



australian institute of
food science & technology

2018 ANNUAL REPORT

**SUPPORTING AUSTRALIA'S FOOD
INDUSTRY PROFESSIONALS**

Grow, Learn, Connect



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NOTICE OF ANNUAL GENERAL MEETING

2019 AIFST Annual General Meeting
 5.30pm on 22 May 2019
 (registrations from 5.00pm)
 CSIRO Auditorium, 11 Julius Avenue,
 North Ryde NSW 2113



Committed to a strong, relevant & healthy Institute, that excites & engages our future Institute leaders & young professionals.

FOREWORD FROM THE AIFST CHAIR



2018 has been a year of change for AIFST as we faced challenges common to many member-based not for profit organisations – providing member value and attracting and keeping members engaged.

The Australian Trade and Investment Commission has described the adaptability and responsiveness of the Australian food industry as a key reason Australia remains at the forefront of the global food industry. With direct employment of more than 200,000 people and more than \$40 billion in exports of food and beverages each year, food and beverage products are also central to the employment and sustainability of the agriculture, meat, seafood, wine, wholesale and retail, and tourism and hospitality industries.

There are continuing and growing changes in consumer demand and food trends that impact the industry and those who work in it, including:

- a desire for healthier, 'clean' and natural food and beverage products;
- dietary restrictions and preferences such as gluten-free, non-dairy and allergen-free foods;
- the desire to know where food and beverages have come from;
- the preference for ethical practices in food and beverage production;
- a desire to reduce the carbon footprint and environmental effects of food production; and
- a desire to reduce or manage waste, including food waste and packaging.

These preferences may not be shared by all consumers, but open new markets and product opportunities, leading to greater consumer choice and industry competition.

These trends have shaped the food industry landscape in 2018 and will continue to influence and shape the work that our members and colleagues in the food industry undertake.

2018 was a challenging year for AIFST as the Board worked to build financial stability and member engagement to address the concerns of members:

- Concern about the future of the profession – what are we doing to promote food science and technology (FST) as a career and to advocate for FST in industry;
- Membership value – ensuring a variety of offerings to suit the range of members needs and career stages;
- Financial stability – reassurance that the Institute will remain viable and grow; and
- Plans for growth in membership numbers.

In 2018 we welcomed Fiona Fleming as Managing Director of the Institute and she spent the year building a new team and bringing stability to the Institute. This year has been one of rebuilding – services, member engagement and services and finances.

I am pleased to report that we were able to deliver a budget surplus for 2018.

We now have a good base to embark on our 2019-2021 strategic plan which the Board will share at the upcoming AGM.

I would like to thank outgoing Board members – Cheryl Hayman and Andreas Klieber for their input, support and expertise during their three years on the Board.

We are committed to a strong, relevant and healthy Institute, an Institute that excites and engages our future Institute leaders and young professionals.

Peter Schutz OAM
Chair, AIFST

2018 SNAPSHOT

1672



Event & webinar attendees

16



Webinars

22



Face-to-face events including
factory tours and Food Science socials

75+



Hours of education and networking

595



AIFST 2018
Total convention attendees;
70 speakers; 28 exhibitors

52



National Mentoring
Program Participants

4



Quarterly editions of *food australia* providing
over 150 pages of copy

12



Bitesize -
member only newsletters



Partnerships & engagements with Foodbank,
Fight Food Waste CRC, IFT, NZIFST, FIAL
and the Allergen Bureau

1516



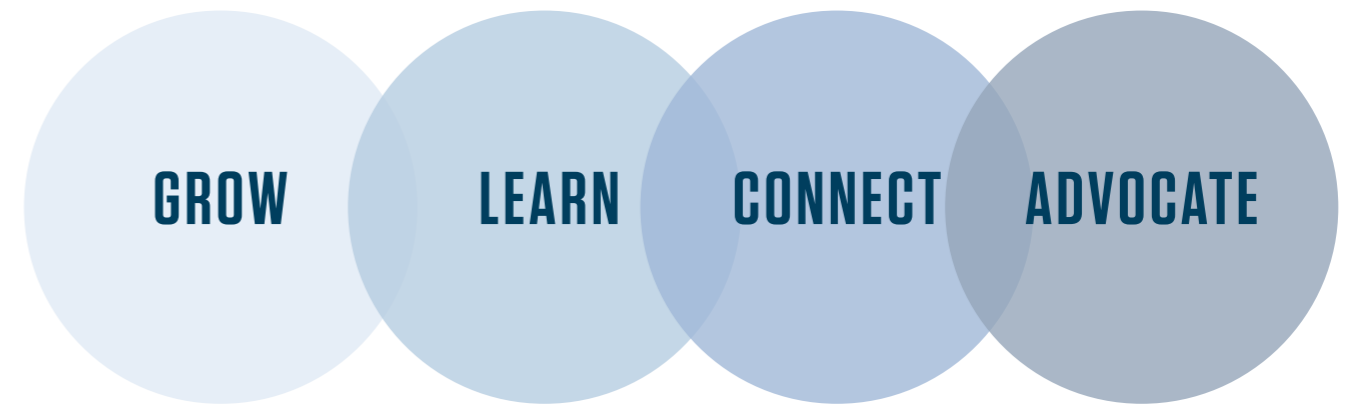
Members at the end of 2018

MANAGING DIRECTOR'S REPORT – THE YEAR IN REVIEW

2018 has been a year of rebuilding - the focus of the Board has been to consolidate and build financial stability for the Institute, to reengage with members and to grow our membership base.

In 2018, the AIFST Board and team at National Office continued to focus our efforts on four key areas:

- **Grow** – personal development, growing the next generation of food scientists and technologists and growing the Institute.
- **Learn** – about the industry, about advances in science and technology, about other sectors, about things you don't know or need to know.
- **Connect** – connecting members with members, members with industry, industry with industry, to meet likeminded people.
- **Advocate** – a voice for food science and food scientists within industry, academia, grow respect for the industry and the profession.



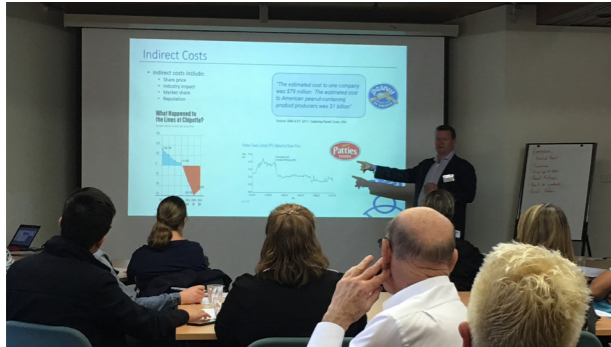
These four key areas gave the framework for the services provided to support our members during 2018.

	GROW	LEARN	CONNECT	ADVOCATE
MEMBERSHIP SERVICES				
National Mentoring Program	Y	Y	Y	
Member & Industry events	Y	Y	Y	
Consultants Register	Y	Y	Y	
Continuing Professional Development	Y	Y	Y	
KEY EVENTS				
Summer School	Y	Y	Y	
Annual Convention	Y	Y	Y	Y
AIFST Awards	Y			
COMMUNICATIONS				
<i>food australia</i>		Y	Y	Y
Bitesize			Y	
Social Media		Y	Y	Y
PARTNERSHIPS & ENGAGEMENT	Y	Y	Y	Y

MEMBERSHIP SERVICES



2018 AIFST Mentoring Program Graduation



Food Recall Workshop – Sydney



Food Science Social – Sydney

National Mentoring Program

2018 saw the launch of the National Mentoring program with 52 mentors and mentees participating. Participants were based in Qld, NSW, VIC, SA and WA and were at all different stages of their careers.

