DIRECTORS' REPORT

Directors' report

The directors present their report on the Australian Physiotherapy Association (APA) and controlled entities for the year ended 31 December 2021. 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 is 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. He was elected to the APA board in 2019 and as National President in 2021.

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) and 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. He sold his practice in 2020.

Rik is currently a PhD 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 and insurers, and with researchers 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, Remuneration and Governance 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 in 2017. He is currently serving as one of two Vice Presidents. He is also on the Board of Directors of the Australian Physiotherapy Council, is a member of the Clinical Council of the North Western Melbourne Primary Health Network and on the Program Advisory Committee for the Victoria University physiotherapy program.

Through these positions, Mark has been involved with many other 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 Titled Sports and Exercise Physiotherapist who graduated from the University of Sydney and then completed her Master of Sports Physiotherapy at La Trobe University.

Holly's 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 co-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 has been 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. Her biggest achievement was leading the Sports group to include Exercise in its name in 2018.

Holly is passionate about Brand Physio, the role of physiotherapists in delivering exercise, creating lifelong careers for physiotherapists and increasing Australian physiotherapists' engagement with the APA. Holly has been on the Board of Directors since 2021 and she looks forward to continuing to progress the profession for the benefit of members and patients.

Special responsibilities
- Nominations, Remuneration and Governance 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, Remuneration and Governance Committee

PETER TZIAVRANGOS, APAM

BAppSc(Physio), GAICD

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 which 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' report

Directors' meeting attendance 2021

		Meetings attended	Meetings total
Jenny AIKEN	Director	6	6
Holly BRASHER	Director	6	6
Rik Percival DAWSON	Director	6	6
Elaine FARRELLY	Non-member Director*	5	6
Louise McELVOGUE	Non-member Director*	5	6
Amanda MULCAHY	Director	6	6
Mark ROUND	Director	6	6
Peter TZIAVRANGOS	Director	6	6
Scott WILLIS	Director	6	6

*Resigned 13 December 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. Kay Veitch FAICD, FIML, CAHRI, JP is an independent member of the Nominations, Remuneration and Governance 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 continued to navigate its way through the COVID-19 pandemic during 2021. Our focus remained on supporting our members, advocating for them and delivering critical information to enable them to meet the challenges of the pandemic, along with the financial stability of the Association. Over the course of the year, attention turned to the planning and prioritising of key initiatives for 2022 in the hope of a year containing less disruption due to the pandemic.

Result

The consolidated surplus for the year after income tax was $486,207 (2020 surplus: $3,455,963). The surplus includes the activities of branches and national groups of the Association and of the controlled entity Physiotherapy Research Foundation.

This is attributable to a number of factors, including excellent member growth and retention despite the disruption caused by the ongoing pandemic and the pausing of key expenditure because of continual lockdowns and uncertainty across the country.

Income from face-to-face professional development courses was higher than in 2020, although courses were significantly disrupted in certain areas of the country due to lockdowns, while conferences scheduled for 2021 were cancelled and moved to 2022.

These good financial results have added to the stability of the Association and will enable it to explore and support increased member initiatives, including the continued development of the career pathway and Australian College of Physiotherapists strategy, the implementation of a member mentor program and the continual improvement of professional development material and delivery.

Members' guarantee

Australian Physiotherapy Association is a company limited by guarantee. The 30,724 members (2020: 29,355) 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 21.

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

21 April 2022

Jenny Aiken
Chair of the Board

Scott Willis
National President

MOORE

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

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2021, there have been:

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

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

MOORE AUSTRALIA AUDIT (VIC)
ABN 16 847 721 257

GEORGE S. DAKIS
Partner
Audit and Assurance

Melbourne, Victoria

21 April 2022

FINANCIALS

Statement of profit and loss and other comprehensive income

for the year ended 31 December 2021

	Notes	Consolidated 2021 $	Consolidated 2020 $
Revenue		14,519,622	14,564,099
Interest received		65,159	111,465
Other income	6	401,794	2,148,054
Total revenue	3	**14,986,575**	**16,823,618**
Cost of sales		22,155	23,391
Conference & professional development		1,246,910	963,666
Employee costs		8,631,333	8,144,657
Professional services		664,404	454,670
Public relations		179,035	99,042
Marketing expense		419,393	192,647
Information technology expense		599,867	519,261
Travel and meeting expense		132,299	209,041
Publication expense		621,080	595,336
Subscriptions		209,031	207,367
Membership renewal expense		204,709	211,707
PRF grant expense		46,769	148,974
Rent		159,769	142,335
Light & power		38,616	28,857
Insurance		39,782	32,005
Repairs & maintenance		12,788	16,006
Depreciation & amortisation expense		199,156	248,093
Amortisation expense for right-of-use assets		275,090	268,812
Finance costs		217,418	236,881
Interest expense on leases		118,256	138,115
Administration expense		77,804	85,725
Other expenses		384,704	401,067
Total expenses		**14,500,368**	**13,367,655**
Surplus before income tax expense		**486,207**	**3,455,963**
Income tax (expense)/benefit	5	–	–
Surplus attributable to the members		**486,207**	**3,455,963**
Revaluation of land & buildings		88,600	120,897
Total comprehensive income for the year attributable to the members		**574,807**	**3,576,860**

The above statement of comprehensive income should be read in conjunction with the accompanying notes. The comparative information has been restated as a result of change in accounting policy as discussed in Note 1(X).

Financials

Statement of financial position

for the year ended 31 December 2021

	Notes	Consolidated 2021 $	Consolidated 2020 $
Current assets			
Cash & cash equivalents	7	11,972,538	3,425,101
Financial assets	8	7,639,986	13,894,898
Trade & other receivables	9	203,565	652,191
Inventories	10	43,854	46,148
Prepayments	11	371,359	401,186
Total current assets		**20,231,302**	**18,419,524**
Non-current assets			
Property, plant & equipment	12	4,813,214	4,847,362
Right-of-use assets	13	1,003,672	1,224,050
Intangible assets	14	58,687	46,259
Investment property	15	820,000	800,000
Other assets	16	–	751
Total non-current assets		**6,695,573**	**6,918,422**
Total assets		**26,926,875**	**25,337,946**
Current liabilities			
Trade & other payables	17	1,903,950	718,552
GST payable	18	838,767	328,839
Lease liabilities	19	386,566	398,900
Short-term provisions	20	1,395,720	1,227,782
Revenue received in advance	21	7,534,851	8,162,392
Total current liabilities		**12,059,854**	**10,836,465**
Non-current liabilities			
Lease liabilities	19	973,470	1,183,358
Long-term provisions	20	213,451	212,830
Total non-current liabilities		**1,186,921**	**1,396,188**
Total liabilities		**13,246,775**	**12,232,653**
Net assets		**13,680,100**	**13,105,293**
Equity			
Reserves		649,597	560,997
Accumulated surplus		13,030,503	12,544,296
Total equity		**13,680,100**	**13,105,293**

The above statement of financial position should be read in conjunction with the accompanying notes. The comparative information has been restated as a result of change in accounting policy as discussed in Note 1(X).

Statement of changes in equity

for the year ended 31 December 2021

	Asset revaluation reserve	Accumulated surplus	Total
Consolidated balance at 1 January 2020	**440,100**	**9,623,904**	**10,064,004**
Change in accounting policy per Note 1(X)	–	(535,571)	(535,571)
Amended consolidated balance at 1 January 2020	**440,100**	**9,088,333**	**9,528,433**
Comprehensive income			
Land & building revaluation	120,897	–	120,897
Surplus attributable to members	–	3,455,963	3,455,963
Balance at 31 December 2020	**560,997**	**12,544,296**	**13,105,293**
Comprehensive income			
Land & building revaluation	88,600	–	88,600
Surplus attributable to members	–	486,207	486,207
Total comprehensive income	**88,600**	**486,207**	**574,807**
Consolidated balance at 31 December 2021	**649,597**	**13,030,503**	**13,680,100**

The above statement of changes in equity should be read in conjunction with the accompanying notes. The comparative information has been restated as a result of change in accounting policy as discussed in Note 1(X).

