocacy and critical information to our members to enable them to navigate the challenges of the pandemic, and the financial stability of the Association.

The Association provided leadership to, and representation of, the physiotherapy profession during a very uncertain time. This led to the achievement of significant advocacy wins, including the recognition of physiotherapy as an essential service and the funding of telehealth consults among others. Services delivered to our members—such as COVID-19 resources and education programs—helped them perform at their best during challenging times. This work and effort has positioned the APA as a leader in health.

In 2021 it is hoped that the Association will be able to again focus on its core strategic objectives. It will continue to contribute to the health of the community through education and health promotion and by assisting physiotherapists to provide high-quality, evidence-based care to their patients. The underlying benefit of these activities is reinforcing the APA's commitment to increasing the value of APA membership.

Result

The consolidated surplus for the year after income tax was $3,307,089 (2019 surplus: $1,287,965). The surplus includes activities of branches and national groups of the Association, and the controlled entity, Physiotherapy Australia Pty Ltd.

The reported financial results are attributable to a number of key objectives and outcomes resulting from the effective management of the COVID-19 pandemic. Management, in conjunction with the Board, placed an immediate freeze on all discretionary areas of expenditure. The key focus for the year was to support our members and to deliver value in order that they could navigate their way through the pandemic successfully. This initiative resulted in approximately $1 million of proposed expenditure retained within the business. Government assistance provided in the form of JobKeeper and cash incentives provided further relief to the business in the order of $1.986 million. This assistance enabled the business to retain its staff to enable it to continue to deliver key services and advice to members throughout the year.

The continuation of strong membership growth despite the financial hardship faced by many members also contributed strongly to the excellent financial result.

The pause on discretionary expenditure and the qualification for government grant relief assisted with the offset of a loss of key revenues arising from the pandemic. Gross revenues from the sale of professional development activities and conference events were $2.92 million below budget and $3.31 million below actual results for 2019.

These financial results will assist the Association to meet any further financial ramifications of COVID-19 in 2021 and to continue to explore, support and improve member initiatives, including the continued development of the Career Pathways, the exploration of digital strategies and innovative ways to deliver learning.

Members' guarantee

Australian Physiotherapy Association is a company limited by guarantee. The 29,355 members (2019: 28,358) of the Association have each undertaken to contribute the sum of 50 cents in the event of the Association being wound up.

Events since the end of the financial year

The outbreak and spread of coronavirus (COVID-19) has disrupted many businesses both domestically and globally. As a result of this outbreak, there are further potential accounting, financial reporting and commercial implications that may arise, which management continue to monitor and manage. The directors believe the Group remains financially resilient but are aware of the potential for further detrimental impacts and continue to manage these challenges, facts and circumstances as known.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 20.

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

23 April 2021

Jenny Aiken
Chair of the Board

Scott Willis
National President

Moore Australia Audit (VIC)
Level 18, 530 Collins Street
Melbourne Victoria 3000
T +61 3 9608 0100
Level 1, 219 Ryrie Street
Geelong Victoria 3220
T +61 3 5215 6800
victoria@moore-australia.com.au
www.moore-australia.com.au

AUDITOR'S INDEPENDENCE DECLARATION
UNDER S 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF AUSTRALIAN PHYSIOTHERAPY ASSOCIATION & CONTROLLED ENTITIES

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2020, there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

Moore Australia

MOORE AUSTRALIA AUDIT (VIC)
ABN 16 847 721 257

GEORGE S DAKIS
Partner
Audit and Assurance

Melbourne, Victoria

23 April 2021

FINANCIALS

Statement of profit and loss and other comprehensive income

for the year ended 31 December 2020

	Notes	Consolidated 2020 $	Consolidated 2019 $
Revenue		14,564,099	17,369,716
Interest received		111,465	200,797
Other income	6	2,148,054	85,500
Total revenue	3	**16,823,618**	**17,656,013**
Cost of sales		23,391	24,389
Conference & professional development		963,666	2,890,783
Employee costs		8,144,657	8,109,854
Professional services		454,670	253,836
Public relations		99,042	173,360
Marketing expense		192,647	378,858
Information technology expense		528,181	508,770
Travel and meeting expense		209,041	881,709
Publication expense		595,336	595,240
Subscriptions		207,367	228,355
Membership renewal expense		211,707	241,375
PRF grant expense		148,974	25,000
Rent		142,335	162,873
Light & power		28,857	61,650
Insurance		32,005	33,095
Repairs & maintenance		16,006	34,586
Depreciation & amortisation expense		388,047	506,549
Amortisation expense for right-of-use assets		268,812	267,576
Finance costs		236,881	197,814
Interest expense on leases		138,115	156,524
Administration expense		85,725	111,783
Other expenses		401,067	524,069
Total expenses		**13,516,529**	**16,368,048**
Surplus before income tax expense		**3,307,089**	**1,287,965**
Income tax (expense)/benefit	5	–	–
Surplus attributable to the members		**3,307,089**	**1,287,965**
Revaluation of land & buildings		120,897	–
Total comprehensive income for the year attributable to the members		**3,427,986**	**1,287,965**

