





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

This was another busy year for ESSA with huge successes in some areas and incremental progression in others.

Member numbers continue to grow with 2019 seeing ESSA pass 6,000 full members (6,516) and 9,000 overall members including students. Likewise, accreditation across all of our professions has increased (12% AEP, 30% AES, 60% ASpS, and 80% in AHPM), suggesting that more and more consumers are experiencing the benefits of the services of accredited exercise and sports science/exercise physiology practitioners. Importantly, this saw ESSA go well past its strategic goal of 6,000 accredited professionals 12 months ahead of our aspirational schedule.

ESSA finished 2019 in a positive financial position recording a surplus of just over \$220,000. This serves to supplement existing contingency funds to support the board and senior management in financing strategic or unforeseen risks and opportunities over the coming years. This is particularly advantageous as ESSA goes into the final year of its current strategic plan and commences the process of mapping out the core objectives for the next three years and beyond.

The reputation of our professions and of ESSA as trusted, ethical and responsible experts in the role of exercise and sports science for health and performance continues to grow in Australia and around the world. This year has seen ESSA secure its largest non-member based income in its history to deliver the *Exercise Right for Active Ageing* program through accredited members. ESSA has also used this opportunity to commission research to demonstrate the benefit of AES/AEP-led exercise services for older Australians. The strength of our brand also saw ESSA invited as a key stakeholder to numerous policy and clinical guideline development processes including the Federal Preventive Health Strategy, due for release in 2020. ESSA's great work in advocating for the importance of exercise and for the role of our professions was also acknowledged through being named as finalists for two national awards, with the

Exercise Right Week campaign coming out on top. Internationally, ESSA has continued to build strong bilateral relationships and has led a steering committee of key organisations to form an official international organisation to advocate for the role of our accredited professionals across the world and build international relationships with global stakeholders.

ESSA and our professions continue year on year to achieve bigger and better opportunities and continue to grow in numbers, recognition, relevance and reach. It is important to acknowledge, however, that as we expand, we must still deliver on the work that came before. The core business of maintaining world leading accreditation systems for universities and individuals; continuing education offerings (including the conference and forum), advocacy and stakeholder engagement; and general member servicing must be maintained. On behalf of the National Board, I wish to take this opportunity to thank all of the many people that work tirelessly to do the work of ESSA, including the highly skilled and dedicated staff in the office, and all of the expert contributors to chapters, advisory groups, committees and councils. Together we continue to enhance performance, health and well-being of Australians through the science of exercise and sport.

Yours in health,

Kade Davison, PhD AES AEP ESSAM GAICD
President

CEO'S REPORT

As Chief Executive Officer of ESSA, I am proud to present the 2019 Annual Report to our valued members. This report covers the key initiatives undertaken by our association and will truly reflect the hard work and dedication of our staff, committees, councils and volunteers.

A real focus for ESSA in 2019 was to develop targeted projects to support our individual accreditations and enhance day-to-day practice. The pinnacle of this focus was the launch of our inaugural *Innovation & Practice Forum* in Melbourne. The event proved to be highly successful with over 470 delegates attending. The Forum focused on practical knowledge which could be directly transferred into practices immediately.

We also saw the introduction of dedicated Sports Science and Exercise Science Development Officers at ESSA which has led to several new initiatives to help support these growth sectors. It's been very pleasing to see the number of our sports science and high performance members grow and be involved in our newly implemented 'Sports Science Meet-Ups'.

An additional key area of focus for ESSA has been increasing advocacy and working with both State and Federal Governments to promote the benefits of our members' value to society. A key example of the work was announced in June 2019, when we saw a great outcome of long-term advocacy and lobbying efforts as Exercise Physiology included in the 'Improved Daily Living Skills' category in addition to the 'Improved Health and Wellbeing' category under the NDIS. We also saw an increase in price limits, creating more opportunity for choice and control for NDIS participants.

In 2019, we were also delighted to accept a Sport Australia grant of \$1.838 million to help develop subsidised exercise classes for older Australians. The government now sees the value of our members and how they can create healthier communities, and this grant is proof of that view.

Away from the public eye, a huge amount of work has been undertaken by a great number of our committees and councils. Several pieces of work have either been completed or are underway to help support our professions, some of which are outlined in this report.

On that keynote, ESSA relies heavily on volunteers, so I wish to personally thank all those who offered their support in 2019 and urge all members to become involved in our organisation. We are a team all competing for the same goal, so please work with us in any shape or form. Not only is it professionally beneficial but your voice and actions will help shape our future.

Anita Hobson-Powell

Chief Executive Officer

GOVERNANCE

ESSA NATIONAL BOARD

President - **Dr. Kade Davison**

Vice President - **Ms Kirsty Rawlings**

Director - **Professor Steve Selig**

Director - **Dr. Simon Rosenbaum**

Director - **Dr. Brendan Joss**

Director - **Professor Aaron Coutts**

Director - **Mrs Philippa Ellis**

Director - **Emeritus Professor Julie Cotter**

Director - **Mr Steve Telburn**

ESSA STATE CHAPTERS

Queensland (QLD)

Emma Beckman - Co-Chair

Shelley Keating - Co-Chair

New South Wales (NSW)

Natalie Delana - Co-Chair

Simon Turnbull - Co-Chair

Victoria (VIC)

Ashley Bigaran - Co-Chair

Nicole Marlow - Co-Chair

South Australia (SA)

Jacinta Brinsley - Chair

Western Australia (WA)

David Beard - Chair

Tasmania (TAS)

Peter Bradley - Chair

Australian Capital Territory (ACT)

Caitlin Patat - Co-Chair

Rebecca Cesnik - Co-Chair

MEMBERSHIP STATISTICS

MEMBERSHIP NUMBERS

STUDENTS

2,454

ASSOCIATES

19

FULL MEMBERS

6,516

FELLOWS

32

LIFE

3

ACADEMICS

31

ACCREDITATION NUMBERS

AEP **5,706**

ASpS **301**

AES **629**

AHPM **55**

**correct as of 31 December 2019.*



ACCREDITATION SERVICES UNIT

2019 has been a busy year for the unit. The team comprises of six operational members who support and assess applications from both universities and individuals. These application reviews, against the current professional standards, scopes of practice, etc., ensure that all accreditation awards reflect practice requirements of today's industry areas of exercise science, exercise physiology and sports science.

The group hold a unique mix of skills sets, qualifications and experience. This ensures that they audit course applications, domestic and international individual applications, and execute the strategic directives from the governance groups. They are a diligent and hard-working team, engaged daily in guiding applicants in the best way to evidence their ability to meet relevant standards. As qualified industry experts, they know the challenges that face practitioners, graduates and course coordinators alike.

