



VISION AND MISSION

VISION

To enhance performance, health and well-being through the science of exercise and sport.

MISSION

Lead and promote excellence in exercise and sports science for the benefits of society and the professions.

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PRESIDENT'S REPORT

On behalf of the ESSA National Board, I am honoured to present this 2018 Annual Report. This report outlines the continued passion of both our staff and members to help raise the profile of your professions.

We are now into our second year of the 2017-2020 Strategic Plan, and we are still focused on our path of excellence and growth through an unwavering commitment to the four pillars of this strategic plan – Our Brand, Our People, Our Services and Our Voice. While continuing to strongly pursue the growth in recognition and opportunities for our professions, in many ways, 2018 was a year of consolidation, focused on review and implementation of many policies and processes. There were, however some important achievements that warrant a mention.

An exciting development this year was an increased focus on our long-term plan of expanding ESSA's international engagement with some positive advancements in this space. The most significant of this was the start of a collaboration with like-minded associations to explore the creation of an international alliance to share resources and support practitioners across the world. Independent of this we also continued to pursue bilateral relationships with our international partners including a Memorandum of Understanding (MOU) signed with the American College of Sports Medicine (ACSM) and an update of our existing MOU with the Canadian Society of Exercise Physiology (CSEP).

Another significant initiative was the launch of the Journal of Clinical Exercise Physiology (JCEP) in partnership with Clinical Exercise Physiology Association (CEPA). This collaboration represents a tremendous opportunity to further enhance this important publication devoted to the profession of clinical exercise physiology. This partnership will also bring together expert contributors from our two organisations with the aim to directly inform the evidence base for the practice of our members.

With an internal focus on research, I was delighted to participate in a board-led review of our research governance which in turn led to the newly developed Research Committee and a Publications Committee.

In addition to continuing to advocate strongly on behalf of our professions, one of our most important local strategic initiatives was establishing our Reconciliation Action Plan (RAP) for 2019-2020. ESSA's Reflect RAP will help us better appreciate our collective role in reconciliation and assist us to develop a solid RAP governance model and build the business case for future commitments to cultural learning and understanding. ESSA's long-term vision is to progress to RAP Innovate, Stretch and Elevate frameworks.

We have once again experienced strong membership growth across all categories, with final numbers for 2018 indicating 5,101 Accredited Exercise Physiologists (AEP), 484 Accredited Exercise Scientists (AES), and 220 Accredited Sports Scientists and High Performance Managers. Total membership has grown to about 8,900, with 5,700 of those being full financial members. These higher than projected increases have contributed to ESSA returning another good financial result, with just over \$480,000 added to our retained earnings. This outcome helps to bolster our balance sheet to further shock-proof the organisation, and provides additional capacity to invest in strategic initiatives to drive future opportunities for our members.

Before I close, I would like to pass on congratulations to our latest Life Member and new Fellows for 2018. Life membership is the highest honour within ESSA and a title very rarely bestowed. Anyone who knows Dr Phil Hamdorf, or of his enormous contribution to ESSA, would have to agree that he was a highly worthy recipient. An inaugural board member, national secretary and then our second President and Chair, as well as being a Fellow of ESSA since 2003, Dr Hamdorf has demonstrated outstanding leadership and commitment to ESSA and has dedicated many years to the exercise and sports science industry.

In 2018, we also welcomed four distinguished Fellows to the honour roll; Nathan Reeves, Sebastian Buccheri, Robert Mullins and Chris Askew. With two past Presidents, a long-standing board member and a current member of the Accreditation Council, there is no doubting these awardees' contribution to the organisation. Amazingly, each of them has led significant advances for our professions in various other ways beyond their work on the board or councils and continue to do so. I have had the great privilege of working closely with some of them and personally congratulate them and thank them for their service, guidance and friendship.

Finally, I must give my heartfelt thanks and appreciation to our members, volunteers, staff, our CEO and to my fellow Directors of the National Board. Collectively, we are developing an association which is resilient, passionate and ready to support our professions into the future.

Yours in health,

Kade Davison
PRESIDENT

CEO'S REPORT

To all our valued members, I'm proud to be part of the results presented to you in this annual report. Mostly, I am proud of the passionate and dedicated staff and volunteers whose hard work allows me the opportunity to highlight a multitude of new initiatives and projects that further our professions.

A large focus of 2018 was member development and implementing ways that we can provide valuable advice and support for those at the coal face of the industry. A few projects stand out which I want to focus on.

Firstly, we introduced the ESSA Business Network in January 2018, with a sole aim to support those either dreaming of starting their own business or established practices wanting to enhance their services and business activities. The online platform provides written advice, podcast style 'business chats' and even a live online event. With over 900 members signing up within the first few months, we were delighted to see that members were gaining the support they needed.

In May 2018, we welcomed over 1,000 ESSA members to Brisbane for Research to Practice 2018. We continually try to enhance this learning opportunity to help translate the latest research into take away practical information for those working with clients. The event was a great success with overwhelming member feedback showing appreciation of this biennial event. At the close of the conference, we announced Research to Practice 2020 will be travelling to Perth and we look forward to welcoming everyone to our western shores.

A third key project was the development and redesign of the ESSA website. Each year our website attracts hundreds of thousands of visits, however we acknowledged there was room to improve our system to make our members every day interactions easier. In November 2018, the new ESSA website went live and integrates several key processes such as payment systems, professional development registrations and a new look online learning system.

On a personal note, I have been an avid supporter of increasing the number of females in the sports science sector and this culminated in ESSA's first Women in Sports Science & Sports Medicine Breakfasts held in Brisbane and Melbourne in November 2018. Over 80 women filled the rooms to share their thoughts, concerns and advice on women working in sport, and it was an incredibly humbling and proud moment for myself.

Remaining on the topic of sports science, in late December 2017, ESSA celebrated the announcement from the Australian Sports Commission (ASC) of ESSA's involvement in the national accreditation scheme for sports scientists. Due to this, in 2018 we saw 220 additional members representing the sports science and high performance sector. We welcome them into the ESSA family and value their input and contribution to help guide us in providing more member support and opportunities.

As we move into 2019, there will be two key pieces of work that I want to touch on due to their significance. The Adult Pre-Exercise Screening System (APSS) has been a guiding resource for our professions and was developed in 2011. In collaboration with Sports Medicine Australia and Fitness Australia, ESSA will conduct an extensive review of the Adult Pre-Exercise Screening System (APSS) and aim to launch the new version in the first few months of 2019.