Feedback from participants was overwhelmingly positive with many wishing to take part again in 2019. We also invited those taking part in the program to the 2018 Young Professionals Networking Breakfast at the Convention, which allowed for our young professional members to engage and connect with mentors in the program.

The graduation of the program was held at the 2018 AIFST Convention in Melbourne on September 11. The Mentoring Program will be back again in 2019.

Member & Industry Events

In 2018 we worked hard to bring a range of opportunities for members to engage and learn. During 2018 we hosted a total of 38 events – 22 face to face and 16 webinars with a total of 1672 participants – this is the largest number of participants since 2014 when we had a total of 980.

Webinars

In 2018 webinars were a popular and convenient learning option with a range of topics and presenters. All the webinars were recorded and available to members free of charge on the AIFST website.



Listeria Workshop – WA



Factory Tour – Melbourne



Christmas Party - Sydney



Christmas Party - Brisbane

Face to Face events

We ran several face-to-face events during 2018 including:

- Food Recall workshop
- Food Science Socials
- Technical workshops - Foodborne Listeria Outbreaks and Lessons & Advances in Foreign Object detection
- 12th Annual ANZ Sensory Symposium
- Factory tours
- Christmas events

Communities of Interest

AIFST has worked with the Communities of Interest (ColS) to produce a number of events including the new Food Science Socials which will we look to continue in 2019. Although meetings with the ColS were not as frequent as in 2017, AIFST is looking at how we can better engage and structure these.

The Communities of Interest for 2018 were:

- NSW Community of Interest committee
- VIC Community of Interest committee
- QLD Community of Interest committee
- SA Community of Interest committee
- WA Community of Interest committee
- TAS Community of Interest committee
- Microbiology Community of Interest committee
- Sensory Community of Interest committee
- Young Professionals Community of Interest committee
- Consultants Community of Interest committee
- Nutrition Community of Interest committee
- Innovation and New Product Development Community of Interest committee



Christmas Party - Melbourne

On behalf of the Board, staff and members, I would like to acknowledge the contribution of our Community of Interest Committees as volunteers of the Institute. We recognise your contribution is above and beyond your daily professional demands and should not go unrecognised. Our volunteers ongoing input and guidance is crucial to ensuring we are delivering value to our members.

At the 2018 Convention member's update session we flagged a review of the current Community of Interest structure – again in consultation with members. The feedback we have received is that perhaps this is not the best fit for AIFST. Consultation on this commenced in 2018 and will continue into 2019 as we consider a new model to for members to engage at a local level.

Consultants

In 2018, the AIFST continued to support members who work as consultants across many areas of the food industry.

In September 2017, AIFST launched the Consultants Register as a service to members. Currently there are 33 consultants listed on the register, across all states and territories.

During 2018 the Consultants Community of Interest developed a webinar offering useful insights and information, including tips and tricks in starting a career as a consultant.

Membership

In 2018 the membership year moved away from a calendar year to assist with evening out cash flows over the course of the year and to provide flexibility to members.

At the end of 2018 we had a total of 1516 members compared with 1,700 at the end of 2017.

The Board and team are very focused on strategies to demonstrate membership value to attract new members and bring back previous members to AIFST.

KEY EVENTS



WA Summer School



Sensory Symposium

Summer School

The AIFST Summer School provides our early career members with an opportunity to network with their peers, hear from industry leaders, build their communication and presentation skills, hear updates on their peers' latest research, and participate in industry tours.

Summer School was hosted at Curtin University in Perth, WA in February 2018. The total number of participants was 26. This was a great few days with a diverse program and a stronger focus on industry engagement than previous years, where the focus was more on student presentations.



WA Summer School

12th Australian and New Zealand Sensory and Consumer Science Symposium

King's College, at the University of Queensland played host to the 12th Annual ANZ Sensory Symposium. Over the course of 3 days, 65 guests heard from a variety of local and international speakers and attended a Symposium Dinner. AIFST would like to thank the Sensory COI and in particular, Dr Heather Smyth for her hard work.

2018 AIFST Convention

AIFST 2018 Annual Convention was held in Melbourne in September – over 550 attendees, 70+ speakers, 30 student volunteers and 28 exhibitors participated over the 2 days. Positive feedback was received on format, content, speakers and the exhibition.

Young Professionals Breakfast

AIFST hosted the Young Professionals breakfast on day 2 of the convention. Over 30 young AIFST professionals had the opportunity to network with peers.

Fellows Breakfast

At the 2018 Convention, AIFST hosted the 2nd Fellows breakfast – a number of Institute Fellows enjoyed the opportunity to catch up with colleagues in an informal setting.



AIFST Foodbank Hunger Hero Award



AIFST Allergen Bureau Julie Newlands Award



Research Poster competition winner



AIFST Anthony (Tony) Williams Sensory Award

AIFST Awards

The AIFST awards recognise the outstanding achievements of our members and the contribution they have made to not only the Institute, but to the Australian food industry as a whole.

In 2018 two new awards were introduced:

- AIFST Foodbank Hunger Hero Award
- AIFST Allergen Bureau Julie Newlands Award

The **AIFST Foodbank Hunger Hero Award** went to Kaelene McLennan from Simplot.

The **AIFST Allergen Bureau Julie Newlands Award** recognises excellence in food allergen management in Australia and was awarded to Sue Wilkinson from Robern Menz.

The **AIFST Research Poster Competition** was awarded to Xin Yang, Matthew Flavel, Yafang Zhu, Julian Neoh & Barry Kitchen, The Product Makers who were recognised as the creator of the most outstanding poster – Could foods that inhibit digestive enzymes help fight type 2 Diabetes?

The **AIFST Anthony (Tony) Williams Sensory Award**, a pioneer of the Sensory Research Industry. This award recognises a young AIFST member who demonstrates academic achievement, interest, enthusiasm, and integrity in Sensory Research. The 2018 winner was Piyali Chakraborty for a paper on Texture and mouthfeel perceptions of dietary fibre-fortified beverages.



Student Product Development Competition



AIFST Peter Seale Food Industry Innovation Award

The **Student Product Development Competition** is an exciting AIFST initiative to give student and graduate members an opportunity to experience a “real-life” new product development project and gain exposure to industry experts, peers and future employers. All participating teams showed great creativity, passion and rose to the challenge. The winners were Kinga Wojciechowski, Adelaide Spicer & Edina Odor for “Keen Beans” Legume Cereal.

The **AIFST Peter Seale Food Industry Innovation Award** recognises a company or organisation for a significant new development in a process, product, ingredient, equipment or package that has achieved successful commercial application in the Australian food industry.



AIFST Bruce Chandler Book Prize



AIFST President's Award

In 2018 the award went to CBH Fresh, Made by Cow.

The **AIFST President's Award** went to George and Josephine Davey recognising their outstanding contribution to the Institute.

The **AIFST Bruce Chandler Book Prize** went to Hilton Deeth & Michael Lewis for their book on High Temperature Processing of Milk and Milk Products.