Our governance structure sees the Course Accreditation Committee working with every course review team to ensure equity and compliance in the audits conducted. This ensures that accredited courses provide students with the current learning, skills and practice they require to meet industry requirements. The Committee provide essential 'checks and balances' by engaging with key academics and industry practitioners, to remain current and pertinent in their understanding of the industry areas and academic excellence.

The above Committee are overseen by the Accreditation Council who deliver a valuable support service, as well as drive the strategic direction to maintain current best practice in accreditation frameworks. This highly esteemed group of industry practitioners and academics report regularly to the Board, to ensure ESSA's vision and mission are supported throughout accreditation.

2019 has been a year of reviews for the teams, with the governance groups supporting efficiency and increased service-level initiatives. This will continue into 2020. Initiatives have included:

- » The review and improvement of the international assessment processes, partnering with our administration team and key examination supplier to deliver easy to use and compliant application and assessment activities.
 - » Group support for NSOs across Australia to support the Australian Sports Council initiative to drive quality increase across sports science.
 - » Providing guidance to university course coordinators to absorb legislative changes regarding practicum hours meeting Department of Veterans' Affairs and Private Health Insurance requirements.
 - » Preparing for and transitioning to the use of the new professional standards for Sports Science and High Performance Management as we commence 2020.
 - » Support the review of the Exercise Science Professional Standards to ensure they create accredited outcomes to align with currency in industry requirements.
 - » Support to optimise uptake and then close out the Exercise Science Amnesty application pathway.
 - » Development of improved support materials and project controls for governance groups.
 - » Monitoring and preparing for ESSA to stay ahead of the government's Australian Qualification Framework (AQF) review, which will be implemented over the next five years across the Australian education sector.
 - » Continuing our partnerships to provide supplementary learning and assessment; allowing AEPs to meet the requirements of the NSW State Insurance Regulatory Authority (SIRA) Program to provide Workplace Assessment and Functional Capacity Evaluations.
- » The move to online submissions of applications for individuals, ensuring that interactive forms and electronic submission of evidence is user friendly.

MEMBER SERVICES UNIT

In 2019, ESSA delivered a variety of free and easily accessible services to support and develop ESSA members, including:

Free quarterly podcasts to the value of \$30

Every quarter, ESSA members were provided with access to a free ESSA podcast of their choice, valued at \$30, from a range of over 90 podcasts covering a wide variety of topics. Free access to podcasts provided the opportunity to progress the knowledge and skills of ESSA members and contribute to CPD point requirements at no cost.

Free access to EBSCO databases

Access to over 4,000 premium full text journals such as The British Medical Journal, Advances in Exercises & Sports Psychology, Journal of Nutrition and others.

Free access to The Journal of Clinical Exercise Physiology (JCEP)

The Journal of Clinical Exercise Physiology is the official quarterly journal of Clinical Exercise Physiology Association and Exercise & Sports Science Australia. This is the only global journal that focuses on clinical exercise physiology with articles including original research, contemporary reviews, case studies, and expert commentaries on topics of interest to the clinical exercise physiologist.

ESSA BUSINESS NETWORK (EBN)

Over 1,000 ESSA members accessed the EBN which delivered:

- » Monthly business chats covering a range of business topics with business owners or industry experts.
- » Access to free resources covering a wide range of business topics, including:
 - › legal
 - › insurance
 - › finance
 - › marketing
 - › starting out and planning
 - › service delivery and operations
- » The opportunity to ask questions and network with likeminded professionals on ESSA's dedicated EBN Facebook group.

EARLY CAREER NETWORK (ECN)

The ECN supports new graduates and early career professionals in practice, and includes relevant tools, guides and career chats. The ECN section of the ESSA website includes over 90 resources on five key areas: Your Job, Your Rules, Your Practice, Your Relationships, and Your Development.

Access to industry mentors

ESSA members have access to a list of mentors across a range of specialty areas, as well as a variety of mentorship resources, to provide our early career professionals with an avenue to tap into the existing knowledge and skills of our more experienced professionals.

Sports Science Meet-Ups

In 2019, ESSA introduced free quarterly Sports Science Meet-Ups. The Meet-Ups are an open forum where ESSA members within each state can discuss the latest hot topics in sports science, share knowledge and network, all under the guidance of sports science mentors.

In addition to the Meet-Ups, ESSA ran a number of successful Women in Sports Science Breakfasts to support and highlight women working in this industry.

Industry Awards

Each year, ESSA awards and recognises its outstanding accredited members who demonstrate, through their practice, a thorough understanding of the discipline and a strong commitment to the profession and the exercise and sports science industry through their advocacy within the community.

In 2019, ESSA was pleased to recognise the following members through our Industry Awards:

- » 2019 Accredited Exercise Physiologist of the Year - Ray Kelly
- » 2019 Accredited Exercise Scientist of the Year - Ming Jing (MJ) Ong
- » 2019 Accredited Sports Scientist of the Year - Joanna Miller
- » 2019 Practicum Supervisor of the Year - Eevon Chia
- » 2019 Practice of the Year - Moving Beyond Cancer

Workforce opportunities

A number of projects and activities were undertaken to promote the value of accredited professionals from a workforce perspective e.g. letter to over 1,400 individual fitness centres across Australia to promote awareness of the value of ESSA professionals working in these environments.

PROFESSIONAL DEVELOPMENT

In 2019, ESSA provided over 220 professional development opportunities across a range of topics and experience levels, to support exercise and sports science professionals in maintaining and growing relevant knowledge and skills. These opportunities included workshops, webinars, podcasts and our annual major event, the 2019 Innovation and Practice Forum.

ESSA's *Innovation & Practice Forum* was launched in 2019, in Melbourne, on 4th and 5th May and provided 470 delegates with two days of applied learning for the day-to-day life of the ESSA professional. The Forum covered topics ranging from business and guidelines to practical implications and service, providing take home knowledge and practices that can be used in practice immediately.

Preparation is now in full swing for ESSA's 2020 conference, *Research to Practice 2020*, being held in Perth for the first time, between 2nd and 4th April 2020.

ESSA also has over 100 external professional development offerings listed on the website, all accredited by ESSA and guaranteed for ESSA CPD points.

Annual Professional Practice Audit

One of ESSA's annual obligations as the accrediting body of exercise and sports science professionals is to undertake a random audit of ESSA accredited professionals to ensure compliance with accreditation requirements. This is an important requirement for ESSA to demonstrate that our professionals maintain the same level of standards as other health and allied health professions.