The second notable piece of work will be the development of the Future Workforce Report to help inform and guide future workforce development and professional opportunities. Extensive consultation and research will culminate in the development of a report on the future opportunities for ESSA members across the broader Australian health, sport and well-being sectors.

I finish off by passing on my thanks to everyone who makes ESSA what it is today. From the founders to the latest accredited members, together we are all responsible for leading and promoting excellence in exercise and sports science for the benefits of society and the professions. I am proud to stand by you on this quest.

Sincerely,

Anita Hobson-Powell
CEO

GOVERNANCE

ESSA NATIONAL BOARD

Dr Kade Davison – President

Ms Kirsty Rawlings – Vice-President (and Acting President)

Professor Steve Selig – Director (and Acting Vice-President)

Dr Simon Rosenbaum – Director

Professor Aaron Coutts – Director

Dr Brendan Joss – Director

Mrs Philippa Ellis – Director

Mrs Carolyn Pillans – Director

Emeritus Professor Julie Cotter – Director

ESSA STATE CHAPTERS

Queensland (QLD)

Dr Emma Beckman – Chair

New South Wales (NSW)

Natalie Delana – Co-Chair

Simon Turnbull – Co-Chair

Victoria (VIC)

Rebecca Hallam – Co-Chair

Nicole Marlow – Co-Chair

South Australia (SA)

Braden Mitchell – Chair

Western Australia (WA)

David Beard – Chair

Tasmania (TAS)

Peter Bradley – Chair

Australian Capital Territory (ACT)

Eva Boland – Chair

MEMBERSHIP STATISTICS

MEMBERSHIP NUMBERS

STUDENTS

2,861

ASSOCIATES

22

FULL MEMBERS

5,676

FELLOWS

32

LIFE

3

ACADEMICS

33

ACCREDITATION NUMBERS

AEP **5,101**

ASpS **190**

AES **484**

AHPM **30**

GRANTS AND AWARDS

CLINICAL EXERCISE PHYSIOLOGY RESEARCH GRANT (CEPRG): 2018 WINNER

- » **Principal Investigator:** Ms Claire Munsie
- » **Topic:** FIGHTING FIT: A randomised controlled trial of a supervised exercise intervention during treatment for cancer in adolescents and young adults
- » **Associate Investigators:** Prof Tim Ackland, Dr Jay Ebert and Prof David Joske
- » **Administering Organisations:** WA Youth Cancer Service, Sir Charles Gairdner Hospital and North Metropolitan Health Service

CLINICAL EXERCISE PHYSIOLOGY RESEARCH GRANT (CEPRG): 2018 HIGHLY COMMENDED

- » **Principal Investigator:** Dr Martin Schultz
- » **Topic:** Exercise physiology in the identification and control of high blood pressure (the EPIC-BP pilot study)
- » **Associate Investigator:** Prof James Sharman
- » **Administering Organisation:** Menzies Institute for Medical Research, University of Tasmania

APPLIED SPORTS SCIENCE RESEARCH GRANT (ASSRG): 2018 WINNER

- » **Principal Investigator:** Dr Aaron Scanlan
- » **Topic:** Can overuse injuries in basketball be better predicted using external workloads measured with lower-body compared to traditionally worn upper-body microsensors?
- » **Associate Investigators:** Miss Maria Madueno, Dr Vincent Dalbo, Dr Joshua Guy, Dr Nathan Elsworthy, Dr Michele Lastella and Prof David Pyne
- » **Administering Organisation:** Central Queensland University

APPLIED SPORTS SCIENCE RESEARCH GRANT (ASSRG): 2018 HIGHLY COMMENDED

- » **Principal Investigator:** Dr Llion Roberts
- » **Topic:** The morphological, functional and molecular adaptations to low load resistance training with blood flow restriction in trained individuals
- » **Associate Investigators:** Mr Charlie Davids, Dr Jonathan Peake, Prof Truls Raastad and Prof Jeff Coombes
- » **Administering Organisation:** Griffith University

TOM PENROSE COMMUNITY SERVICE GRANT (TPCSG): 2018 WINNER

- » **Principal Investigator:** Dr Matthew Jones
- » **Topic:** What are Exercise Physiologists saying? – Developing targeted pain neuroscience education to improve exercise outcomes for knee osteoarthritis
- » **Associate Investigators:** Dr John Booth, Assoc Prof Jeanette Thom and Mr Chris Tzarimas
- » **Administering Organisation:** Department of Exercise Physiology, School of Medical Sciences, Faculty of Medicine, The University of New South Wales (UNSW)

TOM PENROSE COMMUNITY SERVICE GRANT (TPCSG): 2018 HIGHLY COMMENDED

- » **Principal Investigator:** Mr Justin Johnson
- » **Topic:** Can students add value to PHYZX2U mobile exercise physiology service for people with chronic conditions in rural and remote communities?
- » **Associate Investigators:** Angela Hubbard, Serene Paul, Sarah Dennis and Jacqueline Raymond
- » **Administering Organisation:** PHYZ X 2U Pty Ltd

ESSA MEDAL

- » **2018 Winner:** Dr Jack Hickey (ACU)
- » **PhD Thesis Title:** Hamstring strain injury: Objective assessment tools and exercise-specific progression criteria during pain-threshold rehabilitation

INDUSTRY AWARDS

- » **2018 Accredited Exercise Physiologist of the Year:** Kirsten Russell
- » **2018 Accredited Exercise Scientist of the Year:** Matt Brearley
- » **2018 Accredited Sports Scientist of the Year:** Vince Kelly
- » **2018 Practice of the Year:** Guardian Exercise Rehabilitation
- » **2018 Practicum Supervisor of the Year:** Elizabeth Calleja

ACCREDITATION SERVICES UNIT

The Accreditation Services Unit (ASU) is a multifunctional team of five staff members, supported by a range of project-based stakeholders and governed by the Course Accreditation Committee and the Accreditation Council.

Each of the staff members are trained and experienced in their relative disciplines of sport and exercise science/exercise physiology, quality auditing and/or university course review.

The functions of the group are split into three categories of course accreditation, individual accreditation and cross functional project support. The objective of the group is to ensure that the professional standards and scopes of practice are applied consistently and fairly across all application processes.

The team work tirelessly to support applicants, whether higher education institutions or individual practitioners across sports science, exercise science and exercise physiology disciplines, through robust review processes to ensure that accredited exercise professionals meet the standards.