Statement of cash flows

for the year ended 31 December 2021

	Notes	Consolidated 2021 $	Consolidated 2020 $
Cash flows from operating activities			
Receipts from members/customers		16,485,464	15,902,391
Payments to suppliers/employees		(13,928,017)	(11,898,097)
Receipts from government grants		115,656	1,860,828
Interest received		49,546	89,282
Net cash provided by operating activities		**2,722,649**	**5,954,404**
Cash flows from investing activities			
Receipts from/(payments for) maturity investments		6,308,814	(7,161,868)
Payments for plant & equipment	12	(62,566)	(92,881)
Payments for intangible assets	14	(26,270)	(18,307)
Net cash provided by (used in) investing activities		**6,219,978**	**(7,273,056)**
Cash flows from financing activities			
Payments for lease liabilities		(395,190)	(373,160)
Net cash used in financing activities		**(395,190)**	**(373,160)**
Net increase (decrease) in cash held		**8,547,437**	**(1,691,812)**
Cash at the beginning of the financial year		3,425,101	5,116,913
Cash at the end of the financial year	7	**11,972,538**	**3,425,101**

The above statement of financial position should be read in conjunction with the accompanying notes. The comparative information has been restated as a result of change in accounting policy as discussed in Note 1(X).

Notes to and forming part of the financial statements

for the year ended 31 December 2021

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 21 April 2022 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.

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;

NOTE 1 continued…

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.

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.

NOTE 1 continued...

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 2021 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 23 (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. There were no unfulfilled conditions or other contingencies attached to these government grants.

X. Change in accounting policy

During the year, the Group revised its accounting policy in relation to upfront configuration and customisation costs incurred in implementing Software-as-a-Service (SaaS) arrangements in response to the IFRIC agenda decision clarifying its interpretation of how current accounting standards apply to these types of arrangements. The new accounting policy is presented below. Historical financial information has been restated to account for the impact (see restated financial statements on page 33).

SaaS arrangements
SaaS arrangements are service contracts providing the Group with the right to access the cloud provider's application software over the contract period.

Costs incurred to configure or customise, and the ongoing fees to obtain access to the cloud provider's application software, are recognised as operating expenses when the services are received.

Some of these costs incurred are for the development of software code that enhances or modifies, or creates additional capability to, existing on-premise systems and meets the definition of, and recognition criteria for, an intangible asset. These costs are recognised as intangible software assets and amortised over the useful life of the software on a straight-line basis. The useful lives of these assets are reviewed at least at the end of each financial year, and any change accounted for prospectively as a change in accounting estimate.

Statement of profit and loss and other comprehensive income

for the year ended 31 December 2020

	As previously reported $	Adjustments $	As restated $
Information technology expense	528,181	(8,920)	519,261
Depreciation & amortisation expense	388,047	(139,954)	248,093
Surplus before income tax expense	**3,307,089**	**148,874**	**3,455,963**

Statement of financial position

for the year ended 31 December 2020

	As previously reported $	Adjustments $	As restated $
Intangible assets	432,956	(386,697)	46,259
Total non-current assets	**7,305,119**	**(386,697)**	**6,918,422**
Total assets	**25,724,643**	**(386,697)**	**25,337,946**
Net assets	**13,491,990**	**(386,697)**	**13,105,293**
Amended total equity at 1 January 2020	**10,064,004**	**(535,571)**	**9,528,433**
Surplus before income tax expense	**3,307,089**	**148,874**	**3,455,963**
Total equity	**13,491,990**	**(386,697)**	**13,105,293**

Statement of cash flows

for the year ended 31 December 2020

	As previously reported $	Adjustments $	As restated $
Payments to suppliers/employees	(11,907,017)	8,920	(11,898,097)
Net cash provided by operating activities	**5,945,484**	**8,920**	**5,954,404**
Payments for intangible assets	(9,387)	(8,920)	(18,307)
Net cash provided by (used in) investing activities	**(7,264,136)**	**(8,920)**	**(7,273,056)**

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

	2021 $	2020 $
Assets		
Current assets	18,743,051	17,007,339
Total assets	**25,438,624**	**23,925,761**
Liabilities		
Current liabilities	11,980,315	10,744,625
Total liabilities	**13,167,236**	**12,140,813**
Equity		
Accumulated surplus	11,621,791	11,223,951
Total equity	**12,271,388**	**11,784,948**

Statement of comprehensive income

Total surplus attributable to the members	**397,840**	**3,542,749**
Total comprehensive income	**486,440**	**3,663,646**

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 2021 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 $5,491,281 to BMS Solutions Pty Ltd in March 2022 for the insurance premium, statutory charges and associated brokerage fees.