The audit in 2019 of 2018's ESSA professionals resulted in a 98.6% pass rate, with accreditation being suspended for the remaining 1.4% of audited accredited professionals.

The Member Services Unit has been proud to deliver these services to our members throughout 2019 and look forward to supporting ESSA members through the development of new services and resources in 2020 and beyond.

PROFESSIONAL PRACTICE & INNOVATION UNIT

POLICY & ADVOCACY

ESSA influenced policy outcomes in 2019 by advocating for greater coverage in compensable schemes, greater employment opportunities and a more active nation. ESSA achieved this by generating funding for grass-roots programs, proactively contributing to multiple government reviews and participating in evidence-based research to help shape health policies that futureproof the workforce, drive referrals, build consumer demand, and support emerging professionals.

The Exercise Right for Active Aging (ERAA) project attracted \$1.838 million in funding from

Sport Australia in early 2019. This has enabled ESSA to work with members across the nation to implement a 12-week group exercise program to support physical activity and social inclusion for inactive people over 65 years. The ERAA project has attracted a large network of providers and the public awareness campaign will continue into 2020. Monash University was also selected as the research partner to evaluate the project.

ESSA has also fostered government relations and collaborated with key industry stakeholders to enact policy change and support health initiatives across multiple policy arenas that impact our members.

POLICY ARENA	ISSUE	STATUS
Taxation	Goods and Services Tax (GST) on exercise physiology services	<p>Made ongoing representations to Federal and State Treasurers, Health Ministers, The Treasury and Allied Health Officers. This remains a key focus in 2020 via direct lobbying and is the sole focus of ESSA's 2020-2021 Pre-Budget Submission.</p> <p>Secured updates on government websites (Australian Taxation Office and National Disability Insurance Agency [NDIA]) regarding exercise physiologists' GST obligations.</p>
Aged Care Royal Commission	Aged Care reform - opportunity to improve care of older Australians by optimising the multidisciplinary allied health workforce	<p>Proactively consulted with ESSA's Aged Care Special Interest Group on feedback for ESSA's <i>Royal Commission into Aged Care Quality and Safety</i> submission.</p> <p>Provided an evidence-based submission on the value of exercise physiology as an intervention for improving chronic disease management, mental health, dementia, mobility/falls, and pain management; and promoted early intervention, wellness reablement and restorative approaches for better health outcomes.</p> <p>Tabled a Supplementary Aged Care Workforce Submission which called for:</p> <ul style="list-style-type: none"> › a skills-mix methodology that recognises and ensures access to a diverse range of allied health professions, including self-regulated professions, such as exercise physiology; and › the removal of funding barriers that restrict allied health professionals, including exercise physiologists from using contemporary evidenced-based practice in residential aged care. <p>Continuing proactive engagement via meetings with Federal Government officials, and collaboration with sector stakeholders.</p>

POLICY ARENA	ISSUE	STATUS
Climate Health	Impact of climate change and extreme weather events on health care	<p>Earmarked climate health as an emerging policy issue for all Australians, in particular rural and remote populations, with implications for mental health, barriers to physical activity, access to health services, and health conditions resulting from poor air quality and extreme heat.</p> <p>Continuing proactive engagement with governments and climate health stakeholders for 2020 policy and advocacy.</p>
Compensable Schemes	Medicare	Contributed to the Medical Benefits Scheme (MBS) Review consultation process and reports from MBS Reference Groups and Clinical Committees, including the Allied Health Reference and Mental Health Reference Groups; and the Pain Management and Specialist and Consultant Physician Clinical Committees.
	DVA	Participated in Health Provider Partnership Forum meetings, advocating for exercise physiologists and veterans, including delaying the implementation date of the new treatment cycle to 1 October, 2019 and began work to revise student observation rules.
	Workcover	<p>Provided a response to the <i>Draft Principles of Practice for Workplace Rehabilitation Providers</i>.</p> <p>Successfully advocated for WorkCover WA to modify the item codes to differentiate exercise physiology services from physiotherapy services.</p> <p>Made ongoing representations with each State's personal injury scheme including:</p> <ul style="list-style-type: none"> › input into State Insurance Regulatory Authority (SIRA)'s Workers' Health Support Program Pack › informing SIRA's regulatory requirements for health care arrangements › informing SIRA's <i>Guidance Note Review - Insurer role in facilitating treatment referrals</i> › a submission to health professionals and earning capacity decisions in the CTP scheme › providing feedback on WA, QLD, VIC and Return to Work SA (RTWSA) fee schedules with likely increases in some states for 2020.
National Disability Insurance Scheme (NDIS)	Fee parity for AEP services	<p>Developed ESSA's <i>Evidence Report - Accredited Exercise Physiology Professional Standards for NDIS Registration - Category change "Daily Living"</i> in early 2019.</p> <p>Included exercise physiology in the "Improved Daily Living" categories of participant plans and inclusion of AEPs included in the Therapeutic Supports Registration.</p> <p>Delivered several submissions to initiate favourable policy change for members within the NDIS:</p> <ul style="list-style-type: none"> › NDIS Thin Markets Project › consultation on Shaping the Future of Disability Policy for 2020 and beyond <p>Inquiry into NDIS Planning Review of the <i>NDIS Act 2013</i> and the New NDIS Participant Service Guarantee.</p>

POLICY ARENA	ISSUE	STATUS
Prevention of Chronic Disease	<p>Preventing chronic disease via physical activity</p> <p>The role of exercise in preventing obesity</p> <p>Evidencing the importance of physical activity in oncology</p>	<p>Participated in workshops for the National Preventive Health Strategy.</p> <p>Participated in the National Obesity Summit and provided feedback on the draft National Obesity Strategy.</p> <p>Released a statement on the role of exercise in the prevention and treatment of cancer.</p> <p>Continued to support evidence-based research in oncology.</p>
Private Health Insurance	Coverage for AEP services	<p>Secured improvements to exercise physiologist coverage by six health insurance funds (>15% of the insurance funds), including BUPA and Medibank.</p> <p>Influenced the removal of AEP services from natural therapies with BUPA cover and a commitment from Medibank to review in 2020.</p>
Rural Health	Opportunity to improve the health of rural and remote communities by optimising the multidisciplinary allied health care workforce	<p>Advocated for AEPs as a qualified and underutilised workforce that can be mobilised to facilitate better health care outcomes and better access to allied health care services in the Discussion Paper for Consultation: Rural Allied Health Quality, Access and Distribution.</p> <p>Evaluated the Rural Health Multidisciplinary Training Program (RHMT) to ensure it is practical and will support AES and AEPs in multidisciplinary teams.</p>



EXERCISE IS MEDICINE® (EIM) AUSTRALIA

ESSA manages Exercise is Medicine® (EIM) Australia as part of the American College of Sports Medicine's global initiative to make physical activity and exercise a standard component of chronic disease prevention and management.