GOVERNANCE STRUCTURE

ESSA ACCREDITATION COUNCIL

The ESSA Accreditation Council, a mixture of practitioners and academics, continued their function of providing strategic leadership to the ASU, and advised the ESSA Board regarding the accreditation of individual practitioners and higher education providers in exercise physiology, sports science and exercise science. They also ensured the execution of a vast array of projects to foster continuous improvement and currency with industry requirements of 2018.

ESSA COURSE ACCREDITATION COMMITTEE

The Course Accreditation Committee, comprising of academics and practitioners that represent a range of expertise in course accreditation within sport and exercise science, have upheld responsibility for the oversight and leadership of course accreditation activities. They too supported project completion to ensure that ESSA's accreditation services remain pertinent to the industry and academic institutions that they guide.

2018 TOP PROJECTS FOR THE ASU

SIRA – ESSA has spent considerable time working to establish a learning and examination process that can be used to supplement previous studies in meeting the requirements for NSW State Insurance Regulatory Authority (SIRA). Our partnership provides AEP practitioners with an opportunity to complete study with suitable skills and knowledge to conduct Workplace Assessments and Functional Capacity Evaluations. This ensures AEPs relocating from other states, changing careers or expanding services all have an opportunity to provide these aforementioned services in line with the regulatory requirements.

Multi campus policy – A new version of the multi campus policy was approved. The document provides further guidance on how ESSA works with universities to ensure consistent quality outcomes from all its approved courses that are run over several sites.

Practicum guide – Over the course of 2018, the practicum guide has been designed, reviewed and released with an aim to provide further assistance to practicum coordinators, practicum supervisors and students alike. The review and updates to the document reflect currency of information, clarity of requirements and provide examples where feedback has been received. ESSA strives to ensure the requirements are consistent with industry expectations and welcomes any feedback.

Go1 – This online platform was reviewed and selected for use to support the construction of an online application system. The program is already in use in other parts of the ESSA business as a learning tool, but the functionality of the platform was noted to be of particular use in supporting applicants to complete forms and submit evidence in a format that will expedite and simplify the accreditation processes. The build of the online application processes will be a project for 2019, seizing the potential benefits that the system brings to our future members.

INDIVIDUAL ACCREDITATION IN 2018

NUMBER OF
INDIVIDUALS
APPLYING

1,554

NUMBER OF
APPLICATIONS

1,771

SPORTS SCIENCE
(LEVEL 1 & 2) & **HIGH**
PERFORMANCE

234

EXERCISE
SCIENCE

257

AMNESTY
EXERCISE SCIENCE

104

EXERCISE
PHYSIOLOGY

760

INTERNATIONALS
EXAMINATION PATHWAY

9

GRADUATE ENTRY
(INCL. REASSESSMENT)

407

COURSE ACCREDITATION IN 2018

NUMBER CONSIDERED
FOR **QUALIFYING**
APPROVAL

13

FROM **9**
UNIVERSITIES

At the end of 2018, the ESSA published list for fully accredited courses increased to:

COURSES
WITH **FULL**
ACCREDITATION

75

UNIVERSITIES WITH
FULLY ACCREDITED
COURSES

30

PROFESSIONAL DEVELOPMENT

In 2018, over 9,300 delegates registered to attend the 164 professional development offerings provided by ESSA. These included Research to Practice 2018, 48 workshops, one online course, 22 webinars, four free member resource podcasts, and 88 other podcasts. In addition to these, over 100 external professional development courses were accredited and marketed on the Professional Development Centre.

ESSA's major event, Research to Practice 2018, was held in Brisbane, Queensland, between 27 March 2018 and 29 March 2018. These dates were selected to coincide with the 2018 Commonwealth Games being held at the Gold Coast the following week. We would like to extend our thanks to Prue Cormie and John Hawley for acting as Chairs at the event.

The 1,034 delegates who attended Research to Practice 2018 represented 14 countries and had the opportunity to attend four different streams of lectures, including keynote presenters, special guests, invited presenters, a variety of award finalists, and abstract submitted oral presentations.

The charity partner for Research to Practice 2018 was HeartKids who received a donation of \$7,860.00 generated from the conference.

ESSA WOULD LIKE TO THANK THE SPONSORS OF RESEARCH TO PRACTICE 2018:

Bodytastic - Platinum Sponsor

Deakin University - Gold Sponsor

Edith Cowan University - Bronze Sponsor

Freedom Foods Group Limited - Barley+ Breakfast and Snack

POLICY AND ADVOCACY

During 2018, ESSA policy and advocacy work took place against the backdrop of a relatively large number of government reviews and the introduction of new health policies and initiatives. This environment demanded a range of work and responses in the form of submissions, direct lobbying and positioning activities for the future.

Some of our key activities for the year have included the following:

- » A submission to the **Medical Benefits Scheme Review** in June contained evidence and justification for 17 recommendations for items;
- » Further submissions made to:
 - › the *Senate Inquiry into the Obesity Epidemic*
 - › the *Government Review of Australia's Sports Integrity Arrangements*
 - › the *Senate Inquiry into Mental Health Services in Rural and Remote Australia*
 - › the *NDIS Market Readiness Submission*
 - › the *Review of Allied Health Professionals with Limited Registration and Pain Management Services in Aged Care*
 - › the *Income and Work Census*
 - › the *Government Pre-Budget Submission*
- » Consultation, lobbying and provision of evidence to the **National Disability Insurance Agency (NDIA)** in support of the requested change in AEP registration category from Improved Health and Wellbeing to Improved Daily Living;
- » Consultation with the Department of Health in relation to the 2018 **Private Health Insurance Reforms** and consultation with major insurance funds to optimize the categorisation of AEP services;
- » Negotiated improvements to **WorkCover** Qld and RTW SA fee schedules;
- » Consultation with the **Department of Veterans' Affairs (DVA)** regarding the implementation needs for the new allied health treatment cycle changes and a submission to the Rehabilitation Appliances Program (RAP) Schedule Review; and
- » Lobbying to all states, territories and the Australian Government in relation to gaining an **Exemption on GST** for AEP services.

Direct advocacy to government has also been prevalent. Numerous meetings with state and federal government ministers and advisors across multiple departments were held during the year to represent the interests of our members. With the release of the Commonwealth Government's 2030 National Sports Plan, ESSA confirmed its support for the plan and the role the membership can provide.

The significant policy and advocacy advances made in 2018 have continued to position and profile ESSA members and their important role across the health and community sectors. As 2019 approaches, we are confident that a solid foundation has been built for further successful outcomes for the professions and organisation.