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

Statement of financial position

for the year ended 31 December 2020

	Notes	Consolidated 2020 $	Consolidated 2019 $
Current assets			
Cash & cash equivalents	7	3,425,101	5,116,913
Financial assets	8	13,894,898	6,742,717
Trade & other receivables	9	652,191	297,865
Inventories	10	46,148	49,767
Prepayments	11	401,186	452,847
Total current assets		**18,419,524**	**12,660,109**
Non-current assets			
Property, plant & equipment	12	4,847,362	4,837,319
Right-of-use assets	13	1,224,050	1,484,839
Intangible assets	14	432,956	607,881
Investment property	15	800,000	780,000
Other assets	16	751	751
Total non-current assets		**7,305,119**	**7,710,790**
Total assets		**25,724,643**	**20,370,899**
Current liabilities			
Trade & other payables	17	718,552	1,147,579
GST payable	18	328,839	641,517
Lease liabilities	19	398,900	389,849
Short-term provisions	20	1,227,782	1,054,843
Revenue received in advance	21	8,162,392	5,472,022
Total current liabilities		**10,836,465**	**8,705,810**
Non-current liabilities			
Lease liabilities	19	1,183,358	1,419,431
Long-term provisions	20	212,830	181,654
Total non-current liabilities		**1,396,188**	**1,601,085**
Total liabilities		**12,232,653**	**10,306,895**
Net assets		**13,491,990**	**10,064,004**
Equity			
Reserves		560,997	440,100
Accumulated surplus		12,930,993	9,623,904
Total equity		**13,491,990**	**10,064,004**

The above statement of financial position should be read in conjunction with the accompanying notes.

Statement of changes in equity

for the year ended 31 December 2020

	Asset revaluation reserve	Financial assets reserve	Accumulated surplus	Total
Consolidated balance at 1 January 2019	**440,100**	**(43,702)**	**8,651,568**	**9,047,966**
Comprehensive income				
Transition impact from implementation of AASB 16	–	–	(271,927)	(271,927)
Financial assets revaluation	–	43,702	(43,702)	–
Surplus attributable to members	–	–	1,287,965	1,287,965
Balance at 31 December 2019	**440,100**	**–**	**9,623,904**	**10,064,004**
Comprehensive income				
Land & building revaluation	120,897	–	–	120,897
Surplus attributable to members	–	–	3,307,089	3,307,089
Total comprehensive income	**120,897**	**–**	**3,307,089**	**3,427,986**
Consolidated balance at 31 December 2020	**560,997**	**–**	**12,930,993**	**13,491,990**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of cash flows

for the year ended 31 December 2020

	Notes	Consolidated 2020 $	Consolidated 2019 $
Cash flows from operating activities			
Receipts from members/customers		15,902,391	18,918,667
Payments to suppliers/employees		(11,907,017)	(17,885,833)
Receipts from government grants		1,860,828	–
Interest received		89,282	167,416
Net cash provided by operating activities		**5,945,484**	**1,200,250**
Cash flows from investing activities			
Receipts from/(payments for) maturity investments		(7,161,868)	(3,675,812)
Payments for plant & equipment		(92,881)	(93,035)
Payments for intangible assets		(9,387)	(34,899)
Net cash provided by (used in) investing activities		**(7,264,136)**	**(3,803,746)**
Cash flows from financing activities			
Payments for lease liabilities		(373,160)	(404,360)
Net cash used in financing activities		**(373,160)**	**(404,360)**
Net increase (decrease) in cash held		**(1,691,812)**	**(3,007,856)**
Cash at the beginning of the financial year		5,116,913	8,124,769
Cash at the end of the financial year		**3,425,101**	**5,116,913**

The above statement of financial position should be read in conjunction with the accompanying notes.

Notes to and forming part of the financial statements

for the year ended 31 December 2020

NOTE 1–Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied, unless otherwise stated.

A. Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements (RDR) of the Australian Accounting Standard Board (AASB) and the Corporations Act 2001.

The Company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements, except for the cash flow information, 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.

The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on 23 April 2021 by the directors of the Company.

B. Statement of compliance

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). A statement of compliance with International Financial Reporting Standards cannot be made due to the Australian Physiotherapy Association applying the not-for-profit sector specific requirements contained in the AIFRS and RDR.

C. Revenue recognition

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 Australian Physiotherapy Association expects to receive in exchange for those goods or services.

Revenue is recognised by applying a five-step model as follows:

- identify the contract with the customer
- identify the performance obligations
- determine the transaction price
- allocate the transaction price to the performance obligations
- recognise revenue as and when control of the performance obligations is transferred.

Specific revenue streams

The Australian Physiotherapy Association recognises revenue from the following major sources:

- the sale of membership subscriptions
- the provision of professional development courses and conferences.
- the sale of advertising in publications
- the provision of sponsorship agreements and the endorsement of commercially available products.

Sale of membership subscriptions

The subscription year runs from 1 January to 31 December. Subscriptions are payable annually in advance or by monthly instalments. Only those membership subscriptions that are attributable to the current financial year are recognised as revenue. Subscriptions that relate to future periods are shown in the statement of financial position as subscriptions and fees in advance under the heading of 'Revenue received in advance'.

The amount paid by each member is fixed according to the category of membership chosen and the amount paid entitles the member to all benefits of membership to the Association. Membership is for a full year and is only cancellable in specific circumstances upon request.

Where a request for cancellation is granted, a pro rata return of the subscription fee is granted less a cancellation fee or future remaining monthly instalments are cancelled upon the payment of a cancellation fee.