In its fifth year in 2019, EIM Australia has supported doctors, nurses and aboriginal health workers with education promoting exercise as medicine and when to refer on to an Accredited Exercise Physiologist, Accredited Exercise Scientist or appropriately qualified allied health professional. This includes a review and assessment of every patient's physical activity levels at every visit.

In 2019, ESSA delivered more than 40 workshops to primary health care professionals and completed plans to expand EIM Australia into hospitals. The new hospital program will be implemented in 2020 and builds on the success that EIM has had over the past few years with its EIM primary health care program. This means EIM Australia will soon comprise of:

1. Exercise is Medicine® Hospital Program

The program provides 30-minute workshops to medical interns in hospitals across the nation. Facilitators of the EIM Hospital Program will be an equal mix of AEPs and physiotherapists who address gaps in medical education by informing medical interns about the benefits of physical activity and how to prescribe exercise to patients for the prevention, treatment and management of chronic disease. Medical interns will learn about the importance of exercise, how to counsel patients about physical activity and referral pathways for appropriately trained allied health professionals.

2. Exercise is Medicine® Primary Care Program

This program informs primary health care providers on how to counsel patients about physical activity for sustained behaviour change and refer patients to appropriately trained allied health professionals to deliver exercise treatment services. The delivery of EIM Primary Care workshops in communities means more

people get active, while also improving quality of life and reducing health care costs. The EIM workshops are delivered face-to-face by EIM facilitators and attracts CPD points for health care practitioners.

3. Exercise is Medicine® Online Education

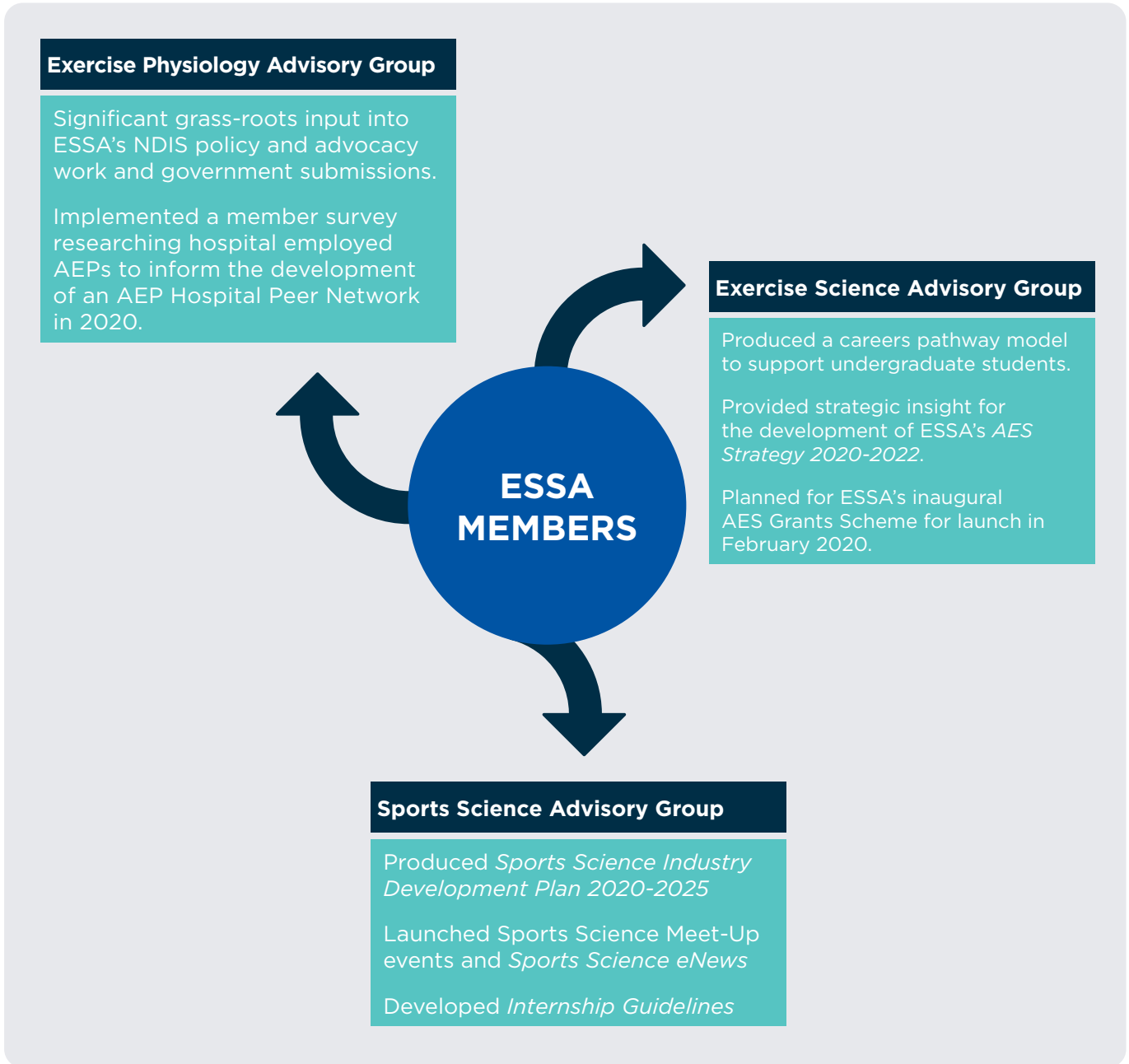
The EIM Online Education provides important training for all health professionals about the importance of exercise for overall health and introduces subsequent behaviour-change strategies specific to the adoption of exercise as a regular part of life. It also highlights the supporting role of appropriately trained allied health professionals in assisting patients to establish an exercise program best suited to their needs. This course is eligible for free CPD points (for participants) and is ideal for time-poor health professionals.

A key part of EIM Australia is building awareness about the scope of practice of exercise scientists and exercise physiologists, while forming supportive professional relationships between health care providers and local exercise professionals. EIM Australia provides online resources for exercise professionals to share with health care providers as well as health consumers, and fosters engagement from all stakeholders via social media.

www.exerciseismedicine.com.au

ESSA ADVISORY GROUPS

As a member services organisation, ESSA exists to support exercise and sports science members. Members are at the core of everything ESSA does and provide input at every level of the organisation. ESSA's advisory groups provide strategic and operational insight. In 2019, they fulfilled the vital role of informing activities for each of ESSA's professional streams.