As at 31 December 2021, Australian Physiotherapy Association had not entered into any contractual commitments for the acquisition of property, plant and equipment.

NOTE 3–Revenue

	2021 $	2020 $
Revenue from operating activities		
Members' subscriptions	10,358,634	11,036,662
Advertising income	781,783	603,076
Sales of merchandise	38,160	35,295
Commissions, sponsorships & endorsements	715,465	776,256
Professional development & conferences	2,346,853	1,859,748
Donations received	82,587	67,874
Interest from financial institutions	65,159	111,465
Rent	48,466	39,763
Government grant income	279,426	2,097,978
Investment property revaluation	20,000	20,000
Managed fund revaluation	53,902	(9,687)
Sundry	196,140	185,188
Total revenue	**14,986,575**	**16,823,618**

NOTE 4–Surplus before income tax expenses

Surplus before income tax expense has been determined after:

	Consolidated 2021 $	Consolidated 2020 $
Expenses		
Cost of sales of merchandise	22,155	23,391
Professional development & conferences	1,246,910	963,666
Employee benefits	8,569,622	8,027,395
Auditors remuneration		
—audit of financial report	31,026	27,876
—other	–	–
Depreciation on non-current assets		
—buildings, plant & equipment	185,314	203,735
—right-of-use assets	275,090	268,812
Amortisation on intangible assets		
—course development	13,842	43,348
Rental expense on operating leases		
—minimum lease payments	13,173	2,297

NOTE 5–Taxation

(a) The components of tax expense/(benefit) comprise:		
Income tax expense/(benefit)	(34,604)	(503,228)
Write back of deferred tax asset	34,604	503,228
	–	**–**
(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% (2020: 27.5%)	133,707	950,390
Add tax effect of permanent differences:		
Member expenses	4,717,025	2,620,340
Exempt loss from other members of Consolidated Group		–
	4,717,025	**2,620,340**
Less tax effect of permanent differences:		
Member income	(4,871,411)	(3,970,000)
Exempt profit/(loss) from other members of Consolidated Group	(13,924)	(76,458)
Exempt government subsidies	–	(27,500)
	(4,885,335)	**(4,073,958)**
Add tax effect of over provision in prior years	–	–
Add tax effect of property revaluation	–	–
Subtotal	**(34,604)**	**(503,228)**
Write back of deferred tax asset	34,604	503,228
Income tax attributable to entity	**–**	**–**

The comparative information has been restated as a result of change in accounting policy as discussed in Note 1(X).

NOTE 6–Other income

For the year ended 31 December 2021, the Group recognised government grant income of $279,426 from a Department of Social Services grant.

NOTE 7–Cash and cash equivalents

	Consolidated 2021 $	Consolidated 2020 $
Cash on hand	3,868	3,868
Cash at bank	11,968,670	3,421,233
	11,972,538	**3,425,101**

The increase in cash at bank, at 31 December 2021, occurred primarily as a result of term deposits being terminated to make cash available to create a new investment fund with JBWere. The investment fund is designed to create an ongoing income source as well as an increase in capital over a 5–7 year time frame. It was originally hoped that this would occur prior to year-end but the initial establishment and implementation was not completed until the new financial year, therefore leaving funds temporarily available as cash at bank at year-end.

NOTE 8–Financial assets

Held to maturity investments - at amortised cost	7,034,017	13,050,177
Held in managed fund - at fair value	605,969	844,721
	7,639,986	**13,894,898**
Held to maturity investments comprise:		
Fixed interest term deposits	7,034,017	13,050,177

NOTE 9–Trade and other receivables

Trade debtors	191,482	402,958
Less provision for impairment of receivables	5,000	5,000
	186,482	**397,958**
Other debtors	17,083	254,233
	203,565	**652,191**
Reconciliation of the provision for impairment of receivables		
Opening balance	5,000	5,000
Charge for the year	–	–
Written off	–	–
Closing balance	**5,000**	**5,000**