The provision of professional development courses and conferences

The Australian Physiotherapy Association runs professional development courses and conferences for members and non-members. The event will provide clinical or professional training for the attendee. A fixed price for each event is advertised depending on whether the purchaser is a member or non-member.

The revenue is recognised by the Australian Physiotherapy Association at the time of the running of the event.

The amounts paid by attendees are only refundable according to a refund policy set by the Association up to and prior to the running of the event.

The sale of advertising in publications
The Australian Physiotherapy Association publishes a number a publications to its members. Advertising space is sold to customers on a set annual rate card according to the size of the advertisement and the relevant publication that the advertisement is appearing in.

The revenue is recognised by the Australian Physiotherapy Association at the time the publication is published and made available to members.

The amounts paid by advertisers are only refundable according to a refund policy set by the Association up to a certain time prior to publication.

The provision of sponsorship agreements and the endorsement of commercially available products
The Australian Physiotherapy Association enters into sponsorship arrangements with companies where an agreed fee is received for the acknowledgement of that company in relation to agreed obligations, events or publications. The recognition of the revenue is done upon the performance of all contractual obligations set out within the commercial contract.

The Australian Physiotherapy Association receives revenue for the provision of an agreed logo to be placed on certain products that stipulates that the Association has endorsed that product. The recognition of the revenue is done upon the performance of all contractual obligations set out within the commercial contract.

Interest income is recognised as interest accrued, taking into account the yield on the financial asset.

Income from investments is recognised in the period it is earned.

D. Income tax

In assessing its income tax liability, Australian Physiotherapy Association applies the principles of mutuality to its revenues and expenses.

Revenue in the form of member receipts represents mutual income and is not subject to income tax. Expenses associated with such mutual activities are not tax deductible for income tax purposes. All other receipts and payments of Australian Physiotherapy Association are assessable.

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income). Current income tax expense charged to profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period.

Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination,where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting period. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised. Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Tax consolidation
Australian Physiotherapy Association and its wholly owned Australian subsidiaries have formed an income tax consolidated group under tax consolidation legislation. Each entity in the Group recognises its own current and deferred tax assets and liabilities. Such taxes are measured using the 'stand-alone taxpayer' approach to allocation. Current tax liabilities (assets) and deferred tax assets arising from unused tax losses and tax credits in the subsidiaries are immediately transferred to the head entity. The Group notified the Australian Taxation Office that it had formed an income tax consolidated group to apply from 1 January 2003.

NOTE 1 continued...

E. Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the Company would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined on the depreciated replacement cost of an asset.

Where an impairment loss on a revalued asset is identified, this is debited against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

F. Receivables

The terms of trade are 30 days from invoice date. Receivables are recognised and carried at original invoice amount less any allowance for any uncollectible amounts. An estimate for expected credit loss is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

G. Payables

Trade creditors represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

H. Employee benefits

Short-term employee benefits
Short-term employee benefits are expensed as the related service is provided, and are recognised for the amount expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised.

Long-term employee benefits
The liabilities for long service leave and annual leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are 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 any vesting requirements. Those cash flows are discounted using market yields on corporate bonds with terms to maturity that match the expected timing of cash flows attributable to employee benefits.

I. 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 losses.

Property
Freehold land and buildings including that classified as investment property are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic but at least triennial valuations by external independent valuers, less subsequent depreciation for buildings.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity unless those increases offset previous revaluation decrements taken to the profit or loss.

Investment property
Changes in the value of investment property are recorded in profit or loss.

Plant and equipment
Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

Depreciation
The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the economic entity commencing from when the asset is held ready for use.

The depreciation rates for each class of depreciable assets are:

Class of fixed assets	Depreciation method	Depreciation rate
Buildings	Straight line	2%
Leasehold improvements	Straight line	16%
Plant & equipment	Straight line	10–20%
Office furniture & equipment	Straight line	10–25%
Artworks	Straight line	2.5%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

J. Leases

The entity as lessee

At inception of a contract, the entity assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the entity where the entity is a lessee. However, all contracts that are classified as short-term leases (ie, a lease with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the entity uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date, as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the entity anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

Concessionary leases

For leases that have significantly below-market terms and conditions principally to enable the entity to further its objectives (commonly known as peppercorn/concessionary leases), the entity has adopted the temporary relief under AASB 2018-8 and measures the right-of-use assets at cost on initial recognition.

K. Derivative financial instruments

Australian Physiotherapy Association does not enter into any derivative contracts.

L. Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables in the statement of financial position are shown inclusive of GST. Cash flows are presented in the statement of cash flows on a gross basis except for the GST component of investing and financial activities, which are disclosed as operating cash flows.

M. Provisions

Provisions are recognised when the entity has a legal or constructive obligations as a result of past events, for which it is probable that an outflow of econmic benefits will result and that outflow can be reliably measured.

Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

N. Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

When the Group applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period will be disclosed.

NOTE 1 continued...

O. Inventories

Inventories are measured at the lower of cost and current replacement cost.

Inventories acquired at no cost, or for nominal consideration are valued at the current replacement cost as at the date of acquisition.

P. Financial instruments

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

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

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

Amortised cost is calculated as:

a. the amount at which the financial asset or financial liability is measured at initial recognition;
b. less principal repayments;
c. plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and
d. less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

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

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period. (All other loans and receivables are classified as non-current assets.)