In 2018 AIFST welcomed 3 new Fellows:

- Associate Professor Tom Ross
- Dr Ajay Shah
- Dr Ramon Hall



Town Hall - Sydney



Town Hall - Brisbane



Town Hall - Adelaide



Town Hall - Perth



Town Hall - Melbourne

Member Town Hall Events

In October and November 2018, AIFST hosted five town hall sessions for members around the country. The feedback from these sessions provided the Board with valuable insights to inform the development of next 3-year strategic plan.

Key feedback from the Town Hall sessions included:

- Communities of Interest – strong support to review these and move to the previous branch structure for the geographic Col's
- Concern about the future of the profession – what are we doing to promote FST as a career and to advocate for FST in industry
- Membership value – ensuring a variety of offerings to suit the range of members needs and career stages
- Financial stability – reassurance that the Institute will remain viable and grow
- Plans for growth in membership numbers

COMMUNICATIONS

We recognise that we must work to proactively communicate and engage with our members and stakeholders to ensure you are kept up-to-date and informed on relevant news and opportunities.

Our key communication channels are *food australia*, monthly e-newsletters, and various social media platforms such as Facebook, LinkedIn and Twitter.

AIFST's communications platforms continued to evolve in 2018.

food australia

Early in 2018 a further review of the journal was undertaken with the outcome that responsibility for publication has been returned to the previous publishers (Bite Communications). We are working closely with them on content and the look of the journal – we hope you have seen some positive changes so far.

In 2018, four issues of *food australia* were published with material contributed by a range of contributors. Just over 1,400 copies per edition were distributed to members and subscribers.

Nearly 15% of AIFST members elected to receive a digital copy of *food australia* and we look to grow this in the future.



In 2018 we re-established the Publications Committee which met twice. The role of the Committee is to oversee and advise on the journal. In 2018 the members of the Publications Committee were:

Martin Palmer, Mark Turner, Clarissa Wynne, Tom Ross, Ramon Hall, Lorraine Hasse, Lisa Szabo and Andrea Brydges (Bite Communications).

Member Communications

AIFST monthly Bitesize e-newsletters continued to keep members up to date in 2018. 12 newsletters were sent out to members during 2018.

In addition to these monthly e-newsletters, AIFST also engaged with members and the broader food industry via the AIFST website, Facebook, LinkedIn and Twitter. At the end of 2018 engagement with each of these media was:

2018 ENGAGEMENT

f 4893 PAGE LIKES

in 4624 CONNECTIONS/FOLLOWERS

t 1589 FOLLOWERS

PARTNERSHIPS & ENGAGEMENT



During 2018 we have looked to develop partnerships and engagements to support our reach as representing food industry professionals.

This year we have entered into agreements with Foodbank Australia and the Fight Food Waste CRC.

Foodbank Australia

The Australian Institute of Food Science and Technology (AIFST) has joined forces with Foodbank to help address the rising issue of food insecurity in Australia at the same

time as tackling food waste. Foodbank is the largest hunger relief organisation in Australia which, with the help of the food industry and public, has the scale and capacity to address the country's hunger crisis.

Foodbank will provide opportunities for AIFST members to assist with projects and to volunteer their time in assisting with Foodbank operations.

As part of the partnership, the AIFST Foodbank Hunger Hero award was launched at the 2018 AIFST Convention and will become part of the AIFST awards program to recognise a person or team who have gone above and beyond to tackle food insecurity. Whether it's championing a new initiative within their company or volunteering their time and expertise in the community, AIFST and Foodbank want to recognise an individual's or team's contribution and hold it up as an inspiration to others.

Fight Food Waste CRC

AIFST is a supporting partner of the Fight Food Waste CRC giving the Institute the opportunity to participate in the important work of this CRC.



Food Bank Australia



Fight Food Waste CRC

IFT

In May AIFST and the Institute of Food Technologists (IFT) confirmed their shared commitment to supporting professionals in the science of food. IFT came on board as a Gold Partner for the 2018 AIFST Convention. AIFST and IFT are working together to identify meaningful ways to continue supporting the food science professionals we represent as well as academic institutions and the broader industry.

In December 2018 we launched a joint membership offer, combining benefits from both organizations to provide enhanced resources for AIFST members.

NZIFST

AIFST continued its ongoing relationship with NZIFST – Peter Schutz attended the NZIFST convention held in July and Jonathan Cox (NZIFST President) attended the AIFST convention in September where he chaired a session.



IFT

Industry Representation

AIFST has also been represented by Fiona Fleming in the following forums during 2018:

- Allergen Collaboration

FSANZ established the Allergen Collaboration in late 2011 to strengthen engagement and collaboration among a range of stakeholders involved in managing food allergens.

- Food, Beverage and Pharmaceutical Industry Reference Committee (IRC)

The Food, Beverage and Pharmaceutical IRC is responsible for national training package qualifications relevant to food processing and manufacturing, beverage manufacturing, pharmaceutical and nutraceutical manufacturing.



NZIFST

2018 FINANCIAL PERFORMANCE

On behalf of the Board and team at AIFST, I am pleased to be able to report a positive financial outcome for 2018. The surplus of the Company for the year ended 31 December 2018 was \$137,750, which compares with a surplus of \$9,431 for the year ended 31 December 2017.

The reported surplus of \$137,750 in 2018 represents a \$128,319 increase during the financial year. The Board and management have been focused on continuing to deliver a surplus budget and working to build the financial base of the Institute.



GOVERNANCE AND MANAGEMENT

2018 has been a year of change for the AIFST. We have had an almost complete change of the Sydney based team and we moved office from North Sydney to North Ryde where we now sit with FIAL within the CSIRO complex.

The **AIFST team** for 2018:

- **FIONA FLEMING**
MD, Company Secretary
3 days/week
- **GILES ALEY**
Membership Services Manager
full time (left in December 2018)
- **CARILEE HICKS**
Administration Manager
3 days/week
- **CLIVE RUSSELL**
Business Development Manager
3 days/week
- **ALEXIA MORELLI**
Communications Officer
1.5 days/week
- **ANNETTE VOTTELER**
Finance Manager
1 day/week
- **TANIA GOUBRAN**
Technical Service Manager
1 day/week (left in September 2018)
- **INTERNS**
April McElligott and Elizabeth Yee
full time, July - early November

THE YEAR AHEAD

A key focus of 2019 will be the development and delivery of the 2019 – 2021 Strategic Plan which will guide the next phase of the Institute. This Plan will be developed with consultation between the Board and Management during early 2019 and will be shared with members for input.

Here is a snapshot of what is in store:

2019 YEAR 1



- Strengthen financial base
- Membership engagement & review – branches and Special Interest Groups (SIG)
- Education & career pathway support (Products & Services) – foundation
- Explore & initiate strategic partnerships

Education Focus

The education focus for 2019 and beyond will be supported by the appointment of an Education & CPD Manager. This role will take on responsibility for the development and launch of the Continuing Professional Development (CPD) program and other learning and development opportunities to support members.

ACKNOWLEDGEMENT

Finally, a huge vote of thanks must go to the hard-working team at AIFST in Sydney – with the exception of our Finance Manager and Giles, the entire team started at some time in 2018 – it was a steep learning curve but now we have a solid base to deliver member value and support in 2019.

I would also like to thank out going Board members – Cheryl Hayman and Andreas Klieber for their input, support and expertise during their three years on the Board.

The Board are committed to a strong, relevant and healthy Institute that delivers on our key focus areas of growing, learning, connecting and advocating.

I invite and encourage, all members to take an active role in engaging in the Institute.