On behalf of ESSA, thank you to each of the members that dedicate their time and expertise to shaping ESSA initiatives and to directly contributing to our profession.

STANDARDS

2019 was another big year in standards, with the focus on the professional standards for accreditation including the finalisation of the revised ASpS and AHPM Professional Standards, commencement of the ES Standards review (to be finalised mid-2020) and preparations for the 2020 AEP Professional Standards review.

In addition, several other projects included:

- » Continuation of development of the Children's Pre-Screening System (to be completed 2020)
- » Rollout of ESSA's new continuing professional development requirements
- » Development of a revised Standards and Compliance professional development
- » A prediabetes position statement developed in conjunction with the Dietitians Association of Australia and the Australian Diabetes Educators Association has been submitted for publication

STANDARDS COUNCIL

Across 2019, ESSA's Standards Council (SC) (formerly the Professional Standards Advisory Council) has been active in providing strategic advice to ESSA across a broad range of industry topics including best practice standards governance, industry workforce skill needs, professional practice compliance, and emerging opportunities including in the international space.

The SC also oversaw major projects relating to professional standards including:

- » Approval of revised ASpS and AHPM Professional Standards
- » Update to the ASpS Scope of Practice
- » Development of an AHPM Scope of Practice
- » Review of Exercise Science Standards (to be finalised mid-2020)
- » Monitoring development of National Safety and Quality Primary Health Care Standards (i.e. practice accreditation standards)
- » Developing a policy for how ESSA will develop guidelines, position statements and consensus statements

The SC has also been working to prepare for the review of the AEP Professional Standards and is in the process of overseeing development of

best practice telehealth standards. The SC is also working with ESSA's Accreditation Council (AC) to support the transition of standards into the accreditation system.

Associate Professor Chris Askew finished his term as Standards Council Chair after four years in the position, and our thanks go to him for providing strong leadership in ensuring ESSA maintains a strong focus on quality standards. The Standards Council welcomed Nathan Reeves as Chair and are looking forward to a very productive 2020.

RESEARCH COMMITTEE & PUBLICATIONS COMMITTEE

The ESSA Research Committee (ERC) and ESSA Publications Committee (EPC) have started afresh with a new research governance structure to support ESSA members as evidence based professionals.

The ERC developed ESSA's research strategy titled '2020 and beyond...' under the guidance of the ERC Chair, the late Professor Nigel Stepto which will guide ESSA's approach to research into the near future. Nigel's association with ESSA has been extremely valued for many years and his contribution to ESSA activities extremely important. Additionally, Professor Neil Smart has taken up the reigns of the EPC. We are delighted in welcoming Neil to this role and utilising his vast skillset to enhance ESSA publication activities.

The committees oversaw approval and publishing of an:

- » Exercise & Sports Science Australia position stand update on exercise and hypertension
- » ESSA: Exercise medicine in cancer management position statement
- » Consensus Statement on the role of Accredited Exercise Physiologists in the treatment of cancer: A guide for all health professionals involved in the care of people with cancer 2019

Although not yet published, the Exercise & Sports Science Australia (ESSA) position statement on exercise and chronic obstructive pulmonary disease is nearing completion.

MARKETING AND COMMUNICATIONS UNIT

2019 was the year of growth for the ESSA Marketing and Communications Unit, with a heavy focus on developing the Exercise Right brand to help promote our professions, as well as increasing the quality of our internal communications.

EXERCISE RIGHT AND PUBLIC PROMOTION

The Exercise Right brand continues to gain momentum, and we were extremely pleased to reach our forecasted targets and attracted 414,288 users to the website.

Exercise Right Week for 2019 had a significantly greater impact when compared to the results from 2018. We were able to increase Exercise Right web traffic by over 26%, ESSA search function traffic by over 28%, and social media reach by almost 350%.

In 2019, we also held another *Exercise Right for Doctors Week* in conjunction with Exercise is Medicine® Australia. The initiative is used to help promote and raise awareness of our professions to GPs and Practice Nurses. We undertook advertising through RACGP, APNA and ACRRM as well as extensive digital marketing to encourage the public to discuss physical activity with their local GP.

Alongside Exercise Right, we continually sought ways to promote the organisation through regional and local media and were pleased to accrue over 300 media mentions and drive 31,924 people to the “Find an accredited professional” search function.

MEMBER COMMUNICATIONS

A key focus of the Marketing and Communications Unit continues to improve engagement with the ESSA membership and provide the very latest news, industry developments and opportunities.

In 2019, we ensured ESSA members were kept up-to-date with relevant information through:

- » Activate magazine
- » MOVE magazine
- » ESSA eNews and Professional Development News
- » Targeted eNewsletters for sports scientists/high performance managers and exercise scientists

An additional key focus is to develop marketing collateral to assist members in promoting their services in the community. To support this, a new suite of marketing posters, brochures, downloadable eBooks and digital marketing toolkits have been made available to all members.

SPECIAL PURPOSE **FINANCIAL** **REPORT** FOR THE YEAR ENDED **31 DECEMBER 2019**

Exercise and Sports Science Australia Limited

ABN: 14 053 849 460

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FINANCE REPORT 2019

The role of ESSA's Audit, Finance and Risk Committee is to assist the Board to fulfil in its duties in relation to audit, finance, compliance and risk responsibilities. As Acting Chair of the Committee, it is my pleasure to present ESSA's financial report for the year ended 31 December 2019.

During 2019, ESSA recorded total revenue of \$5,068,995, compared to 2018 total revenue of \$5,049,325. The 2018 revenue included the biennial Research to Practice Conference with revenue of \$718,130. The 2019 revenue therefore represents a 17% increase over the 2018 adjusted operating revenue when the Research to Practice revenue is excluded.

The main revenue streams for 2019 remained accreditation fees of \$1,832,336, membership fees of \$1,487,221 and course accreditation income of \$443,359.

Total expenditure in 2019 was \$4,846,127, compared with \$4,565,782 in 2018. ESSA's cash flow remained positive in 2019, with inflows of \$6,078,556 and outflows of \$5,067,125. Cash balances held by ESSA grew to \$5,652,292 at year end. The increase was largely due to ESSA receiving 90% (\$1,654,200) of the Exercise Right for Active Ageing (ERAA) grant in 2019.

Total assets comprising primarily of cash investments including nearly \$1.5 million of ERAA grant funds and \$1,507,724 of prepaid membership and accreditation fees, totalled \$6,232,276 at year end. Total liabilities of \$3,876,169 at the end of 2019 similarly included the current liability for the \$1.5million ERAA grant payment.

As a result of changes in overall assets and liabilities and our operating surplus for the year, total equity increased to \$2,356,107 at year end.