NOTE 10–Inventories

Stock of merchandise at cost	43,854	46,148
	43,854	**46,148**

NOTE 11–Prepayments

Current		
Prepayments	371,359	401,186
	371,359	**401,186**

NOTE 12–Property, plant and equipment

	Consolidated 2021 $	Consolidated 2020 $
Land & buildings at independent valuation	4,350,000	4,300,000
Less accumulated depreciation	–	–
	4,350,000	4,300,000
Total land & buildings	**4,350,000**	**4,300,000**
Plant & Equipment at cost	618,516	590,644
Less accumulated depreciation	(463,154)	(384,538)
	155,362	**206,106**
Office furniture & equipment at cost	1,594,025	1,560,713
Less accumulated depreciation	(1,293,422)	(1,227,011)
	300,603	**333,702**
Artwork at cost	13,167	13,167
Less accumulated depreciation	(5,918)	(5,613)
	7,249	**7,554**
Total equipment	**463,214**	**547,362**
Total property, plant & equipment	**4,813,214**	**4,847,362**

(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 16 December 2021.

(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	4,300,000	4,214,600
Additions	–	–
Disposals	–	–
Revaluation	88,600	120,897
Depreciation expense	(38,600)	(35,497)
Carrying amount at the end of the year	**4,350,000**	**4,300,000**
Equipment		
Balance at the beginning of the year	547,362	622,719
Additions	62,566	92,881
Disposals	–	–
Revaluation	–	–
Depreciation expense	(146,714)	(168,238)
Carrying amount at the end of the year	**463,214**	**547,362**
Total		
Balance at the beginning of the year	4,847,362	4,837,319
Additions	62,566	92,881
Disposals	–	–
Revaluation	88,600	120,897
Depreciation expense	(185,314)	(203,735)
Carrying amount at the end of the year	**4,813,214**	**4,847,362**

Financials

NOTE 13–Right-of-use assets

The Group's lease portfolio includes buildings. These leases have an average of 4.6 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 2021 $	Consolidated 2020 $
Right-of-use assets at cost	2,623,228	2,568,516
Less accumulated depreciation	(1,619,556)	(1,344,466)
Total right-of-use assets	**1,003,672**	**1,224,050**
Right-of-use assets		
Balance at the beginning of the year	1,224,050	1,484,839
Additions	54,712	–
Disposals	–	–
Revaluation	–	–
Depreciation expense	(275,090)	(268,812)
AASB 16 implementation	–	8,023
Carrying amount at the end of the year	**1,003,672**	**1,224,050**
Total cash outflows for leases	**395,190**	**373,160**

NOTE 14–Intangible assets

Computer software at cost	–	13,732
Less accumulated amortisation	–	(13,732)
	–	**–**
Course development at cost	61,177	154,094
Less accumulated amortisation	(2,490)	(107,835)
	58,687	**46,259**
Total intangible assets	**58,687**	**46,259**
Movements in carrying amounts		
Opening balance	46,259	72,310
Additions	26,270	18,307
Disposals	–	–
Amortisation charge	(13,842)	(44,358)
Closing balance	**58,687**	**46,259**

The comparative information has been restated as a result of change in accounting policy as discussed in Note 1(X).

NOTE 15–Investment property

	Consolidated 2021 $	Consolidated 2020 $
Properties at independent valuation in 2021	**820,000**	**800,000**

The value of investment property is based on valuation assessed by Charter Keck Cramer as at 16 December 2021.

NOTE 16–Other assets

Other	–	751
	–	**751**

NOTE 17–Trade and other payables

Trade creditors	543,777	556,736
Other creditors and accruals	189,956	161,816
Conference fees for refund	1,170,217	–
	1,903,950	**718,552**

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

	838,767	**328,839**

NOTE 19–Lease liabilities

Current		
Lease liabilities	386,566	398,900
	386,566	**398,900**
Non-current		
Lease liabilities	973,470	1,183,358
	973,470	**1,183,358**

NOTE 20–Provisions

Current		
Annual leave	485,575	449,665
Long service leave	910,145	778,117
	1,395,720	**1,227,782**
Non-current		
Long service leave	109,852	117,141
Make-good	103,599	95,689
	213,451	**212,830**
Total number of employees at year end was	76	71
Reconciliation of the movement in provisions		
Opening balance	1,440,612	1,236,497
Provision accrued	717,083	636,961
Amounts used	(548,524)	(432,846)
Closing balance	**1,609,171**	**1,440,612**