Held-to-maturity investments
Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to be realised within 12 months after the end of the reporting period, which will be classified as current assets.

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

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

Fair value
Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

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

For current year
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 classifcation of the financial assets.

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

- amortised cost; or
- fair value through other comprehensive income - equity instrument (FVOCI - equity).

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

Amortised cost
Assets measured at amortised cost are financial assets where:

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

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

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

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

Fair value through other comprehensive income
Equity instruments
The Company has a managed fund investment in listed and unlisted entities.

The Company has made an irrevocable election to classify these equity investments as fair value through other comprehensive income as they are not held for trading purposes.

These investments are carried at fair value with changes in fair value recognised in other comprehensive income (financial asset reserve). On disposal any balance in the financial asset reserve is transferred to retained earnings and is not reclassified to profit or loss.

Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI.

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; and
- contract assets.

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

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

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

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

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

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

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

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

NOTE 1 continued...

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.

Q. Intangible assets

Software
Software is recorded at cost. Software has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It has an estimated useful life of between one and five years. It is assessed annually for impairment.

The amortisation rates for each class of intangible assets are:

Class of intangible assets	Amortisation method	Amortisation rate
Membership database	Straight line	20%
Membership website	Straight line	33.3%
Computer software	Straight line	25%

R. Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

S. Critical accounting estimates and judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Key judgements—doubtful debts provision
The directors assess the recoverability of all accounts receivable at the end of the reporting period. All amounts that are identified at the end of the reporting period as unlikely to be recovered are included in the provision for impairment of receivables.

Key judgements—long service leave
The calculation of the provision for long service leave requires judgements to be made in relation to the probability of providing and or paying employees long service leave entitlements in future periods. These judgements are made based on historical information available and past experiences within the Company.

Key estimates—fair value assessments of land and buildings and investment property
The estimation of the fair values of investment properties are done at each reporting date using observable data on recent transactions and rental yields for similar properties. Real estate investments do not have quoted prices and when appropriate the directors use professional appraisals performed by independent, professionally qualified property valuers to base their estimates.

Key judgements—non-recognition of tax losses
As at 31 December 2015, the directors reviewed the quantum of tax losses accruing to its non-member based activities, which are subject to income tax and concluded that, owing to a review of the specific deductibility criteria set out in relation to non-member expenses, that it was unlikely that the Group will generate future assessable income that would utilise those losses. As a consequence, all deferred tax assets previously recorded in respect of these losses, including any temporary deductible difference positions, were written down to nil.

For the year ended 31 December 2020 this treatment continued. Refer to Notes 5 and 15.

T. Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is current when: it is expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is current when: it is expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

U. Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

V. Principles of consolidation

These are the financial statements of Australian Physiotherapy Association (the 'Company', the 'Association' or 'APA') and its controlled entities as described in Note 24 (collectively, the 'Group' or the 'Consolidated Group').

A controlled entity is any entity over which the Company is exposed, or has rights, to variable returns from its involvement with that entity and has the ability to affect those returns through its power over that entity. All controlled entities have a reporting date of 31 December and accounting policies that are harmonised with that of the Company.

All transactions and balances within the Group are eliminated on consolidation, including any unrealised gains or losses arising on transactions between Group entities. During the year there were no changes in the composition of entities that consolidated into the Group.

W. Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Grants that compensate the Group for expenses incurred are recognised in profit or loss; within 'Other income'; on a systematic basis in the periods in which the expenses are recognised. Note 6 provides further information on government grants. For the year ended 31 December 2020, the Group self-assessed its eligibility to access Australian government COVID-19 related grants. The Group's eligibility for the Australian Government COVID-19 JobKeeper program ceased as at 31 December 2020. There were no unfulfilled conditions or other contingencies attached to these government grants.

Financials

NOTE 2–Parent information

The following information has been extracted from the books and records of the parent and has been prepared in accordance with Australian Accounting Standards.

Statement of financial position

	2020 $	2019 $
Assets		
Current assets	17,007,339	11,168,949
Total assets	**24,312,458**	**18,879,739**
Liabilities		
Current liabilities	10,744,625	8,621,781
Total liabilities	**12,140,813**	**10,222,866**
Equity		
Accumulated surplus	11,610,648	8,216,773
Total equity	**12,171,645**	**8,656,873**

Statement of comprehensive income

Total surplus attributable to the members	**3,393,875**	**1,093,503**
Total comprehensive income	**3,514,772**	**1,093,503**

Guarantees

Australian Physiotherapy Association has not entered into any guarantees, in the current or previous financial year, in relation to the debts of its subsidiaries or controlled entities.

Contingent liabilities

A bank guarantee is held in relation to the leased premises located in New South Wales and Queensland. The value of the bank guarantee is $218,200 and will be released upon termination of the lease agreement.

Contractual commitments

As at 31 December 2020 the APA had arranged via its broker, BMS Risk Solutions Pty Ltd, for the purchase of a master professional indemnity insurance policy for its members for the 2021 financial year.

The APA is committed to a payment of $4,569,897 to BMS Solutions Pty Ltd in March 2021 for the insurance premium, statutory charges and associated brokerage fees.

As at 31 December 2020, Australian Physiotherapy Association had not entered into any contractual commitments for the acquisition of property, plant and equipment.