ESSA recorded a surplus of \$222,868 for the 2019 year. This surplus strengthens our ability to continue investing in strategies providing increased value for members, and ultimately, to fulfil our mission to lead and promote excellence in exercise and sports science for the benefit of society and our professions.

Yours sincerely,

Emeritus Professor Julie Cotter

ACTING CHAIR, AUDIT, FINANCE AND RISK COMMITTEE

DIRECTORS' REPORT

Your Directors present their report on the company for the year ended 31 December 2019.

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 (resigned 5 May 2019)
 Emeritus Professor Julie Cotter
 Mr Steve Telburn (from 19 August 2019)

Principal Activities

2019 was the third 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 2019, ESSA focused on the following key activities:

- Held inaugural Practice and Innovation Forum to the members.
- Expanded on the professional development offerings for all accredited professionals, particularly via online modes.
- Lobbying activities using ESSA's strategic policies.
- 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 2019 and 2020.
- Development of a Sports Science Industry Development plan 2020-2025.
- Internship policy for sports science developed and published.
- Over 300 media mentions.
- Ongoing media exposure through media releases and blogs.
- Review of the Exercise Science Professional Standards.
- Expanding the promotion of Exercise Right Week and Exercise Right for Doctors and the importance of the right practitioner at the right time.
- Delivery of Exercise is Medicine workshops to GPs and practice nurses.
- IT upgrades to improve member renewal, joining experience and purchasing of professional development.
- Work towards building international collaborations.
- New Research Committee formed, and an ESSA research strategy developed.

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 commenced in July 2019 with the majority of the work being delivered in 2020.

Development of a long-term financial strategy continues to be an important focus for the Board and management. Development of ESSA's 2021-24 strategic plan commenced in October 2019, and the long-term financial strategy will align with it. Surpluses in 2019 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. Several strategic projects aligned with the 2017-2020 strategic plan were initiated during 2019 and are included in the activities list above.

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.

	2019		2018	
	Actual	Target	Actual	Target
<i>Membership</i>				
<i>* There are a number of members who are accredited across more than one accreditation category.</i>				
Full membership	6516	6244	5676	5598
Accredited Exercise Physiologist	5706	5662	5101	5043
Accredited Exercise Scientist	629	528	484	452
Accredited Sports Scientists	301	211	190	150
Accredited High-Performance Managers	55	40	30	40
Complimentary student members	2454	3147	2861	3392
Total membership (incl students)	9006	9502	8626	8990
<i>Operational and financial</i>				
Proportion of funding provided by:				
- membership	\$1,487,221	\$1,585,194	\$1,419,769	\$1,350,000
- accreditation	\$1,832,336	\$1,838,740	\$1,729,468	\$1,577,500
- professional development	\$395,681	\$327,209	\$316,238	\$245,615
- conference/business forum	\$187,123	\$187,727	\$718,310	\$878,705
- course accreditation	\$443,359	\$534,889	\$246,224	\$187,956
Proportion of funding spent on:				
- operational	\$4,334,658	\$4,376,216	\$3,629,841	\$3,736,054
- conference/business forum	\$178,413	\$181,822	\$654,531	\$799,414
- course accreditation	\$333,056	\$337,368	\$279,116	\$251,725

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 Director Chair of Governance and Nominations Committee Co-Chair of Standards & Accreditation Governance review Committee Member of International Alliance Steering Committee
Professor Steve Selig	BSc (Hons), DIP (PE), PhD, AES, AEP, ESSA Fellow	Professor, Clinical Exercise Science – Deakin University - retired	Director Member of Governance and Nominations Committee (Jan – Oct 2019) Member of the Audit, Finance and Risk Committee (Nov-Dec 2019)
Dr Simon Rosenbaum	BSc (Health & Ex Sc), Hons, PhD, AEP	Associate Professor – University of New South Wales Honorary Fellow – Black Dog Institute	Director Member of the Audit, Finance and Risk Committee
Ms Kirsty Rawlings	BAppSc (ExSpSc), Hons HMS, B Ed Studies, AEP GAICD	Lecturer – University of South Australia	Vice President (reappointed May 2019) Director Member of the Governance and Nominations Committee
Distinguished Prof Aaron Coutts	BAppSc(HMS), PhD, ASpS	Professor – University of Technology Sydney Sports Science Consultant – Carlton Football Club	Director

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
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	B. Comm (Hons), PhD, GAICD, FCPA, CA	Independent Member, Audit and Risk Management Committee, Department of Education Queensland Board member, Darling Downs Hospital and Health Board Chair, Australian Institute of Company Directors Toowoomba Regional Committee Honorary Professor, University of Southern Queensland	Director Acting Chair of Audit, Finance and Risk Committee (May 2019 - current)
Mr Steve Telburn	MBA, BSc, GAICD	Appointee of Innovation and Science Australia Board Director, Secret Sauce Pty Ltd Director, Sundale Ltd	Director

Meetings of Directors

During the financial year, 7 meetings of Directors were held. Attendances by each Director were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Dr Kade Davison	7	7
Professor Steve Selig	7	7
Dr Simon Rosenbaum	7	6
Ms Kirsty Rawlings	7	6
Distinguished Professor Aaron Coutts	7	6
Mrs Philippa Ellis	7	6
Mrs Carolyn Pillans (ceased 5/5/19)	4	3
Dr Brendan Joss	7	5
Emeritus Professor Julie Cotter	7	6
Mr Steve Telburn (commenced 19/8/19)	2	2

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 2019, the total amount that members of the company are liable to contribute if the company is wound up is \$90,060 (2018: \$86,260).

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



.....
 Dr Kade Davison
 Director
 Brisbane, 9 March 2020

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2019

	Notes	2019 \$	2018 \$
Revenue	2	5,068,995	5,049,325
Employment benefits and on costs		(2,504,656)	(2,067,350)
Depreciation and amortisation expense		(37,771)	(22,856)
Depreciation – Right of Use Lease		(240,534)	-
Course Accreditation expenses	4	(333,056)	(279,116)
ERAA Grant expenditure		(194,086)	-
Administration expenses	3	(1,536,024)	(2,196,460)
Profit/(loss) before income tax		222,868	483,543
Income tax expense	1(k)	-	-
Profit/(loss) for the year		222,868	483,543
Other comprehensive income		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income/(loss) for the year		222,868	483,543
Profit/(loss) attributable to members of the entity		222,868	483,543
Total comprehensive income/(loss) attributable to members of the entity		222,868	483,543