NOTE 21–Revenue received in advance

	Consolidated 2021 $	Consolidated 2020 $
Current		
Members' subscriptions in advance	6,554,443	7,222,312
Course fees in advance	923,993	940,080
Commissions & endorsements in advance	56,415	–
	7,534,851	**8,162,392**

Members' subscriptions in advance has been recognised to the extent of the monies received before 31 December 2021. It does not reflect income due to be received from remaining instalments, where a member has elected to pay by instalments, across 2022.

NOTE 22–Related party transactions

During the year, no related party transaction was recorded.

Honorariums paid to the directors are disclosed in Note 24–Key management personnel compensation.

NOTE 23–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 24–Key management personnel compensation

	Consolidated 2021 $	Consolidated 2020 $
Total	**656,039**	**574,719**

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 25–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 2021 and 31 December 2020.

NOTE 26–Contractual commitments

As at 31 December 2021 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 $5,491,281 to BMS Risk Solutions Pty Ltd in March 2022 for the insurance premium, statutory charges and associated brokerage fees.

NOTE 27–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 28–Capital and leasing commitments

Operational leases

Leases are measured and accounted in accordance with AASB 16 Leases; refer to Note—13 Right-of-use assets and Note—19 Lease liabilities.

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	3 years	14 June 2024

NOTE 29–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 30–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 2021 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.

21 April 2022

Jenny Aiken
Chair of the Board

Scott Willis
National President

MOORE

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

Opinion

We have audited the accompanying financial report of Australian Physiotherapy Association & Controlled Entities (the Group), which comprises the consolidated statement of financial position as at 31 December 2021, 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 of the Group comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

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 Company's financial position as at 31 December 2021 and of their performance for the year ended on that date; and

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

Basis for Opinion

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

We 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 Company's annual report of the year ended 31 December 2021, 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 Management and Those Charged with Governance for the Financial Report
The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards 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 Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Entity's financial reporting process.

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

MOORE AUSTRALIA AUDIT (VIC)
ABN 16 847 721 257

GEORGE S. DAKIS
Partner
Audit and Assurance

Melbourne, Victoria

21 April 2022

Financials

The Physiotherapy Research Foundation

Financial statements for the year ended 31 December 2021

	Notes	2021 $	2020 $
Income statement			
Income			
Donations	1	221,587	259,118
Interest		1,589	5,609
Managed fund distributions		15,613	22,183
Sponsorship		76,400	10,000
Sundry		8,608	–
Total income		**323,797**	**296,910**
Expenditure			
Grants		48,119	152,524
Professional services		60,166	67,539
Campaign		2,750	–
Marketing		3,125	1,872
Publications		–	4,085
Administration		175,172	147,989
Total expenditure		**289,332**	**374,009**
Operating surplus/(deficit)		**34,465**	**(77,099)**
Investment revaluation		(53,902)	9,687
Total operating surplus/(deficit)		**88,367**	**(86,786)**
Balance sheet			
Current assets			
Cash at bank		361,447	50,028
Financial assets	2	1,124,695	1,362,157
GST receivable		2,307	6,834
Prepayments		2,109	–
Other current assets		16,609	6,366
Total current assets		**1,507,167**	**1,425,385**
Total assets		**1,507,167**	**1,425,385**
Current liabilities			
Payables		78,410	105,040
Revenue received in advance		20,045	–
Total liabilities		**98,455**	**105,040**
Net assets		**1,408,712**	**1,320,345**
Equity			
Accumulated surplus		1,408,712	1,320,345
Total equity		**1,408,712**	**1,320,345**
Notes to accounts			
1 **Donations:**			
APA members		59,959	63,841
Australian Physiotherapy Association		139,000	191,244
Other		22,628	4,033
		221,587	**259,118**
2 **Financial assets at the end of the year include:**			
Term deposit—National Australia Bank		518,726	517,436
Managed fund—Mason Stevens Pty Ltd		605,969	844,721
		1,124,695	**1,362,157**

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