Fiona Fleming
Managing Director & Company Secretary

MEET YOUR AIFST BOARD AND MANAGING DIRECTOR



Dr Chris Downs,
PhD, GAICD, MAIFST
– Non-Executive
Director

Chris leads CSIRO's Food Program including science and innovation outcomes in food, food ingredients and beverages. Key research areas include: Food Safety, Food Stability, Food Structure and Sensory and Food Transformation.

Chris has experience working with meat, dairy, seafood and horticulture sectors in Australia and New Zealand. He has previously held executive positions in Food Science Australia, CSIRO Food and Nutritional Sciences, CSIRO Animal, Food and Health Sciences and the New Zealand Institute for Crop & Food Research, with responsibilities including; capability development, science strategy and leadership, investment portfolio leadership, business development and commercialisation.

His previous directorships include companies involved in innovation and commercialisation in the seafood and biomaterials sectors and one of New Zealand's Crown Research Institutes. Chris is a Director of the Institute of Food Technologists in the USA, and a Board member for the High Value Nutrition National Science Challenge in New Zealand.

Chris is a Professional Member of AIFST and a Graduate of the Australian Institute of Company Directors.



Ms Fiona Fleming,
B. App Sc (Food Tech),
M Nutr Mgt, MAICD,
MAIFST – Managing
Director & Company
Secretary

Fiona is the Managing Director of the Australian Institute of Food Science and Technology (AIFST) and a Director of FJ Fleming Food Consulting Pty Ltd. She is an experienced Corporate and Regulatory Affairs professional who has been involved in leading and facilitating change and developing management strategies across a portfolio of food policy and regulation matters in global FMCG and NGO environments.

Fiona has more than 30 years' experience in the food industry in the areas of dairy, seafood, cereal based foods, smallgoods, tea, simmer sauces and pastes, ingredients and infant formula. Fiona has previously worked for a large FMCG company in the role of Group Quality and Corporate Affairs Manager. In this role she was responsible for providing leadership across Australia and New Zealand in the areas of food policy and regulation; consumer affairs and communication; issues and crisis management and food quality and safety.

Fiona is a Professional member of the Australian Institute of Food Science and Technology. Fiona is currently serving as a Non-Executive Director of AIFST and a Non-Executive Director and Deputy Chair of Healthy Kids. Fiona is a member of Allergy and Anaphylaxis Australia; an Associate Member of the Allergen Bureau and a member of the Australian Institute of Company Directors.



Trent Hagland,
B Bus, Grad Dip Appl
Fin, Grad Dip Appl
Econ, MFM, CFA, MIR,
SF Fin, FAICD, AIFST -
Non-Executive Director
& Chair of Finance,
Audit & Risk Committee

Trent is an Adjunct Professor with the Discipline of Finance at the University of Sydney. He lectures and tutors banking and finance students at the University in addition to lecturing MBA students at the University of Hong Kong as a Visiting Associate Professor. Trent is currently completing a PhD at the University of Sydney in the Department of Government and International Relations.

Prior to his currently roles, Trent worked for over 25 years in the Financial Services industry across retail banking, portfolio management and investment banking. Trent served as the Chief Executive Officer and Head of Asia for Mitsubishi UFJ Securities (Hong Kong), where he was responsible for operations in Capital Markets, Equities, Rates Trading and Sales, Credit Trading and Sales, and Structured Products, in addition to all control-related and support functions. Trent served on the Board of Directors of both the MUFG Securities Hong Kong and MUFG Securities Singapore entities.

Prior to working with MUFG, Trent worked for Merrill Lynch for 12 years across Sydney, New York and London, in Credit and Fixed Income Trading. Before this, he worked as a Portfolio Manager at the Queensland Treasury Corporation and in retail banking at Metway Bank (now Suncorp Bank).

Trent is a Fellow of the Australian Institute of Company Directors and a Senior Fellow of the Financial Services Institute of Australia.



Cheryl Hayman,
B.Com (Mktg), FAICD,
FAMI, MAIFST - Non-
Executive Director;
Chair of Nominations
& Remuneration
Committee

Cheryl has both International and Australian senior executive experience, specialising in top-line revenue growth, consumer insights, branding, social media and innovation.

Cheryl is a professional independent non-executive director, with experience across numerous Boards, encompassing ASX-listed, public unlisted and not-for-profit organisations. She has significant corporate background in food - mainly with global, franchise and multi-stakeholder companies across big brands in Unilever, Yum Restaurants and George Weston Foods. As a marketing and innovation leader, Cheryl spearheaded many new product developments, built teams of capable people and developed lasting relationships at all levels.

Among her current board portfolio, Cheryl is a Non-Executive Director of Clover Corp (ASX:CLV) which delivers science-based bioactives which provide health benefits Clover operates across Asia, Australia/NZ, USA and Europe, as well as the Board of HGL Ltd (ASX:HNG). Prior relevant food-based Board experience includes Houston's Farm (Tas). Cheryl recently joined the AgriMinds group, and the Board of CA ANZ, a large member-based organisation.

Cheryl has significant experience in the development of strategy and strategic pathways for member organisations, as well as mentoring at all levels of an organisation.

Cheryl is a Professional Member of AIFST and a Fellow of the Australian Institute of Company Directors.



Dr Andreas Klieber,
BSc (Food Tech Hons
1), PhD, MAIFST –
Non-Executive Director

Andreas has more than 25 years' experience as a professional Food Scientist and Technologist within the Australian food industry.

He graduated from the University of New South Wales, Sydney with a BSc (Hons 1) and PhD in Food Science and Technology. Following two years of postdoctoral research with the University of British Columbia and Agriculture Canada, he lectured and undertook further research for 13 years in horticulture and food technology with the Universities of Queensland and Adelaide.

Andreas gained in-depth understanding of retail technical and quality management through his three-year role with the innovation-leading retailer Marks & Spencer in the UK. Returning to Australia he worked as Technical Manager and Supply Chain Sustainability Manager with Coles Supermarkets for seven years. In that time, he worked closely with a diverse food manufacturing base including primary product and high-risk ready-to-eat products to enhance quality and protect brand reputation.

Currently, Andreas is a partner and director in the Quality Associates group providing quality services and training to the food industry.

Andreas is a Professional Member of AIFST.



Dr Steven Lapidge,
BSc (Hons), PhD,
MBA, GAICD, MAIFST
– Non-Executive
Director

Dr Steven Lapidge is the CEO of the Fight Food Waste Cooperative Research Centre. He has over 15 years of experience working in the agri-food industry and in recent years has represented Australia at G20 and OECD meetings on food loss and waste. Skills that Steve brings to the AIFST Board include new business development and fund raising, food industry resource efficiency and sustainability strategy.

Steve's qualifications include a BSc Honours (Flinders Uni), PhD (Sydney Uni) and an MBA (Uni SA). He is a graduate of the European Summer School of Advanced Management (ESSAM), and in 2010 was awarded the prestigious Fulbright Professional Business-Industry Coral Sea Fellowship.

Steven is a Professional Member of AIFST and Graduate of the Australian Institute of Company Directors.



Peter Schutz,
B.Sc (Hon), B.App.
Sc, FAIFST, FAICD –
Chair & Non-Executive
Director

Peter has more than 40 years' experience in the Australian food industry, with a strong passion for ensuring a sustainable and viable profession. Peter has held a range of senior management roles including as Group Technical Director, and subsequently Chief Executive, of George Weston Technologies.