EXERCISE IS MEDICINE® AUSTRALIA (EIM)

The primary objective of EIM is to improve the health and well-being of all Australians through regular physical activity prescription from primary health providers.

In 2018, EIM Australia continued to provide valuable education to GPs and practice nurses on the importance of exercise and referral pathways. Funding received from the Commonwealth Department of Health was used to conduct education workshops across 31 Primary Health Networks. The interactive two-hour workshops detailed the role of physical activity in the prevention and management of chronic disease by reviewing and assessing every patient's physical activity levels at every visit.

To complement the workshops, EIM Australia launched a new online module for GPs, primary health nurses and other health professionals titled '*Exercise is Medicine: Enhancing Patient Outcomes through Lifestyle Interventions*'. The online module is free of charge and is accredited with RACGP and APNA. The module was developed and launched in early September and attracted over 200 registrations during the final three months of the year.

A key part of the EIM message generally, and EIM workshops specifically, is the importance of the relationships formed between healthcare providers and local exercise professionals in the management and care of chronic disease patients. EIM has

resources available for exercise professionals to share with their local GPs and practice nurses to build those relationships. The online module is an additional resource to help build and strengthen relationships to help increase the standard of care for patients.

Further activity for EIM Australia in 2018 included attendance and exhibiting at both the GPCE and APNA conferences and supporting the Exercise Right for Doctors Week campaign, conducted in November. This extensive campaign used stakeholder engagement, media releases, social media channels and direct advertising to promote the benefits of exercise to doctors and practice nurses, especially for the prevention, treatment and management of chronic health conditions.

The EIM Australia website provides useful information for healthcare professionals including tools, factsheets, education information and provides directions on how to join the EIM network to help users connect with a local Accredited Exercise Physiologist (AEP).

www.exerciseismedicine.com.au

STANDARDS DEVELOPMENT AND IMPLEMENTATION

ESSA successfully completed a high volume of standards development activities in 2018, including the following:

- » In February 2018, ESSA achieved full membership with National Alliance of Self-Regulating Health Professions (NASRHP), the second professional association to do so. This is an important step forward in recognition of the quality of self-regulated professions;
- » Rollout of best practice professional practice standards in line with NASRHP including Recency of Practice, English Language and Scope of Practice. The AEP and AES Scopes of Practice were also updated to reflect contemporary best practice and improve understanding of the capabilities of the professions;
- » Development of professional practice resources including free member professional development podcasts 'Playing by the Rules' and 'Understanding Scope of Practice';
- » Undertook review of the ASpS and AHPM Professional Standards, updates to the ASpS Scope of Practice and development of AHPM Scope of Practice which is in final approval stage;
- » Conducted a review of the Adult Pre-Exercise Screening System (APSS) in conjunction with Sports Medicine Australia and Fitness Australia;
- » Undertook a major review of ESSA's Continuing Professional Development Framework, including updates to CPD Guidelines and points system;
- » Commenced development of a Children's Pre-Exercise Screening Tool with Sports Medicine Australia and Fitness Australia; and
- » Commenced a prediabetes position statement in collaboration with Dietitian's Association of Australia and Australian Diabetes Educators Association.

PROFESSIONAL STANDARDS ADVISORY COUNCIL (PSAC)

In 2018, the Professional Standards Advisory Council continued its work providing strategic advice to ESSA on current and emerging issues facing industry, and ongoing governance work to ensure ESSA maintains best practice professional standards. The PSAC oversaw major projects relating to professional standards including:

- » Major review of ESSA's Continuing Professional Development Framework including development of ESSA's Continuing Professional Development Policy;
- » Review of the ASpS and AHPM Professional Standards; and
- » Evaluation of the effectiveness of professional standards.

EXERCISE PHYSIOLOGY ADVISORY GROUP (EPAG)

The Exercise Physiology Advisory Group provides strategic and operational insight for the development of the Exercise Physiology profession and assists ESSA with projects and tasks that support professional opportunities and positioning.

- » Further general feedback provided for the Future Workforce Report, the APSS Review, the Children's Pre-Exercise Screening System development, NDIA consultations, and broadly across all regulatory schemes.

Several important pieces of work were completed by the EPAG during 2018, including:

- » Development of a 'Compassion Fatigue' podcast resource for AEPs;
- » Provision of extensive feedback on the professional Scope of Practice, CPD Review, MBS Review, Aged Care Reform and Mental Health; and

Due to the completion of appointment terms, several experienced members of the group were required to step off at the end of 2018. ESSA wishes to acknowledge and thank these members for their great contribution to the EPAG during their terms of engagement.

EXERCISE SCIENCE ADVISORY GROUP (ESAG)

The Exercise Science Advisory Group provides ESSA with support and insight for the development of the AES profession and the Exercise Science Industry.

- » Feedback on the CPD Review, Future Workforce Report project and APSS Review.

In 2018, the ESAG completed several tasks that contributed to the development of the Exercise Science industry. These included:

- » Development of an AES Career Pathway Chart to be disseminated to university ES faculties;
- » Consultation with key fitness industry businesses regarding the engagement of AES; and

During the latter part of 2018, the group contributed to the planning of forthcoming activities that will help to grow the AES profession. These include the dissemination of resources and stakeholder engagement for the promotion of AES across the health, education and community sectors.

MARKETING, COMMUNICATIONS AND MEMBER DEVELOPMENT

2018 saw an organisational reshuffle which led to member development being managed by the marketing and communications team. With member development being a key focus for ESSA, a number of new projects were launched in 2018, including:

- » Launch of ESSA Business Network which supports business owners or those wishing to start their own business. This led to over 800 sign ups, over 30 business chats and the introduction of the 'Business Start Up' Guide;
- » Increased number of marketing and information resources to help guide our members;
- » Monthly MOVE magazine distributed to all ESSA members to provide the latest industry news, product and technology reviews and best practice information;
- » Member support provided through a dedicated member development staff member on the topics of employment, business and client management advice;
- » Launch of the new ESSA website with increased functionality for members; and
- » Development of ESSA Careers Guide.