NOTE 3–Revenue

	2020 $	2019 $
Revenue from operating activities		
Members' subscriptions	11,036,662	10,343,070
Advertising income	603,076	719,541
Sales of merchandise	35,295	44,572
Commissions, sponsorships & endorsements	776,256	678,620
Professional development & conferences	1,859,748	5,174,915
Donations received	67,874	86,412
Interest from financial institutions	111,465	200,797
Rent	39,763	45,500
Government grant income	2,097,978	–
Investment property revaluation	20,000	40,000
Managed fund revaluation	(9,687)	35,785
Sundry	185,188	286,801
Total revenue	**16,823,618**	**17,656,013**

NOTE 4–Surplus before income tax expenses

Surplus before income tax expense has been determined after:

	Consolidated 2020 $	Consolidated 2019 $
Expenses		
Cost of sales of merchandise	23,391	24,389
Professional development & conferences	963,666	2,890,783
Employee benefits	8,027,395	7,951,051
Auditors remuneration		
—audit of financial report	27,876	27,878
—other	–	26
Depreciation on non-current assets		
—buildings, plant & equipment	203,735	278,203
—right-of-use assets	268,812	267,576
Amortisation on intangible assets		
—course development	43,348	82,221
—software	140,964	146,125
Rental expense on operating leases		
—minimum lease payments	2,297	17,612

NOTE 5–Taxation

(a) The components of tax expense/(benefit) comprise:		
Income tax expense/(benefit)	(544,168)	(868,379)
Write back of deferred tax asset	544,168	868,379
	–	**–**
(b) The prima facie tax on profit/(loss) before income tax is reconciled to the income tax expense as follows:		
Prima facie tax payable on profit before income tax at 27.5% (2019: 27.5%)	909,450	354,192
Add tax effect of permanent differences:		
Member expenses	2,620,340	3,806,849
Exempt loss from other members of Consolidated Group	–	–
	2,620,340	**3,806,849**
Less tax effect of permanent differences:		
Member income	(3,970,000)	(5,033,578)
Exempt profit/(loss) from other members of Consolidated Group	(76,438)	4,158
Exempt government subsidies	(27,500)	–
	(4,073,958)	**(5,029,420)**
Add tax effect of over provision in prior years	–	–
Add tax effect of property revaluation	–	–
Subtotal	**(544,168)**	**(868,379)**
Write back of deferred tax asset	544,168	868,379
Income tax attributable to entity	**–**	**–**

Financials

NOTE 6–Other income

For the year ended 31 December 2020, the Group recognised government grant income of $2,097,978, of which $1,986,850 was from the Australian Government JobKeeper program and $111,128 from a Department of Social Services grant.

Of the above grant at 31 December 2020, $237,150 of government grants were receivable related to the Australian Government COVID-19 JobKeeper program for the month of December 2020. There were no unfulfilled conditions or other contingencies attached to these grants.

The December 2020 month grants were received in January 2021.

NOTE 7–Cash and cash equivalents

	Consolidated 2020 $	Consolidated 2019 $
Cash on hand	3,868	3,868
Cash at bank	3,421,233	5,113,045
	3,425,101	**5,116,913**

NOTE 8–Financial assets

Held to maturity investments - at amortised cost	13,050,177	5,902,326
Held in managed fund - at fair value	844,721	840,391
	13,894,898	**6,742,717**
Held to maturity investments comprise:		
Fixed interest term deposits	13,050,177	5,902,326

NOTE 9–Trade and other receivables

Trade debtors	402,958	253,963
Less provision for impairment of receivables	5,000	5,000
	397,958	**248,963**
Other debtors	254,233	48,902
	652,191	**297,865**
Reconciliation of the provision for impairment of receivables		
Opening balance	5,000	33,933
Charge for the year	–	–
Written off	–	(28,933)
Closing balance	**5,000**	**5,000**

NOTE 10–Inventories

Stock of merchandise at cost	46,148	49,767
	46,148	**49,767**

NOTE 11–Prepayments

Current		
Prepayments	401,186	452,847
	401,186	**452,847**

NOTE 12–Property, plant and equipment

	Consolidated 2020 $	Consolidated 2019 $
Land & buildings at independent valuation	4,300,000	4,250,000
Less accumulated depreciation	–	(35,400)
	4,300,000	4,214,600
Total land & buildings	**4,300,000**	**4,214,600**
Plant & Equipment at cost	590,644	499,184
Less accumulated depreciation	(384,538)	(283,733)
	206,106	**215,451**
Office furniture & equipment at cost	1,560,713	1,559,292
Less accumulated depreciation	(1,227,011)	(1,159,883)
	333,702	**399,409**
Artwork at cost	13,167	13,167
Less accumulated depreciation	(5,613)	(5,308)
	7,554	**7,859**
Total equipment	**547,362**	**622,719**
Total property, plant & equipment	**4,847,362**	**4,837,319**

(a) Valuation of land and buildings

The value of land and buildings is based on valuation assessed by Charter Keck Cramer as per their report dated 17 December 2020.

(b) Movements in carrying amounts

Movements in the carrying amounts of property, plant and equipment between the beginning and the end of the current financial year.