Peter continues his professional career with various Non-Executive Director roles within the industry. He is currently Chair of Food Innovation Australia Limited (FIAL), holds a Ministerial appointment within the Food and Agribusiness Growth Centre, and is a member of the Growth Centre Advisory Committee for the Department of Industry and Science.

Peter is a Non-Executive Director and Chair of The Lupin Company and Non-Executive Director of Fermentation Tasmania Ltd. He is Chairman of the Food Safety Centre Advisory Board at the Tasmanian Institute of Agriculture and an Advisory Committee Member of CSIRO's Food and Nutrition Flagship.

Peter has been a Professional Member of AIFST since 1984 and was appointed a Fellow of the Institute in 2009. He is also a Fellow of the Australian Institute of Company Directors.



**THE AUSTRALIAN INSTITUTE OF FOOD SCIENCE
& TECHNOLOGY LIMITED
A.B.N. 15 602 767 019**

FINANCIAL REPORT

FOR THE YEAR ENDED 31ST DECEMBER 2018

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**THE AUSTRALIAN INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY LIMITED A.B.N. 15 602 767 019
DIRECTORS' REPORT FOR THE YEAR ENDED 31ST DECEMBER 2018**

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

DIRECTORS

The names of each person who has been a director during the year and to the date of this report are: -

Christopher Downs
Fiona Fleming
Trent Hagland
Cheryl Hayman
Andreas Klieber
Steven Lapidge
Peter Schutz

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Particulars of the qualifications, experience and special responsibility of each Director, as at the date of this report, are set out after this report.

COMPANY SECRETARY

The following person held the position of Company Secretary during the financial year:

Fiona Fleming

OPERATING RESULTS

The surplus of the Company for the year ended 31 December 2018 was \$137,750, which compares with a surplus of \$9,431 for the year ended 31 December 2017. No provision for income tax has been made in the accounts as the Company is exempt from income tax.

The reported surplus of \$137,750 in 2018 represents a \$128,319 increase during the financial year. The Board and management have been focused on delivering a surplus budget and continuing to build the financial base of the Institute.

PRINCIPAL ACTIVITY

The principal activity of the Institute during the financial year was to promote the standing, usefulness and welfare of food industry professionals and dissemination of useful information relating to the food industry and associated areas. No significant changes in the nature of those activities occurred during the year.

**THE AUSTRALIAN INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY LIMITED A.B.N. 15 602 767 019
DIRECTORS' REPORT FOR THE YEAR ENDED 31st DECEMBER 2018**

STRATEGIC PRIORITIES

As the only independent national voice and network for Australia's food industry professionals, AIFST continues to strive to advance Australia's food industry as a sustainable, world-leading industry.

In 2018, the AIFST Board continued to focus its efforts on four key areas:

- Grow – personal development, growing the next generation of food scientists and technologists and growing the Institute.
- Learn – about the industry, about advances in science and technology, about other sectors, about things you don't know or need to know.
- Connect – connecting members with members, members with industry, industry with industry, to meet likeminded people.
- Advocate – a voice for food science and food scientists within industry, academia, grow respect for the industry and the profession.

Key activities in 2018 are set out in the Managing Directors report, located on page 6 of the AIFST 2018 Annual Report.

KEY PERFORMANCE MEASURES

The Institute measures its 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.

INFORMATION ON DIRECTORS

DR CHRISTOPHER DOWNS Non-Executive Director PhD, GAICD, MAIFST	TRENT HAGLAND Non-Executive Director BBus, Grad Dip Applied Fin, Grad Dip Applied Econ, MFM, CFA, MIR, SF Fin, FAICD, Member of AIFST
FIONA FLEMING Non-Executive Director BAppSc (Food Tech), MMgt (Nutr), MAICD, MAIFST	DR ANDREAS KLIEBER Non-Executive Director BSc(Food Tech Hons 1), PhD, MAIFST
CHERYL HAYMAN Non-Executive Director B.Com (Mktg), FAICD, FAMI, MAIFST	DR STEVEN LAPIDGE Non-Executive Director B.Sc. (Hon), PhD, MBA, GAICD, MAIFST
PETER SCHUTZ Non-Executive Director B.Sc (Hon), B.App.Sc, FAICD, FAIFST	

**THE AUSTRALIAN INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY LIMITED A.B.N. 15 602 767 019
DIRECTORS' REPORT FOR THE YEAR ENDED 31st DECEMBER 2018**

MEETINGS OF DIRECTORS

During the financial year, seven (7) meetings of directors were held. Attendances by each director were as follows: -

	Directors Meeting	
	Number eligible to attend	Number attended
Christopher Downs	7	7
Fiona Fleming	7	7
Trent Hagland	7	7
Cheryl Hayman	7	6
Andreas Klieber	7	6
Steven Lapidge	7	6
Peter Schutz	7	7

BOARD COMMITTEES

The AIFST board has two Sub-Committees – Finance, Audit and Risk and Nomination and Remuneration. These Board Committees meet on a regular basis throughout the year to support the implementation of the Strategic Plan and deliver against the corporate governance standing of the Institute.

As at year end 2018 these Committees consisted of the following members:

Board Sub-Committee	Committee Members
Nomination and Remuneration Committee	Cheryl Hayman (Chair) Peter Schutz Steven Lapidge
Finance, Audit and Risk Committee	Trent Hagland (Chair) Thomas Debney (ex – term limit reached) Stewart Eddie Andreas Klieber Chris Downs

The company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$1 each towards meeting any outstanding obligations of the entity. At 31 December 2018, the total amount that members of the company are liable to contribute if the company is wound up is \$1,516 (2017: \$1,704).

**THE AUSTRALIAN INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY LIMITED A.B.N. 15 602 767 019
DIRECTORS' REPORT FOR THE YEAR ENDED 31ST DECEMBER 2018**

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 31st December 2018 has been received and can be found on page 29 of the financial report.

Signed in accordance with a resolution of the Directors.



Signed
Peter Schutz
Chairman

Signed at Sydney on the 20th day of April 2019



Walker Wayland NSW
Chartered Accountants

ABN 55 931 152 366

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60 Castlereagh Street
SYDNEY NSW 2000

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SYDNEY NSW 2001

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Website: www.wwnsw.com.au

**THE AUSTRALIAN INSTITUTE OF FOOD SCIENCE
AND TECHNOLOGY LIMITED
A.B.N. 15 602 767 019**

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C
OF THE CORPORATIONS ACT 2001**

We declare that, to the best of our knowledge and belief, during the year ended 31st December 2018 there have been:

- (i) no contraventions of the auditor's independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



Walker Wayland NSW
Chartered Accountants



Wali Aziz
Partner

Dated this 24th day of April 2019, Sydney



Walker Wayland NSW

Chartered Accountants

ABN 55 931 152 366

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60 Castlereagh Street
SYDNEY NSW 2000

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Website: www.wwnsw.com.au

To the members of The Australian Institute of Food Science and Technology Limited.

Opinion

We have audited the financial report of The Australian Institute of Food Science and Technology Limited (the company), which comprises the statement of financial position as at 31 December 2018, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the financial report of the company is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the company's financial position as at 31 December 2018 and of its performance for the year then ended; and
- complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

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

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's report.