As always, a priority for the marketing and communications team is to help raise the profile of the ESSA professions to all Australians. Key projects that supported this included:

- » Exercise Right Week 2018 was held in May 2018. Key statistics included:
 - › 13,267 new users to the Exercise Right website
 - › 50,830 page views on Exercise Right
 - › 83.7% increased visits to 'Find an AEP' search function

- » Introduction of Exercise Right for Doctors Week which targeted GPs and nurses to promote the role of our members and exercise prescription. Key statistics included:

- › 20% increase in new users to the Exercise Right website, and a 38% increase in page views during the campaign week
- › There was a 170% increase in our reach across Facebook, and engagement across all social media channels improved significantly during the week
- › We undertook a targeted Facebook advertising campaign, aimed at doctors and nurses, which generated 1,486 link clicks to the Exercise Right for Doctors page on the Exercise Right website
- » Over 300,000 users accessing Exercise Right platform throughout 2018, our highest number since inception of the brand;
- » Over 170 media articles which directly referenced ESSA professions and the importance of exercise; and
- » Development of ESSA eBook on Exercise & Mental Health, the first in a series of educational resources aimed at the general public with a sole aim of raising the profile of our professions and the importance of exercise.

SPECIAL PURPOSE **FINANCIAL** **REPORT** FOR THE YEAR ENDED **31 DECEMBER 2018**

Exercise and Sports Science Australia Limited

ABN: 14 053 849 460

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FINANCE REPORT 2018

The role of ESSA's Audit, Finance and Risk Committee is to assist the Board to fulfil its duties in relation to audit, finance, compliance and risk responsibilities. As Chair of the Committee, it is my pleasure to present ESSA's financial report for the year ended 31 December 2018.

During 2018, ESSA recorded total revenue of \$5,049,325, an increase of 29% compared to 2017 (\$3,914,413). This increase in revenue was largely due to ESSA's biennial Research to Practice Conference, that attracted revenue of \$718,130. The main revenue streams for 2018 remained accreditation fees, at \$1,729,468 (including individual accreditation and professional development course accreditation) and membership fees, at \$1,419,769. Total expenditure amounted to \$4,565,782 in 2018, compared to \$3,579,213 in the previous year. This increase was also largely due to conference expenditure of \$654,531.

ESSA's cash flow remained positive in 2018, with inflows of \$5,180,901 and outflows of \$4,892,813. Cash balances held by ESSA grew to \$3,173,608 at year end.

Total assets as at the end of 2018 totalled \$3,637,158, an increase of 13.5% (2017: \$3,203,895). Total assets comprised primarily cash investments.

Total liabilities decreased from \$1,554,199 (2017) to \$1,503,919 at the end of 2018, a decrease of 3.3%. As a result of changes in overall assets and liabilities and our operating surplus for the year, total equity increased to \$2,133,239 at year end.

ESSA recorded a surplus of \$483,543 for the 2018 year. This will further strengthen our ability to invest in future strategies and growth, and ultimately, to fulfil our mission to lead and promote excellence in exercise and sports science for the benefit of society and our professions.

In 2019, development of a master plan for finance will be a key focus for the Board and management. Surpluses in 2018 and earlier years mean that ESSA is well placed to invest some of these retained earnings in creating increased value for members. The plan is intended to ensure that ESSA's financial position continues to provide the strength to underpin investment in strategic initiatives that benefit members and promotes efficient and effective administration of the business.

Yours sincerely,

Carolyn Pillans

CHAIR, AUDIT, FINANCE AND RISK COMMITTEE

DIRECTORS' REPORT

Your Directors present their report on the company for the year ended 31 December 2018.

Directors

The following persons were Directors of the company during the whole of the financial year and up to the date of this report unless otherwise stated:

Dr Kade Davison
 Professor Steve Selig
 Dr Simon Rosenbaum
 Ms Kirsty Rawlings
 Professor Aaron Coutts
 Dr Brendan Joss
 Mrs Philippa Ellis
 Mrs Carolyn Pillans
 Prof Julie Cotter (from July 2018)

Principal Activities

2018 was the second year of ESSA's strategic plan: 2017-2020. The strategic plan provides a clear direction to the Board and management of the organisation to bolster the previous work of the organisation.

The company's long term goals from the strategic plan are:

- ESSA will comprise more than 10,000 members and 6,000 accredited professionals.
- Clinical exercise interventions by accredited exercise physiologists will be included as part of standard care for all people with complex and chronic medical conditions or injuries.
- Accredited Exercise Scientist will be the preferred minimum qualification for exercise prescription and delivery for healthy people and those at increased risk of developing chronic disease.
- All professional sports people and those at the representative level will engage the appropriate services of accredited sports scientists or accredited high performance managers.
- Australians will understand and value the benefits of exercise prescribed by an appropriately accredited exercise practitioner.

Along with these, the Board wish to continue to:

- Grow the organisation.
- Promote its industries and its professions and influence key decision makers and stakeholders in the areas of exercise and sports science, health and fitness.

- Establish a strong platform for professional network opportunities and industry linkages for its members.
- Become the organisation of choice for high quality continuing education and professional development in the fields of exercise and sports science.
- Support its members to maintain high professional standards of practice and ensure quality delivery of services to the community.

The 2017-2020 strategic plan was designed to:

- Provide guidance to the National Board, National Office, Councils and Committees to plan and focus their work towards achieving the key strategic objectives of the organisation.
- Inform the process of developing the operational plan, budgeting and allocation of resources of the organisation to meet the key strategic objectives.
- Provide a framework to develop the key performance indicators of the organisation
- Inform and communicate with the membership and stakeholders about the direction and intent of the organisation.

During 2018, ESSA focused on the following key activities:

- Following approval of ESSA's application for membership with the National Alliance of Self Regulating Professions (NASRHP), implementation of an enhanced self-regulatory framework to align with the NASRHP Standards commenced in 2018.
- Lobbying for the need for sports science accreditation for national level professionals.
- Supporting sports scientists and high performance managers who are now required to hold an ESSA accreditation.
- Providing the 2018 Research to Practice Conference to the members.
- Expanding on the professional development offerings, particularly via online modes.
- Ongoing liaison and advocating with health funds, regulatory agencies (e.g. Medicare, Department of Veterans' Affairs, WorkCover, NDIA), disease organisations and coalitions.
- Development of materials for the readiness for key health reforms coming through in 2018 and 2019.
- Development of a Future Workforce report.
- Over 170 media mentions.
- Lobbying activities using ESSA's strategic policies.
- Review of the Sports Science and High Performance Manager Professional Standards.
- Signing of MOUs with the American College of Sports Medicine (ACSM).
- Ongoing media exposure through media releases and blogs.
- Expanding the promotion of Exercise Right Week and the importance of the right practitioner at the right time.
- Delivery of Exercise is Medicine workshops to GPs and practice nurses.