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 2019

	Notes	2019 \$	2018 \$
CURRENT ASSETS			
Cash	5	5,652,292	3,173,608
Trade and other receivables	6	200,548	346,169
Inventories	7	1,219	6,895
Total Current Assets		<u>5,854,059</u>	<u>3,526,672</u>
NON-CURRENT ASSETS			
Plant and equipment	8	37,468	30,315
Intangible assets	9	2,950	2,950
Lease deposit	10	-	77,220
Right of use – Lease Asset	11	260,579	-
Total Non-Current Assets		<u>378,217</u>	<u>110,486</u>
TOTAL ASSETS		<u>6,232,276</u>	<u>3,637,158</u>
CURRENT LIABILITIES			
Trade and other payables	12	320,962	465,175
Provisions	13	189,418	164,585
Deferred revenue	14	3,002,196	814,114
Right of Use – Lease Liability	16	230,280	-
Total Current Liabilities		<u>3,742,856</u>	<u>1,443,874</u>
NON-CURRENT LIABILITIES			
Provisions	15	90,863	60,045
Right of Use – Lease Liability	16	42,450	-
Total Non-Current Liabilities		<u>133,313</u>	<u>60,045</u>
TOTAL LIABILITIES		<u>3,876,169</u>	<u>1,503,919</u>
NET ASSETS		<u>2,356,107</u>	<u>2,133,239</u>
EQUITY			
Retained earnings	17	2,356,107	2,133,239
TOTAL EQUITY		<u>2,356,107</u>	<u>2,133,239</u>

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 2019

	Notes	2019 \$	2018 \$
Total equity at the beginning of the year		2,133,239	1,649,696
Total comprehensive income/(loss) attributable to the entity		222,868	483,543
Total equity at the end of the year	17	<u>2,356,107</u>	<u>2,133,239</u>

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 2019

	Notes	2019 \$ Inflows/ (Outflows)	2018 \$ Inflows/ (Outflows)
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers (inclusive of GST)		6,078,556	5,180,901
Receipt – grant income		1,654,200	-
Payments to suppliers and employees		(5,067,125)	(4,892,813)
		<u>2,665,631</u>	<u>288,088</u>
Interest received		106,405	70,878
**Interest expense – lease liability		(20,045)	
Net cash generated from operating activities	20(a)	<u>2,751,991</u>	<u>358,966</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant and equipment		(44,924)	(13,208)
Payments to Trademarks		-	(1,300)
Net cash (used in)/generated from investing activities		<u>(44,924)</u>	<u>(14,508)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
**Payments for lease liability		(228,383)	-
Net cash (used in)/generated from financing activities		<u>(228,383)</u>	<u>-</u>
Net increase in cash held		2,478,684	344,458
Cash at the beginning of the financial year		3,173,608	2,829,150
Cash at the end of the financial year	20(b)	<u>5,652,292</u>	<u>3,173,608</u>

** Note – These figures represent the impact of the recognition of lease liability under AASB 16

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 2019

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 9 March 2020 by the directors of the company.

Accounting policies

(a) Revenue

Revenue is recognised in accordance with AASB 15: *Revenue from Contracts with Customers* (applicable to annual reporting periods beginning on or after 1 January 2019).

Revenue is recognised 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.

Membership revenue and Accreditation fees are recognised over time that is over the life of its annual period ending in December every year.

Course accreditation income is recognised over time, in line with cost incurred on the project.

Business conference and Forum income are recognised only when its performance obligation are met being the conclusion of the events. Similarly, all other type of revenue with a similar nature, such as Professional education courses and advertising income are recognised when such service has been delivered.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Exercise Right for Active Aging (ERAA) grant has been recognised under AASB 15. The ERAA grant has enforceable and sufficiently specific performance obligations, with the grant revenue being recognised based on costs incurred for the relevant period.

Interest revenue is recognised using the effective interest method.

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

Receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Receivable amounts are usually settled within 30 days.

The carrying value of trade receivables is considered a reasonable approximation of fair value. All receivables have been reviewed for indicators of impairment. The 'expected credit loss' (ECL) model per AASB 9 has also been considered. Based on the management's assessment of historical provision rates, there is no material financial impact on the impairment provisions on adoption of this standard and no adjustment to retained earnings is required.

(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.

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 asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(e) Plant and Equipment (cont)

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.

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.

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.

(f) Leases

Leases are accounted for in accordance with AASB 16: *Leases* (applicable to annual reporting periods beginning on or after 1 January 2019).

Lease recognition is 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 the right-of-use asset is in line with AASB 116: *Property, Plant and Equipment*.

The lease liability is initially measured at the present value of the lease payments that are not paid at the lease commencement date discounted using the Company's incremental borrowing rate. Then, it is subsequently measured at amortised cost using the effective interest method.

The Company has adopted the "simplified" modified retrospective approach permitted under AASB 16. Applying this method, the right-of-use asset has been measured at the amount equal to the lease liability, adjusted by the amount of any prepaid, or accrued lease payments recognised

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(f) Leases (cont)

in the statement of financial position at 31 December 2018. The comparative financial information for the year ended 31 December 2018 has not been restated.

The following adjustment was recognised upon the transition to AASB 16 as at 1 January 2019:

	\$
Right of Use asset	501,113
Lease liability	501,113

No other transition adjustments were required.

The following table is a reconciliation of total lease liabilities at 31 December 2018 to those recognised at 1 January 2019:

	\$
Operating lease commitments disclosed as at 31 December 2018	481,368
Less: short-term leases for which no lease liability is recognised	(18,170)
Add: adjustment for understatement of operating lease commitments	78,345
Commitment for lease payments	541,543
Discounted using the Company's incremental borrowing rate of 4%	(40,430)
Lease liability recognised as at 1 January 2019	501,113

(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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(h) Employee Entitlements (cont)

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.

(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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(n) New and amended standards adopted by the company – changes in accounting policies

There were three new standards adopted during the period. AASB 15: Revenue from Contracts with Customers and AASB 16: Leases are detailed in note 1(a) and note 1(f) respectively. This note explains the impact of the adoption of AASB 9 Financial Instruments on the company's financial statements and discloses the new accounting policies that have been applied from 1 January 2019.

AASB 9 Financial Instruments: (effective for 31 December 2019 reporting period)

This standard replaces AASB 139 and addresses the classification, measurement and recognition of financial assets and liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The company notes the following impacts from the adoption of the new standard on 1 January 2019. Adoption of AASB 9 has resulted in the reclassification of the following financial instruments:

Category	Previously AASB 139	Currently AASB 9
Cash and cash equivalents	Loans and receivables	Amortised cost
Trade and other receivables	Loans and receivables	Amortised cost
Trade and other payables	Other financial liabilities	Other financial liabilities

The new hedge accounting rules have no impact on the company's financial statements. Following adoption of AASB 9, there is no material impact on the company's financial position and no restatement is required.