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



Material Uncertainty Related to Going Concern

We draw attention to Note 1(a) in the financial report, which indicates that the company has derived a net surplus after tax for the year ended 31 December 2018 of \$137,750 (2017: \$9,431) and has generated a net cash inflows from operating activities of \$120,130 (2017: cash outflow of \$63,203). As at 31 December 2018, the company had a net asset deficiency position of \$257,810 (2017: \$395,560). The company has cash assets of \$184,862 as at 31 December 2018 (2017: \$64,732). Other liabilities including deferred income in advance of \$383,171 as at 31 December 2018 (2017: \$306,260). As stated in Note 1(a), these events or conditions, along with other matters as set forth in Note 1(a), indicate that a material uncertainty exists that may cast doubt on the company's ability to continue as a going concern. 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 company's annual report for the year ended 31 December 2018 but does not include the financial report and our auditor's report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

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

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



Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.



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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Walker Wayland NSW
Chartered Accountants

Wali Aziz
Partner

Dated this 24th day of April 2019, Sydney

THE AUSTRALIAN INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY LIMITED A.B.N. 15 602 767 019
DIRECTORS' DECLARATION

In accordance with a resolution of the directors of The Australian Institute of Food Science and Technology Limited, the directors declare that:

1. The financial report and notes as set out on pages 35 to 54 are in accordance with the Corporations Act 2001 and: -
 - a. comply with Australian Accounting Standards and
 - b. gives a true and fair view of the financial position of the Company as at 31st December 2018 and of its performance for the year ended on that date
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 fall due

This Declaration is made in accordance with a resolution of the Board of Directors:



Signed
 Peter Schutz
 Chairman

Signed at Sydney on the 20th day of April 2019

THE AUSTRALIAN INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY LIMITED A.B.N. 15 602 767 019
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST DECEMBER 2018

	NOTES	2018 \$	2017 \$
Revenues from continued operations	2	956,905	1,465,012
Administration expenses		(130,607)	(241,065)
Convention, symposium and member event expenses		(155,574)	(203,417)
Employee expenses		(395,153)	(692,955)
Office expenses		(30,183)	(125,884)
Publication expenses		(106,638)	(192,260)
Total Expenses		(819,155)	(1,455,581)
Surplus before income tax		137,750	9,431
Income tax expense	1b	-	-
Surplus for the year		137,750	9,431
Other comprehensive income after income tax		-	-
Total comprehensive income for the year		137,750	9,431
Total comprehensive income attributable to members of the Company		137,750	9,431

THE AUSTRALIAN INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY LIMITED A.B.N. 15 602 767 019
STATEMENT OF FINANCIAL POSITION AS AT 31st DECEMBER 2018

	NOTE	2018 \$	2017 \$
CURRENT ASSETS			
Cash and cash equivalents	5	184,862	64,732
Trade and other receivables	6	23,748	28,092
Inventories	7	583	904
Other assets	8	23,345	25,255
TOTAL CURRENT ASSETS		232,538	118,983
NON-CURRENT ASSETS			
Plant and Equipment	9	-	-
TOTAL NON-CURRENT ASSETS		-	-
TOTAL ASSETS		232,538	118,983
CURRENT LIABILITIES			
Trade and other payables	10	92,752	194,331
Employee provisions	11	14,425	13,952
Other liabilities	12	383,171	306,260
TOTAL CURRENT LIABILITIES		490,348	514,543
TOTAL LIABILITIES		490,348	514,543
NET DEFICIENCY		(257,810)	(395,560)
MEMBERS' FUNDS			
Members reserve	21	159,343	159,343
Accumulated Deficiency		(417,153)	(554,903)
TOTAL DEFICIENCY		(257,810)	(395,560)

The accompanying notes form an integral part of these accounts

THE AUSTRALIAN INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY LIMITED A.B.N. 15 602 767 019
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st DECEMBER 2018

	Member's Equity \$	Accumulated Deficits \$	Total \$
Balance at 1 January 2017	159,343	(564,334)	(404,991)
Deficit attributable to members	-	9,431	9,431
Other comprehensive income for the year	-	-	-
Balance at 31 December 2017	159,343	(554,903)	(395,560)
Surplus attributable to members	-	137,750	137,750
Other comprehensive income for the year	-	-	-
Balance at 31 December 2018	159,343	(417,153)	(257,810)

THE AUSTRALIAN INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY LIMITED A.B.N. 15 602 767 019
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st DECEMBER 2018

	NOTE	2018 \$	2017 \$
Cash flows from operating activities			
Receipts from members and customers re membership fees and all other activities		1,135,931	1,452,782
Interest received		151	184
Payments to suppliers and employees		(1,015,952)	(1,516,169)
Net cash provided by / (used in) operating activities	18b	120,130	(63,203)
Cash flows from investing activities			
Payment for property, plant and equipment		-	-
Net increase / (decrease) in cash held		120,130	(63,203)
Cash at the beginning of the financial year		64,732	127,935
Cash at the end of the financial year	18a	184,862	64,732

THE AUSTRALIAN INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY LIMITED A.B.N. 15 602 767 019
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st DECEMBER 2018

The financial statements cover The Australian Institute of Food Science and Technology Limited as an individual entity, incorporated and domiciled in Australia. The Australian Institute of Food Science and Technology Limited is a Company limited by guarantee.

The financial statements were authorised for issue on the date of signing by the directors of the Company.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with The Corporations Act 2001 and Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board. The Company is a not for profit entity for financial reporting purposes under Australian Accounting Standards.

Material accounting policies adopted in the preparation of these financial statements are presented below. They have been consistently applied unless otherwise stated.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting Policies

(a) AIFST Board Review - Going Concern

The company has derived a net surplus after tax for the year ended 31 December 2018 of \$137,750 (2017: \$9,431) and has generated a net cash inflow from operating activities of \$120,130 (2017: cash outflow of \$63,203). As at 31 December 2018, the company had a net deficiency position of \$257,810 (2017: of \$395,560). The company has cash assets of \$184,862 as at 31 December 2018 (2017: \$64,732). Other liabilities include deferred income in advance of \$383,171 as at 31 December 2018 (2017: \$306,260).

As at the reporting date, and the date of signing, the above matters give rise to a material uncertainty that casts doubt about the Company's ability to continue as a going concern.

Subsequent to year end, for the period ended 31 March 2019 the company derived a surplus of \$291,294 and had cash assets (including wind up reserves) of \$156,291 as at that date.

**THE AUSTRALIAN INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY LIMITED A.B.N. 15 602 767 019
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2018**

The directors believe that the Company will be successful in the ongoing execution of its business plan and the achievement of forecasts and be in a position to realise its assets and settle its liabilities as and when they fall due and satisfy its commitments in the normal course of business and at the amounts stated in the financial report.

Accordingly, the financial report has been prepared on a going concern basis.

In the event that the Company does not achieve its operational targets, the ability of the Company to continue as a going concern may be impacted.

No adjustments have been made to the recoverability and classification of recorded asset values and the amount and classification of liabilities that might be necessary should the Company not continue as going concern.

(b) Income Tax

No provision for income tax has been raised as the Company is exempt from income tax by virtue of Section 50-B of the Income Tax Assessment Act, 1997.

(c) Inventories

Inventories are measured at the lower of cost or net realizable value.

(d) Plant and Equipment

Plant and equipment are carried at cost or fair value as indicated less where applicable accumulated depreciation and impairment losses.

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

The depreciable amount of all fixed assets are depreciated on a straight-line basis over the useful lives of the assets to the Company commencing from the time the asset is held ready for use.

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

Computers and Peripherals	33% straight line
---------------------------	-------------------

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

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 included in the comprehensive income statement.