Land & Buildings		
Balance at the beginning of the year	4,214,600	4,250,000
Additions	–	–
Disposals	–	–
Revaluation	120,897	–
Depreciation expense	(35,497)	(35,400)
Carrying amount at the end of the year	**4,300,000**	**4,214,600**
Equipment		
Balance at the beginning of the year	622,719	787,830
Additions	92,881	93,035
Disposals	–	–
Revaluation	–	–
Depreciation expense	(168,238)	(242,804)
AASB 16 implementation	–	(15,342)
Carrying amount at the end of the year	**547,362**	**622,719**
Total		
Balance at the beginning of the year	4,837,319	5,037,830
Additions	92,881	93,035
Disposals	–	–
Revaluation	120,897	–
Depreciation expense	(203,735)	(278,204)
AASB 16 implementation	–	(15,342)
Carrying amount at the end of the year	**4,847,362**	**4,837,319**

NOTE 13–Right-of-use assets

The Group's lease portfolio includes buildings. These leases have an average of 5.1 years as their lease term.

Options to extend or terminate

The option to extend or terminate are contained in several of the property leases of the Group. These clauses provide the Group opportunities to manage leases in order to align with its strategies. All of the extension and termination options are only exercisable by the Group. The extension options and termination options which were probable to be exercised have been included in the calculation of the right-of-use asset.

	Consolidated 2020 $	Consolidated 2019 $
Right-of-use assets at cost	2,568,516	2,560,493
Less accumulated depreciation	(1,344,466)	(1,075,654)
Total right-of-use assets	**1,224,050**	**1,484,839**
Right-of-use assets		
Balance at the beginning of the year	1,484,839	–
Additions	–	–
Disposals	–	–
Revaluation	–	–
Depreciation expense	(268,812)	(267,576)
AASB 16 implementation	8,023	1,752,415
Carrying amount at the end of the year	**1,224,050**	**1,484,839**
Total cash outflows for leases	**373,160**	**404,360**

NOTE 14–Intangible assets

Computer software at cost	13,732	53,579
Less accumulated amortisation	(13,732)	(52,569)
	–	**1,010**
CRM at cost	663,555	672,475
Less accumulated amortisation	(286,585)	(152,919)
	376,970	**519,556**
Financial system at cost	31,350	31,350
Less accumulated amortisation	(21,623)	(15,335)
	9,727	**16,015**
Course development at cost	154,094	230,334
Less accumulated amortisation	(107,835)	(159,034)
	46,259	**71,300**
Total intangible assets	**432,956**	**607,881**
Movements in carrying amounts		
Opening balance	607,881	801,328
Additions	9,387	34,899
Disposals	–	–
Reclassification	–	–
Amortisation charge	(184,312)	(228,346)
Closing balance	**432,956**	**607,881**

NOTE 15–Investment property

	Consolidated 2020 $	Consolidated 2019 $
Properties at independent valuation in 2020	**800,000**	**780,000**

The value of investment property is based on valuation assessed by Charter Keck Cramer as at 17 December 2020.

NOTE 16–Other assets

Other	751	751
	751	**751**

NOTE 17–Trade and other payables

Trade creditors	556,736	756,538
Other creditors and accruals	161,816	391,041
	718,552	**1,147,579**

All trade and other payables are non-interest bearing unsecured and payable at their maturity which is within 60 day terms.

NOTE 18–GST payable

	328,839	**641,517**

NOTE 19–Lease liabilities

Current		
Lease liabilities	398,900	389,849
	398,900	**389,849**
Non-current		
Lease liabilities	1,183,358	1,419,431
	1,183,358	**1,419,431**

NOTE 20–Provisions

Current		
Annual leave	449,665	356,333
Long service leave	778,117	698,510
	1,227,782	**1,054,843**
Non-current		
Long service leave	117,141	93,326
Make-good	95,689	88,328
	212,830	**181,654**
Total number of employees at year end was	71	78
Reconciliation of the movement in provisions		
Opening balance	1,236,497	1,262,615
Provision accrued	636,961	581,372
Amounts used	(432,846)	(607,490)
Closing balance	**1,440,612**	**1,236,497**

Financials

NOTE 21–Revenue received in advance

	Consolidated 2020 $	Consolidated 2019 $
Current		
Members' subscriptions in advance	7,222,312	4,622,178
Course fees in advance	940,080	837,252
Commissions & endorsements in advance	–	12,592
	8,162,392	**5,472,022**

Members' subscriptions in advance has been recognised to the extent of the monies received before 31 December 2020. It does not reflect income due to be received from remaining instalments, where a member has elected to pay by instalments, across 2021.

NOTE 22–Borrowings

Due to the COVID–19 pandemic, a line of credit banking loan facility for $3 million, from the National Australia Bank, was put in place in July 2020 for a maximum 12 month term. The facility was fully secured against two properties located at 1175 Toorak Road, Camberwell with a combined value of $5,100,000.

No funds have been drawn against the facility as at 31 December 2020. Subsequent to balance date, no funds have been drawn against the facility with the cancellation of the facility being approved on 19 February 2021.

NOTE 23–Related party transactions

During the year, no related party transaction was recorded.

Honorariums paid to the directors are disclosed in Note 25–Key management personnel compensation.

NOTE 24–Controlled entities

	Principal activity	Place of incorporation	% Owned	% Owned
Parent entity:				
Australian Physiotherapy Association		Australia	–	–
Controlled entity:				
Physiotherapy Australia Pty Ltd	Dormant	Australia	100	100
Physiotherapy Research Foundation	Trust	Australia		

The shares in the above companies are held by members of the Board of Directors on behalf of the Australian Physiotherapy Association except for the Physiotherapy Research Foundation.