In 2019, development of a long term financial strategy will be a key focus for the Board and management. Surpluses in 2018 and earlier years mean that ESSA is well placed to invest some of these retained earnings in creating increased value for members. The plan is intended to ensure that ESSA's financial position continues to provide the strength to underpin investment in strategic initiatives that benefit members and promotes efficient and effective administration of the business

Key Performance Measures

The organisation measures its own performance through the use of both quantitative and qualitative benchmarks. The benchmarks are used by the Directors to assess the financial sustainability of the company and whether the company's short-term and long-term objectives are being achieved.

	2018		2017	
	Actual	Benchmark	Actual	Benchmark
<i>Membership</i>				
Total membership	8,626	8,990	8,173	7,628
Full membership	5,676	5,598	5,059	4,780
Accredited Exercise Physiologist	5,101	5,043	4,626	4,373
Accredited Sports Scientists	190	150	73	79
Accredited Exercise Scientist	484	452	424	398
Accredited High Performance Managers	30	40	12	8
<i>Operational and financial</i>				
Proportion of funding provided by:				
- membership	\$1,419,769	\$1,350,000	\$1,238,287	\$1,166,241
- accreditation	\$1,729,468	\$1,577,500	\$1,464,251	\$1,366,362
- professional development	\$316,238	\$245,615	\$454,115	\$266,418
- conference	\$718,310	\$878,705	-	-
- course accreditation	\$246,224	\$187,956	\$257,660	\$277,252
Proportion of funding spent on:				
- operational	\$3,629,841	\$3,736,054	\$3,250,753	\$3,591,805
- conference	\$654,531	\$799,414	-	-
- course accreditation	\$279,116	\$251,725	\$201,978	\$257,698

Information on Directors

Dr Kade Davison	Dip. Bldg Tech (Contract Admin/Quant Survey), B AppSci (HMS), B Hlth Sci (Hons) PhD, AEP, GAICD	Lecturer – University of South Australia	President (Jan - May 2018) Director (May- Dec 2018) Member of Governance and Nomination Committee (Jan - May 2018) Member of Research Review Committee
Professor Steve Selig	BSc (Hons), DIP (PE), PhD, AEP	Professor, Clinical Exercise Science – Deakin University - retired	Director (Jan – May 2018) Vice President (June – Dec 2018) Member of the Audit, Finance and Risk Committee
Dr Simon Rosenbaum	BSc (Health & Ex Sc), Hons, PhD, AEP	Senior Research Fellow – University of New South Wales Honorary Fellow – Black Dog Institute	Director Member of the Audit, Finance and Risk Committee Chair of Research Review Committee
Ms Kirsty Rawlings	BAppSc(ExSpSc), Hons HMS, B Ed Studies, AEP GAICD	Head of The Plug-in and Innovation – COTA SA	Director Vice President (Jan – May 2018) President (May- Dec 2018) Member of the Governance and Nominations Committee
Prof Aaron Coutts	BAppSc(HMS), PhD, ASpS	Professor – University of Technology Sydney Sports Science Consultant – Carlton Football Club	Director Member of Research Review Committee
Mrs Philippa Ellis	B.Sc., B.Comm, GAICD, AGIA	Non-executive Director – Catherine Hamlin Fistula Foundation Senior Adviser – Corporate Governance Secretarial – FIRST Advisers	Director Member of Governance and Nomination Committee

Mrs Carolyn Pillans	B.Comm (Accounting & Corporate Governance), Grad.DipApp CorpGov, Company Directors Course, FGIA, FCIS, GAICD	CTP Consulting: Principal Consultant Lifeline Tasmania: Non-Executive Director, Treasurer, Audit & Risk Committee Member, Governance Committee Member Sorell Council: Independent Audit Panel Member; Tasman Council: Independent Audit Panel Member	Director Chair of the Audit, Finance and Risk Committee
Dr Brendan Joss	B.Sc. (Hons), PhD, AEP	Managing Director – HFRC Pty Ltd. Adjunct Assoc. Prof – University of Western Australia.	Director
Emeritus Professor Julie Cotter	Bachelor of Commerce (Honours), PhD, GAICD Fellow, CPA Australia CA	Independent Member, Audit and Risk Management Committee, Department of Education Queensland Board member, Darling Downs Hospital and Health Board Member, Australian Agricultural Company Scientific Advisory Board Chair, Australian Institute of Company	Director (July – Dec 2018) Member of Audit, Finance and Risk (Aug – Dec 2018)
		Directors Toowoomba Regional Committee Honorary Professor, University of Southern Queensland	

Meetings of Directors

During the financial year, 8 meetings of Directors were held. Attendances by each Director were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Dr Kade Davison	8	8
Professor Steve Selig	8	8
Dr Simon Rosenbaum	8	7
Ms Kirsty Rawlings	8	8
Professor Aaron Coutts	8	8
Mrs Philippa Ellis	8	7
Mrs Carolyn Pillans	8	8
Dr Brendan Joss	8	8
Prof Julie Cotter	3	3

The entity is incorporated under the *Corporations Act 2001* and is an entity limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the entity. At 31 December 2018, the number of members were 8626, therefore the contribution maximum total would be \$86,260. (8173 members in 2017: \$81,370).

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



.....
Director

Brisbane, 10 April 2019

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2018

	Notes	2018 \$	2017 \$
Revenue	2	5,049,325	3,914,413
Employment benefits and on costs		(2,067,350)	(1,924,588)
Depreciation and amortisation expense		(22,856)	(21,778)
Course Accreditation expenses	4	(279,116)	(201,978)
Administration expenses	3	(2,196,460)	(1,430,869)
Profit/(loss) before income tax		483,543	335,200
Income tax expense	1(k)	-	-
Profit/(loss) for the year		483,543	335,200
Other comprehensive income		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income/(loss) for the year		483,543	335,200
Profit/(loss) attributable to members of the entity		483,543	335,200
Total comprehensive income/(loss) attributable to members of the entity		483,543	335,200

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION

as at 31 December 2018

	Notes	2018 \$	2017 \$
CURRENT ASSETS			
Cash	5	3,173,608	2,829,150
Trade and other receivables	6	346,169	248,109
Inventories	7	6,895	1,864
Total Current Assets		3,526,672	3,079,123
NON-CURRENT ASSETS			
Plant and equipment	8	30,315	48,872
Intangible assets	9	2,950	1,650
Trade and other receivables	10	77,220	74,250
Total Non-Current Assets		110,486	124,772
TOTAL ASSETS		3,637,158	3,203,895
CURRENT LIABILITIES			
Trade and other payables	11	465,175	360,562
Provisions	12	164,585	160,959
Deferred revenue	13	814,114	1,003,270
Total Current Liabilities		1,443,874	1,524,791
NON-CURRENT LIABILITIES			
Provisions	14	60,045	29,408
Total Non-Current Liabilities		60,045	29,408
TOTAL LIABILITIES		1,503,919	1,554,199
NET ASSETS		2,133,239	1,649,696
EQUITY			
Retained earnings	15	2,133,239	1,649,696
TOTAL EQUITY		2,133,239	1,649,696