**THE AUSTRALIAN INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY LIMITED A.B.N. 15 602 767 019
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2018**

(e) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership) are transferred to the Company are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amount equal to the fair value of the leased asset or the present value of the minimum lease payments, including any guaranteed residual values.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the Company will obtain ownership of the asset or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expenses for the period.

Lease payments for operating leases where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(f) Impairment of Assets

At each reporting date the Company reviews the carrying values of its tangible 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 comprehensive income statement.

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

(g) Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. 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. In determining the liability consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

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

(h) Cash and Cash Equivalents

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

THE AUSTRALIAN INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY LIMITED A.B.N. 15 602 767 019
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st DECEMBER 2018

(i) Revenue

Membership fees

The Company's membership subscription year runs for the 12 months from date of purchase. Subscriptions are payable annually in advance. Only those membership fees which are attributable to the current financial year are recognised as revenue. Fees relating to periods beyond the current financial year are shown as part of other current liabilities in the Statement of Financial Position under the heading Income in Advance.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

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

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

All revenue is stated net of the amount of Goods and Services Tax (GST).

(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 in the statement of financial position are shown inclusive of GST.

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 in the cash flow statement on a gross basis. The GST components of cash flows arising from investing activities are disclosed as operating cash flows included in receipts from customers or payments to suppliers.

(k) Comparative Figures

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

THE AUSTRALIAN INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY LIMITED A.B.N. 15 602 767 019
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st DECEMBER 2018

(l) Conventions, Symposiums and Member Events

Income received, and expenses incurred in respect of conventions, symposiums and member events are accumulated in respect of each identifiable convention, symposium and member event. This income and expenditure is carried forward and brought to account against surplus in the year in which the respective convention, symposium and member event is held. Income relating to periods beyond the current financial year are shown as part of other current liabilities in the Balance Sheet under the heading Income in Advance whilst Expenses are shown as part of other current assets in the Balance Sheet under the heading Prepaid Expenses.

(m) Trade and Other Receivables

Trade and other receivables include amounts due from members as well as amounts receivable from customers for goods or services sold in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

(n) 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 amounts normally paid within 30 days of recognition of the liability.

(o) 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.

(p) New Accounting Standards for Application in Future Periods

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

- *AASB 15: Revenue from Contracts with Customers, and AASB 1058: Income for Not-for-Profit Entities. For annual reporting periods beginning on or after 1 January 2019, Not-for-Profit entities will need to apply either of the new revenue standards.*

Except for 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 AUSTRALIAN INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY LIMITED A.B.N. 15 602 767 019
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st DECEMBER 2018

For revenue to be recognised pursuant to AASB 15 the terms of the contract must be enforceable and contain sufficiently specific performance obligations. The application of AASB 15 will replace the current accounting requirements applicable to revenue recognition with a single, principles-based model.

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

If the contract is not enforceable or does not contain sufficiently specific performance obligations, revenue must be recognised pursuant to AASB 1058. The application of AASB 1058 will result in revenue being recognised upfront on the date of the contract.

The Board have undertaken a preliminary assessment of the impact of AASB 15 and AASB 1058, based on the company's preliminary assessment the likely impact on first time adoption of this standard for 30 June 2020 has not yet been quantifiable.

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.

- *AASB 16: Leases (applicable to annual reporting periods beginning on or after 1 January 2019). The application date for all not-for-profit entities is 12 months later than the above date set for all for-profit entities.*

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 AUSTRALIAN INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY LIMITED A.B.N. 15 602 767 019
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st DECEMBER 2018

The main changes introduced by the new Standard include:

- recognition of a right-to-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-to-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;
- variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
- by applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead account for all components as a lease; and
- 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 or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

The Board have undertaken an assessment of the impact of AASB 16, based on the company's preliminary assessment and the facts the company are not party to an operating lease, the impact is unquantifiable based on first time adoption of this standard for 31 December 2020.

THE AUSTRALIAN INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY LIMITED A.B.N. 15 602 767 019
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st DECEMBER 2018

	2018	2017
	\$	\$
2. REVENUE		
Advertising and displays	21,828	7,260
Projects	40,400	270,125
Convention, symposium and member event income	517,986	702,855
Interest income	151	184
Membership fee income	271,813	319,800
Publication income	78,318	106,549
Book sales	1,030	3,447
Subscriptions	13,411	23,286
Sundry income	11,968	31,506
	<u>956,905</u>	<u>1,465,012</u>

3. SURPLUS

(a) Expenses

Auditors Remuneration		
Auditing or reviewing the Financial Report	14,271	24,099
Taxation Services	-	-
Rent Expenses	22,793	99,795

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st DECEMBER 2018

	2018	2017
	\$	\$
4. KEY MANAGEMENT PERSONNEL COMPENSATION		
The totals of remuneration paid to Key Management Personnel (KMP) of the Institute during the year are as follows: -		
Short term employee benefits	108,000	313,077
Post-employment benefits	-	-
	<u>108,000</u>	<u>313,077</u>
5. CASH AND CASH EQUIVALENTS		
Cash at Bank	184,862	64,732
Cash on Hand	-	-
	<u>184,862</u>	<u>64,732</u>
6. TRADE AND OTHER RECEIVABLES		
Trade debtors	23,748	24,649
Less provision for impairment	-	-
Net GST Receivable	-	3,443
	<u>23,748</u>	<u>28,092</u>

Current trade debtors are generally receivable in 14 days.

The Company has no significant concentration of credit risk with respect to any single counterparty or group of counterparties.

No collateral is held as security for any of the trade and other receivables balances.

7. INVENTORIES

Finished Goods		
- books at cost	<u>583</u>	<u>904</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st DECEMBER 2018

	Note	2018 \$	2017 \$
8. OTHER ASSETS			
Prepaid expenses – Other Prepayments		23,345	23,159
Prepaid expenses – NZOZ Symposium Costs Prepaid		-	2,096
		<u>23,345</u>	<u>25,255</u>

9. PLANT AND EQUIPMENT

Computers & Peripherals, at cost		-	-
Less: Accumulated Depreciation		-	-
		<u>-</u>	<u>-</u>

10. TRADE AND OTHER PAYABLES

Trade Creditors	i	66,712	100,853
Accruals		15,181	93,478
Net GST Payable		14,859	-
		<u>96,752</u>	<u>194,331</u>

The current trade creditors are normally paid within 30 days of recognition of the liability.

No collateral has been pledged for any of the trade and other payable balances.

- (i) Trade Creditors consists of \$44,994 in unpaid rent, owed to Meat & Livestock Australia (MLA), who are the previous landlord of the North Sydney premises. AIFST Management and Board have formalised an agreement with MLA in order to repay the full amount owed by December 2019. The repayments will be made in monthly installments of between \$2,500 and \$4,994, commencing February 2019.

11. EMPLOYEE PROVISIONS

CURRENT			
Annual Leave		14,425	13,952
Long Service Leave		-	-
		<u>14,425</u>	<u>13,952</u>

These provisions include the total amount accrued for annual leave and long service leave that have vested due to employees having completed the required period of service. Based upon past experience the company does not expect the full amount to be settled in the next 12 months.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st DECEMBER 2018

	2018 \$	2017 \$
12. OTHER LIABILITIES		
Income in Advance – Memberships	211,675	228,026
Income in Advance – Food Australia Subscriptions	70,961	6,930
Income in Advance – Convention	42,235	-
Income in Advance – Other	58,300	71,304
	<u>383,171</u>	<u>306,260</u>

13. RELATED PARTY INFORMATION

Directors AIFST Board Review

The Directors named in the attached Directors' report each held office as a Director of the Company during the year ended 31st December 2018. The Company holds a Director Conflict of Interest register on file and advise that all Directors are members of the Company.