Australian Physiotherapy Association is the trustee company for the Physiotherapy Research Foundation.

NOTE 25–Key management personnel compensation

	Consolidated 2020 $	Consolidated 2019 $
Total	**$574,719**	**$646,978**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity. Key management personnel compensation includes remuneration of the CEO and reimbursements and honoraria paid to directors.

NOTE 26—Contingent assets and liabilities

A bank guarantee is held in relation to the leased premises located in New South Wales and Queensland. The value of the bank guarantees is $218,200 and will be released upon termination of the lease agreement.

The Company had no other contingent assets and liabilities as at 31 December 2020 and 31 December 2019.

NOTE 27—Contractual commitments

As at 31 December 2020 the APA had arranged via its broker, BMS Risk Solutions Pty Ltd, for the purchase of a master professional indemnity insurance policy for its members for the 2021 financial year.

The APA is committed to a payment of $4,569,897 to BMS Risk Solutions Pty Ltd in March 2021 for the insurance premium, statutory charges and associated brokerage fees.

NOTE 28—Financial risk management

The Group's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 9 Financial Instruments as detailed in the accounting policies to these financial statements, are as per notes 7—Cash and cash equivalents, 8—Financial assets, 9—Trade and other receivables and 17—Trade and other payables.

NOTE 29—Capital and leasing commitments

Operational leases

	Consolidated 2020 $	Consolidated 2019 $
Payable:		
—Not longer than 1 year	–	15,253
—Longer than 1 year but not longer than 5 years	–	–
—Longer than 5 years	–	–
	–	**15,253**

Property address	Terms	Expiry date
Suite 1, 4 Sarich Way, Bentley, WA	5.4 years	31 August 2023
Freeway Office Park, Building 6C, 2728 Logan Road, Eight Miles Plain, QLD	5 years	30 November 2024
Unit 8, 15 Fullarton Road, Kent Town, SA	5 years	30 June 2022
Unit 203 & 204, 32 Delhi Road, North Ryde, NSW	5 years	14 June 2021

NOTE 30—Events after reporting period

The outbreak and spread of coronavirus (COVID-19) has disrupted many businesses both domestically and globally. As a result of this outbreak, there are further potential accounting, financial reporting and commercial implications that may arise, which management continues to monitor and manage. The directors believe the Group remains financially resilient but are aware of the potential for further detrimental impacts and continue to manage these challenges, facts and circumstances as known.

NOTE 31—Company details

The registered office of the company is:
Australian Physiotherapy Association
Level 1, 1175 Toorak Road
Camberwell, VIC 3124
ABN 89 004 265 150

Directors' declaration

The directors of the Australian Physiotherapy Association declare that:

1. The financial statements and notes, as set out on pages 23 to 41, are in accordance with the Corporations Act 2001 and:

    (a) comply with Australian Accounting Standards - Reduced Disclosure Requirements; and

    (b) give a true and fair view of the financial position as at 31 December 2020 and of the performance for the year ended on that date of the Association and the Consolidated Group;

2. In the directors' opinion there are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable.

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

23 April 2021

Jenny Aiken
Chair of the Board

Scott Willis
National President

Moore Australia Audit (VIC)
Level 18, 530 Collins Street
Melbourne Victoria 3000

T +61 3 9608 0100

Level 1, 219 Ryrie Street
Geelong Victoria 3220

T +61 3 5215 6800

victoria@moore-australia.com.au

www.moore-australia.com.au

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE AUSTRALIAN PHYSIOTHERAPY ASSOCIATION & CONTROLLED ENTITIES

Opinion

We have audited the accompany financial report of Australian Physiotherapy Association & Controlled Entities (the Group), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory notes and the directors' declaration.

In our opinion:

a. the financial report of Australian Physiotherapy Association & Controlled Entities is in accordance with the *Corporations Act 2001*, including:

   i. giving a true and fair view of the Group's financial position as at 31 December 2020 and of their performance for the year ended on that date; and

   ii. complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001*;

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2f001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of *Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 December 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.
If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Group are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australia Accounting Standards – Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal control as the directors determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group 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 Group or to cease operations, or has 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 the 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 this financial report.

A further description of our responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website at:
http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf. This description forms part of our auditor's report.