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 2018

	Notes	2018 \$	2017 \$
Total equity at the beginning of the year		1,649,696	1,314,495
Total comprehensive income/(loss) attributable to the entity		483,543	335,200
Total equity at the end of the year	15	2,133,239	1,649,696

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 2018

	Notes	2018 \$ Inflows/ (Outflows)	2017 \$ Inflows/ (Outflows)
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers (inclusive of GST)		5,180,901	4,672,468
Payments to suppliers and employees (inclusive of GST)		(4,892,813)	(3,994,432)
		288,088	678,036
Interest received		70,878	58,044
Net cash generated from operating activities	18(a)	358,966	736,080
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant and equipment		(13,208)	(22,962)
Payments to Trademarks		(1,300)	-
Net cash (used in)/generated from investing activities		(14,508)	(22,962)
Net increase in cash held		344,458	713,118
Cash at the beginning of the financial year		2,829,150	2,116,032
Cash at the end of the financial year	18(b)	3,173,608	2,829,150

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The directors have prepared the financial statements on the basis that the company is a non-reporting entity because there are no users who are dependent on its general purpose financial reports. These financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Exercise and Sports Science Australia Limited is an Australian Public Company limited by Guarantee, incorporated and domiciled in Australia.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the *Australian Charities and Not-for-profits Commission Act 2012* and the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on 10 April 2019 by the directors of the company.

Accounting policies

(a) Revenue

Revenue from rendering of a service is recognised upon the delivery of the service to the customers.

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

Contributions of non-current assets are measured at the fair value of the consideration received or receivable.

Non-reciprocal grant revenue is recognised in the statement of comprehensive income when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Revenue (continued)

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

All revenue is stated net of the amount of goods and services tax (GST).

(b) Deferred revenue

Revenue received in advance is deferred and recognised as a current liability. Deferred revenue is recognised as revenue in the Statement of Profit or Loss and Other Comprehensive Income when the service or event to which the revenue relates has occurred.

(c) Receivables

The collectability of debts is assessed at year end and provision is made for any doubtful accounts.

Debtors are usually settled within 30 days and are therefore carried at amounts due.

(d) Inventories

Goods are carried at the lower of cost and current replacement cost.

(e) Plant and Equipment

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

Plant and equipment

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(e) Plant and Equipment (continued)

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 that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Plant and equipment that have been contributed at no cost, or for nominal cost, are recognised at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Office Equipment	10-50%
Computer Equipment	25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised immediately in profit or loss. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(f) Leases

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the lease term.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(g) Impairment

At the end of each reporting period, the entity 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 statement of profit or loss and other comprehensive income.

(h) Employee Entitlements

Superannuation

Contributions are made by the company to an employee superannuation fund and are charged as expenses when incurred.

Employee benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

(i) 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 twelve months or less and bank overdrafts.

(j) 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 (ATO). Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(k) Income tax

The Company is a not for profit organisation which is exempt from the payment of company income tax under Division 50 of the Income Tax Assessment Act 1997.

(l) Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic 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.

(m) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

(n) New accounting standards for application in future periods

Accounting Standards issued by the AASB that are not yet mandatorily applicable to the company, together with an assessment of the potential impact of such pronouncements on the company when adopted in future periods, are discussed below:

AASB 15: Revenue from Contracts with Customers (applicable to annual reporting periods beginning on or after 1 January 2019, as deferred by *AASB 2016-8: Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities*).

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Apart from a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(n) New accounting standards for application in future periods (continued)

- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

The transitional provisions of this Standard permit an entity to either: restate the contracts that existed in each prior period presented per AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors* (subject to certain practical expedients in AASB 15); or recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application. There are also enhanced disclosure requirements regarding revenue.

Although the directors anticipate that the adoption of AASB 15 may have an impact on the company's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

AASB 16: *Leases* (applicable to annual reporting periods beginning on or after 1 January 2019).

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: *Leases and related Interpretations*. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard are as follows:

- recognition of a right-of-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-of-use assets in line with AASB 116: *Property, Plant and Equipment* in profit or loss and unwinding of the liability in principal and interest components;
- inclusion of variable lease payments that depend on an index or a rate in the initial measurement of the lease liability using the index or rate at the commencement date;
- application of a practical expedient to permit a lessee to elect not to separate non-lease components and instead account for all components as a lease; and
- inclusion of additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors* or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(n) New accounting standards for application in future periods (continued)

Although the directors anticipate that the adoption of AASB 16 will impact the company's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

AASB 9: *Financial Instruments and associated Amending Standards* (applicable to annual reporting periods beginning on or after 1 January 2019, as deferred by AASB 2016-8: *Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities*).

The key changes that may affect the company on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of the Standard, the application of such accounting would be largely prospective.

Although the directors anticipate that the adoption of AASB 9 will impact the company's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

(o) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments 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.

There are no estimates or judgements used by management that have a material impact on these financial statements.

(p) Comparative amounts

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

	2018	2017
	\$	\$

2. REVENUE

Accreditation fees	1,729,468	1,464,251
Membership dues	1,419,769	1,238,287
Professional education courses	316,238	454,115
Advertising income	83,859	70,922
Interest income	70,878	58,043
Insurance income	93,637	77,811
Conference income	718,130	-
Business forum income	-	92,968
Course Accreditation income	246,224	257,660
Sponsorship income	4,185	15,678
Other income	366,937	184,678
	5,049,325	3,914,413

3. ADMINISTRATION EXPENSES

Conference expenses	654,531	-
Business forum	-	104,703
Professional fees	183,683	123,834
Board remuneration	46,692	41,772
Professional education expenses	-	57,228
Travel and accommodation	122,368	134,013
IT expenses	68,792	34,241
Rent	239,615	212,464
Advertising and promotion	160,084	91,966
Subscriptions	112,095	59,883
Venue hire	104,770	116,589
Presenter fee	89,692	71,182
Printing and postage	53,011	45,091
Membership packs	28,071	25,383
Equipment rental	31,346	36,668
Grants and awards	39,454	52,509
Other	262,254	223,343
	2,196,460	1,430,869