(o) 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:

On 1 August 2019, the Australian Accounting Standards Board (AASB) issued *ED 295 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*. The proposal includes replacing the current Reduced Disclosure Requirements (RDR) framework for Tier 2 entities preparing general purpose financial statements (GPFS) with a Simplified Disclosure framework.

ESSA currently is a non-reporting entity and produces special purpose financial statements (SPFS). The ability to prepare SPFS remains for Not-for-Profit private sector entities under the proposals in ED 295.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(p) 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.

(q) Comparative amounts

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

	2019	2018
	\$	\$
2. REVENUE		
Accreditation fees	1,832,336	1,729,468
Membership dues	1,487,221	1,419,769
Professional education courses	395,681	316,238
Advertising income	98,919	83,859
Interest income	89,109	70,878
Insurance income	108,326	93,637
Conference income	-	718,130
Business forum income	187,123	-
Course Accreditation income	443,359	246,224
Sponsorship income	1,545	4,185
ERAA Grant income (incl interest)	194,087	-
Other income	231,289	366,937
	<u>5,068,995</u>	<u>5,049,325</u>
3. ADMINISTRATION EXPENSES		
Conference expenses	-	654,531
Business forum	178,413	-
Professional fees	131,928	183,683
Board remuneration	58,489	46,692
Travel and accommodation	193,811	122,368
IT expenses	77,922	68,792
Rent & outgoings	8,709	239,615
Advertising and promotion	124,740	160,084
Subscriptions	94,651	112,095
Venue hire	120,461	104,770
Presenter fee	79,727	89,692
Printing and postage	59,437	53,011
Membership packs	25,487	28,071
Equipment rental	40,635	31,346
Grants and awards	16,333	39,454
Other	325,281	262,254
	<u>1,536,024</u>	<u>2,196,460</u>

	2019	2018
	\$	\$
4. COURSE ACCREDITATION EXPENSES		
Salary expenses	185,909	149,033
Other expenses	147,147	130,083
	<u>333,056</u>	<u>279,116</u>
5. CURRENT ASSETS - Cash		
Cash at bank	5,652,157	3,173,529
Cash on hand	135	79
	<u>5,652,292</u>	<u>3,173,608</u>
6. CURRENT ASSETS – Trade and other receivables		
Trade receivables	14,315	155,441
Other receivables	50,391	31,867
Prepayments	135,842	158,861
	<u>200,548</u>	<u>346,169</u>
7. CURRENT ASSETS – Inventories		
Finished goods	1,219	6,895
	<u>1,219</u>	<u>6,895</u>
8. NON-CURRENT ASSETS - Plant and equipment		
Office equipment – at cost	103,109	68,232
Accumulated depreciation	(74,706)	(39,530)
	<u>28,403</u>	<u>28,702</u>
IT System	19,725	142,075
Accumulated depreciation	(10,660)	(140,462)
	<u>9,065</u>	<u>1,613</u>
Total plant and equipment	<u>37,468</u>	<u>30,315</u>
9. NON-CURRENT ASSETS – Intangible assets		
Trademark	2,950	2,950
	<u>2,950</u>	<u>2,950</u>
10. NON-CURRENT ASSETS – Lease deposit		
Lease deposit	-	77,220
	<u>77,220</u>	<u>77,220</u>

	2019	2018
	\$	\$
11. RIGHT OF USE – Lease Asset		
Lease on 9 Hercules Street 1 Jan 2019	501,113	-
Less: Accumulated depreciation	(240,534)	-
	<u>260,579</u>	<u>-</u>
12. CURRENT LIABILITIES – Trade and other payables		
Trade creditors	15,637	123,067
ATO liabilities	179,176	109,430
Accrued liabilities	124,844	161,313
Other payables	1,305	71,365
	<u>320,962</u>	<u>465,175</u>
13. CURRENT LIABILITIES - Provisions		
Provision for annual leave	131,125	117,899
Provision for long service leave	58,293	46,686
	<u>189,418</u>	<u>164,585</u>
14. CURRENT LIABILITIES – Deferred Revenue		
Membership, accreditation and other fees in advance	1,507,724	814,114
ERAA Project Grant	1,499,472	-
	<u>3,007,196</u>	<u>814,114</u>
15. NON-CURRENT LIABILITIES - Provisions		
Provision for long service leave	90,863	60,045
	<u>90,863</u>	<u>60,045</u>
16. RIGHT OF USE – Lease Liability		
Current portion - Lease on 9 Hercules Street Hamilton	230,280	-
Non-current portion – Lease on 9 Hercules Street Hamilton	42,450	-
	<u>272,730</u>	<u>-</u>
17. RETAINED PROFITS		
Retained profits at the beginning of the financial year	2,133,239	1,649,696
Net profit/(loss)	222,868	483,543
Retained profits at the end of the financial year	<u>2,356,107</u>	<u>2,133,239</u>
18. 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 2019 the member contribution was \$90,060 (2018: \$86,260).

	2019	2018
	\$	\$
19. REMUNERATION OF AUDITORS		
Amounts received, or due and receivable by the auditors of the company for auditing the accounts of the company	9,600	9,400
Other services	1,100	1,100
	<u>10,700</u>	<u>10,500</u>
20. 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)	222,868	483,543
Depreciation	278,305	22,856
Loss on disposal of non-current assets	-	8,908
Change in operating assets and liabilities:		
(Increase)/decrease in trade and other debtors	145,621	(101,030)
(Increase)/decrease in inventories	5,676	(5,032)
Increase/(decrease) in revenue received in advance	2,188,083	(189,156)
Increase/(decrease) in trade creditors	(144,213)	104,613
Increase/(decrease) in other provisions	55,651	34,263
Net cash inflow from operating activities	<u>2,751,991</u>	<u>358,966</u>
(b) Reconciliation of cash		
Cash at bank and on hand	5,652,292	3,173,608
Cash per Statement of Cash Flows	<u>5,652,292</u>	<u>3,173,608</u>

21. EVENTS AFTER BALANCE DATE

Coronavirus has the potential to impact the operations of ESSA for the 2020 financial year. Apart from the potential impact of coronavirus, 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.

22. 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 8 to 23, 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 2019 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.



.....
Dr Kade Davison
Director

Brisbane, 9 March 2020

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 2019, 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 2019 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 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

9 MARCH 2020
BRISBANE

SPECIAL PURPOSE
FINANCIAL REPORT
FOR THE YEAR ENDED
31 DECEMBER 2019