MOORE AUSTRALIA AUDIT (VIC)
ABN 16 847 721 257

GEORGE S DAKIS
Partner
Audit and Assurance

Melbourne, Victoria

23 April 2021

Financials

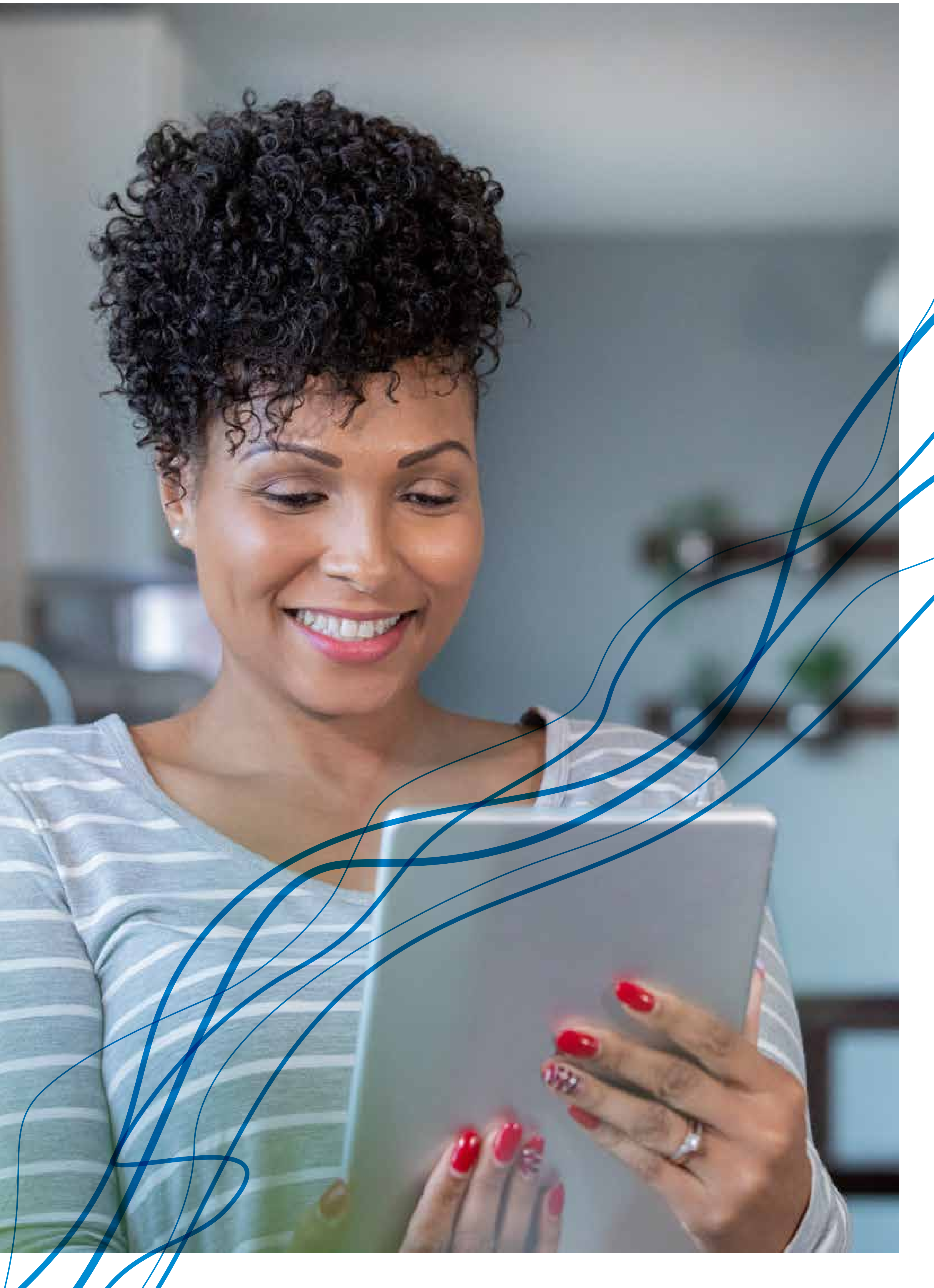
The Physiotherapy Research Foundation

Financial statements for the year ended 31 December 2020

	Notes	2020 $	2019 $
Income statement			
Income			
Donations	1	259,118	265,755
Interest		5,609	9,658
Managed fund distributions		22,183	33,381
Sundry		10,000	10,000
Total income		**296,910**	**318,794**
Expenditure			
Grants		152,524	43,700
Professional services		67,539	27,995
Pitch Fest		–	10,447
Marketing		1,872	815
Publications		4,085	2,590
Administration		147,989	74,570
Total expenditure		**374,009**	**160,117**
Operating surplus/(deficit)		**(77,099)**	**158,677**
Investment revaluation		9,687	(35,785)
Total operating surplus/(deficit)		**(86,786)**	**194,462**
Balance sheet			
Current assets			
Cash at bank		50,028	138,642
Financial assets	2	1,362,157	1,352,518
GST receivable		6,834	613
Other current assets		6,366	–
Total current assets		**1,425,385**	**1,491,773**
Total assets		**1,425,385**	**1,491,773**
Current liabilities			
Payables		105,040	84,642
Revenue received in advance		–	–
Total liabilities		**105,040**	**84,642**
Net assets		**1,320,345**	**1,407,131**
Equity			
Accumulated surplus		1,320,345	1,407,131
Total equity		**1,320,345**	**1,407,131**
Notes to accounts			
1 **Donations:**			
APA members		63,841	84,712
Australian Physiotherapy Association		191,244	179,343
Other		4,033	1,700
		259,118	**265,755**
2 **Financial assets at the end of the year include:**			
Term deposit—National Australia Bank		517,436	512,127
Managed fund—Mason Stevens Pty Ltd		844,721	840,391
		1,362,157	**1,352,518**

The financial statements of The Physiotherapy Research Foundation were consolidated into the financial statements of the Australian Physiotherapy Association.

Notes



AUSTRALIAN PHYSIOTHERAPY ASSOCIATION

Level 1, 1175 Toorak Road
Camberwell
Victoria 3124

p: (+613) 9092 0888
f: (+613) 9092 0899
e: info@australian.physio
w: australian.physio