	2018 \$	2017 \$
4. COURSE ACCREDITATION EXPENSES		
Salary expenses	149,033	96,568
Other expenses	130,083	105,410
	<u>279,116</u>	<u>201,978</u>
5. CURRENT ASSETS - Cash		
Cash at bank	3,173,529	2,829,071
Cash on hand	79	79
	<u>3,173,608</u>	<u>2,829,150</u>
6. CURRENT ASSETS – Trade and other receivables		
Trade receivables	155,441	92,256
Other receivables	31,867	17,400
Prepayments	158,861	138,453
	<u>346,169</u>	<u>248,109</u>
7. CURRENT ASSETS – Inventories		
Finished goods	6,895	1,864
	<u>6,895</u>	<u>1,864</u>
8. NON-CURRENT ASSETS - Plant and equipment		
Office equipment – at cost	68,232	191,120
Accumulated depreciation	(39,530)	(148,700)
	<u>28,702</u>	<u>42,420</u>
IT System	142,075	142,075
Accumulated depreciation	(140,462)	(135,623)
	<u>1,613</u>	<u>6,452</u>
Total plant and equipment	<u>30,315</u>	<u>48,872</u>
9. NON-CURRENT ASSETS – Intangible assets		
Trademark	2,950	1,650
	<u>2,950</u>	<u>1,650</u>
10. NON-CURRENT ASSETS – Trade and other receivables		
Lease deposit	77,220	74,250
	<u>77,220</u>	<u>74,250</u>

	2018	2017
	\$	\$
11. CURRENT LIABILITIES – Trade and other payables		
Trade creditors	123,067	50,062
ATO liabilities	109,430	106,277
Accrued liabilities	161,313	140,533
Other payables	71,365	63,690
	<u>465,175</u>	<u>360,562</u>
12. CURRENT LIABILITIES - Provisions		
Provision for annual leave	117,899	115,932
Provision for long service leave	46,686	45,027
	<u>164,585</u>	<u>160,959</u>
13. CURRENT LIABILITIES – Deferred Revenue		
Membership, accreditation and other fees in advance	814,114	1,003,270
	<u>814,114</u>	<u>1,003,270</u>
14. NON-CURRENT LIABILITIES - Provisions		
Provision for long service leave	60,045	29,408
	<u>60,045</u>	<u>29,408</u>
15. RETAINED PROFITS		
Retained profits at the beginning of the financial year	1,649,696	1,314,496
Net profit/(loss)	483,543	335,200
Retained profits at the end of the financial year	<u>2,133,239</u>	<u>1,649,696</u>
16. MEMBERS' GUARANTEE		

The company is limited by guarantee. If the company is wound up, the Constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the company. At 31 December 2018 the number of members was \$86,260 (2017 : \$81,730).

	2018	2017
	\$	\$
17. REMUNERATION OF AUDITORS		
Amounts received, or due and receivable by the auditors of the company for auditing the accounts of the company	9,400	9,250
Other services	1,100	1,000
	<u>10,500</u>	<u>10,250</u>

18. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of profit/(loss) from ordinary activities after income tax to net cash inflow from operating activities

Net profit/(loss)	483,543	335,200
Depreciation	22,856	21,778
Loss on disposal of non-current assets	8,908	-
Change in operating assets and liabilities:		
(Increase)/decrease in trade and other debtors	(77,652)	56,772
(Increase)/decrease in inventories	(5,032)	3,454
(Increase)/decrease in other receivables	(2,970)	28,581
(Increase)/decrease in prepayments	(20,408)	(63,190)
Increase/(decrease) in revenue received in advance	(189,156)	336,518
Increase/(decrease) in trade creditors	104,613	(9,409)
Increase/(decrease) in other provisions	34,263	26,376
Net cash inflow from operating activities	<u>358,966</u>	<u>736,080</u>

(b) Reconciliation of cash

Cash at bank and on hand	3,173,608	2,829,150
Cash per Statement of Cash Flows	<u>3,173,608</u>	<u>2,829,150</u>

19. COMMITMENTS FOR EXPENDITURE

Commitments in relation to operating leases are payable as follows:

Not later than 1 year	213,695	205,273
Later than 1 year but not later than 5 years	267,673	477,418
Later than 5 years	-	-
	<u>481,368</u>	<u>682,692</u>

20. EVENTS AFTER BALANCE DATE

In February 2019 ESSA was awarded \$1,838,000 in funding through Sport Australia's Move It AUS – Better Ageing grant program. The funding will see ESSA's Accredited Exercise Physiologists and Accredited Exercise Scientist deliver a range of subsidised group exercise classes, as well as individualised exercise and volunteering pathways for older Australians. The funding for this project will commence in July 2019.

Other than the above information no matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

21. COMPANY DETAILS

The registered office of the company is:

9 Hercules Street
HAMILTON QLD 4007

The principal place of business is:

9 Hercules Street
HAMILTON QLD 4007

DIRECTORS' DECLARATION

The directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 25 to 40, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:
 - i. comply with the Australian Accounting Standards (including Australian Accounting Interpretations) and the *Australian Charities and Not-for-profits Commission Regulation 2013*; and
 - ii. give a true and fair view of the financial position of the company as at 31 December 2018 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 of the financial statements.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.



.....
Director

Brisbane, 10 April 2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EXERCISE AND SPORTS SCIENCE AUSTRALIA

Report on the Financial Report

Opinion

We have audited the financial report of Exercise And Sports Science Australia Limited (the Company), which comprises the statement of financial position as at 31 December 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the financial report of Exercise And Sports Science Australia Limited has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-Profits Commission Act 2012*, including:

- (a) Presenting fairly a view of the Company's financial position as at 31 December 2018 and its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1, and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. Our responsibilities under those standards are further described in the Auditor's Responsibility section of our report.

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

Independence

We are independent of the Company in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) 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.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the company's financial reporting responsibilities under the ACNC Act. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the entity's Annual Report, 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 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.

Directors' Responsibilities for the Financial Report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the ACNC Act and the needs of the members. The Director's responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using a going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 the financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Directors.
- Conclude on the appropriateness of Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



PKF BRISBANE AUDIT



CAMERON BRADLEY
PARTNER

10 APRIL 2019
BRISBANE

SPECIAL PURPOSE
FINANCIAL REPORT
FOR THE YEAR ENDED
31 DECEMBER 2018