The following Directors also hold related party relationships with organisations that deliver joint initiatives and programs with the Company: -

Peter Schutz	Director, Food Innovation Australia Limited (FIAL)
Christopher Downs	Employee, CSIRO, and IFT Board member
Fiona Fleming	Contractor, Australian Food and Grocery Council (AFGC)

Transactions with Related Parties

AIFST received income from FIAL for the Marketing and Advertising in the *food australia* magazine, in addition to partnership at the AIFST Convention.

AIFST received income from CSIRO for Research, and Convention Registrations.

AIFST received income from AFGC for Convention Registration.

AIFST received funds from IFT for services in advance.

The above transactions were carried out on arm's length terms and conditions.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st DECEMBER 2018

	2018	2017
	\$	\$
14. CAPITAL AND LEASING COMMITMENTS		
Operating Leases		
Cancellable operating leases of premises etc. contracted for but not capitalised in the accounts:		
Payable – minimum lease payments		
- not later than one year	-	90,474
- later than one year but not later than two years	-	94,093
- later than two years but not later than 5 years	-	305,471
- later than 5 years but not later than 10 years	-	91,492
	<u>-</u>	<u>581,530</u>

AIFST moved to a new office location in North Ryde, in March 2018. The office space was offered by FIAL (related party). There is no operative lease agreement for this premises, and therefore no future leasing commitments. Upon the company moving to the new location, no further leasing commitment exists with the previous lessor.

15. SEGMENT REPORTING

The Company promotes the standing, usefulness and welfare of the profession of food science and technology and dissemination of useful information relating to food science and technology in Australia.

16. SEGMENT REPORTING

At 31 December 2018, AIFST had no contingent liabilities.

17. COMPANY DETAILS

The registered place of business of the Company is: -

11 Julius Avenue
NORTH RYDE, NSW 2113

The registered office of the Company is: -

Level 11, Suite 11.01
60 Castlereagh Street
SYDNEY, NSW 2000

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st DECEMBER 2018

	2018	2017
	\$	\$
18. CASH FLOW INFORMATION		
(a) Reconciliation of Cash		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the Statement of Financial Position as follows: -		
Cash and cash equivalents	<u>184,862</u>	<u>64,732</u>
	<u>184,862</u>	<u>64,732</u>
(b) Reconciliation of net cash provided by (used in) operating activities to operating surplus after tax:		
Surplus after tax	137,750	9,431
Other cash adjustments:		
Interest received		
Changes in assets and liabilities:		
Decrease in trade and other receivables	4,344	75,730
Decrease in inventories	321	1,697
Decrease other current assets	1,910	12,263
(Decrease) in trade and other payables	(101,579)	(9,156)
Increase / (decrease) increase in employee provisions	473	(7,238)
Increase / (Decrease) in other current liabilities	<u>76,911</u>	<u>(145,930)</u>
Net cash provided by / (used in) operating activities	<u>120,130</u>	<u>(63,203)</u>

(c) The Company has no credit stand-by or financing facilities in place.

(d) There were no cash financing or investing activities during the year.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st DECEMBER 2018

19. FINANCIAL RISK MANAGEMENT

The Company's financial instruments consist mainly of deposits with banks, accounts receivable and payable.

The total for each category of financial instruments measured in accordance with AASB 139 as defined in the accounting policies to these financial statements are as follows: -

	Note	2018 \$	2017 \$
Financial Assets			
Cash and cash equivalents	5	184,862	64,732
Trade and other receivables	6	23,748	28,092
Total Financial Assets		<u>208,610</u>	<u>92,824</u>
Financial Liabilities			
Trade and sundry payables	10	96,752	194,331
Total Financial Liabilities		<u>96,752</u>	<u>194,331</u>

All trade and sundry payables are expected to be paid within 6 months.

Financial Risk Management Policies

The Company does not have any derivative instruments at 31st December 2018.

(i) Risk Management

Directors meet on a regular basis to analyse financial risk exposure and to evaluate risk management strategies in the context of the most recent economic conditions and forecasts.

The Directors overall risk management strategy seeks to assist the Company in meeting its financial targets, whilst minimizing potential adverse effects on financial performance.

The Management operate under policies approved by the Board. Risk management policies are approved and reviewed by the Board on a regular basis. These include the use of credit risk policies and future cash flow requirements.

The Board and Finance, Audit and Risk Committee actively monitor the performance of budget to actuals and cash flow forecasts at its meeting in response to the challenges experienced in the 2018 fiscal period. The Board continues to undertake any necessary action to ensure the Company delivers against the expected financial performance.

From April 2018 the Finance, Audit and Risk Committee monitor the monthly cashflow and budget to actuals.

THE AUSTRALIAN INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY LIMITED A.B.N. 15 602 767 019
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st DECEMBER 2018

(ii) Specific Risk Exposures and Management

The main risks the Company is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

Interest Rate Risk:

Interest rate risk is managed by the Company's policy of not borrowing.

Foreign Currency Risk:

The Company is not exposed to fluctuations in foreign currencies.

Liquidity Risk:

The Company manages liquidity risk by monitoring monthly performance and cash flow forecasts and maintains adequate accumulated surpluses to cover liabilities when and as they fall due.

Credit Risk:

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

There are no material amounts of collateral held as security at 31st December 2018.

Credit risk is managed and reviewed regularly by the Directors. It arises from exposures to customers and deposits with financial institutions.

The Directors monitor credit risk by actively assessing the rating quality and liquidity of counter parties:

- only banks and financial institutions with an "A" rating or above are utilised; and
- customers that do not meet the Company's strict credit policies may only purchase in cash or using recognized credit cards.

At year end the Company does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Company.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st DECEMBER 2018

Price Risk:

The Company is not exposed to any material commodity price risk.

The trade receivables balances at 31st December 2018 and 31st December 2017 do not include any counterparties with external credit ratings. Customers are assessed for credit worthiness using the criteria detailed above.

20. CAPITAL MANAGEMENT

Directors control the capital of the entity to ensure that adequate cash flows are generated to fund its operations and that returns from investments are maximized. The Directors ensure that the overall risk management strategy is in line with this objective.

Management operate under policies approved by the Board. Risk management policies are approved and reviewed by the Board on a regular basis. These include credit risk policies and future cash flow requirements.

The Company's capital consists of total equity.

Directors effectively manages the entity's capital by assessing the entity's financial risks and responding to changes in these risks and in the market. These responses may include consideration of debt levels.

There have been no changes to the strategy adopted by directors to control the capital of the Company since the previous year. The strategy of the Company is to maintain no gearing.

	2018	2017
	\$	\$
Total equity (reserves plus retained earnings)	<u>(257,810)</u>	<u>(395,560)</u>
Total deficit	<u>(257,810)</u>	<u>(395,560)</u>

21. MEMBERS' GUARANTEE

The Company is incorporated pursuant to the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$1 each towards meeting any outstanding obligations of the Company. At 31 December 2018, the number of members was 1,516 (2017: 1,704).



australian institute of
food science & technology



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Australia

www.aifst.asn.au