



australian institute of
food science & technology



**UNITING FOOD INDUSTRY
PROFESSIONALS IN
THE SCIENCE OF
FEEDING OUR FUTURE**

ANNUAL REPORT 2019


Grow • Learn • Connect • Champion

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NOTICE OF ANNUAL GENERAL MEETING

- 2020 AIFST Annual General Meeting
- 5.00pm on 20 May 2020
(registrations from 4.45pm)
- By: Zoom video conference



Our mission: to advance and inspire all food sector professionals through education, collaboration and recognition to champion a robust, innovative science based Australian food industry to meet future food needs.

FOREWORD FROM THE AIFST CHAIR



The Food Industry in Australia ended 2019 under great stress after several years of extreme drought were compounded by the worst bushfires in history. This had a significant impact on farmers as the producers of our food, the entire transport system and all of us as concerned consumers.

During 2019, the Board and management of AIFST were focused on strengthening the financial base of the Institute, membership engagement and continuing professional development (CPD).

I am pleased to report that we were able to deliver another budget surplus in 2019 for the third year in a row and this will provide a base for a challenging year ahead. In 2019 we delivered more member events overall and increased the hours of education and networking - up from 75 hours in 2018 to 95 hours in 2019. Our mentoring program also grew from 52 participants in 2018 to 76 in 2019. Branch committees were reformed and strengthened in 2019 and our Special Interest Groups provided a focus for consultant, young professional and sensory and consumer science members.

In a competitive and changing world, food scientists and technologists must stay at the cutting edge of new developments throughout their careers. It is no longer possible to rely on basic studies or on-the-job training to provide professional advice and service to our employers, customers, and clients. Modern businesses rely on skilled professionals who are competent in their profession, remain current in their knowledge, and manage and embrace change. Today, food scientists and technologists are increasingly responsible for developing their own careers.

In 2019, the AIFST launched our Continuing Professional Development (CPD) program. It is voluntary and designed to encourage members to maintain currency of skills and knowledge and assist with career planning. It will provide recognition of experience and interests and align food scientists with other well-respected professions.

As I write this, I am in self isolation at home due to COVID-19 and reflect on how society is going to be different in the future. The past few weeks

have provided all of us with challenges we have never experienced before. Our day to day lives have changed as we navigate the landscape of our "new normal" – social distancing, working from home, away from our colleagues and teams. The current reality of the COVID-19 world we are now living in has required us to adapt and change, to innovate.

The following statement is often attributed to the famous scientist Charles Darwin:

It is not the strongest of the species that survives, nor the most intelligent that survives. It is the one that is most adaptable to change.

The one clear positive impact is that these crises make us think differently and are a great catalyst for innovation.

The AIFST staff need to be acknowledged for their flexibility, dedication and commitment. They have all embraced new and innovative technologies to continue to deliver on our key priorities of grow, learn, connect and champion. As you will also have seen recently, Fiona and the team have been convening online webinars with encouragingly large numbers of participants.

I would like to thank outgoing Board members – Trent Hagland and Dr Steven Lapidge for their input, support, expertise and commitment during their three years on the Board. Fiona Fleming is also stepping down from the Board at the AGM in May as she has served two terms. Fiona will continue with the AIFST as Chief Executive Officer (CEO) and Company Secretary.

We continue to build our mutually supportive relationships with international partners in IFT and NZIFST as well as with FIAL, Fight Food Waste CRC and Food Bank.

I invite and encourage, all members to take an active role in engaging in the Institute, now more than ever. Fiona has been active in reconnecting with our State Branches and Special Interest Groups and I would encourage members to join, be active and contribute your ideas for our future. We are keen to hear your suggestions on improvements or opportunities, so reach out to myself or Fiona – we are both happy to talk to any member directly at any time.

Peter Schutz OAM
Chair, AIFST

2019 SNAPSHOT

1594



Event & webinar attendees

22



Webinars

19



Face-to-face events around Australia

95



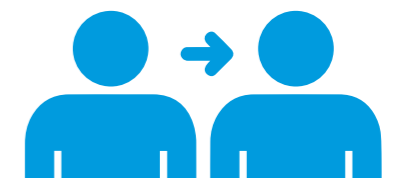
Hours of education and networking

400



AIFST 2019
Total convention attendees;
70 speakers; 15 exhibitors

76



National Mentoring
Program Participants

4



Quarterly editions of *food australia*

12



Bitesize -
member only e-newsletters



Continuing Professional Development program

1359

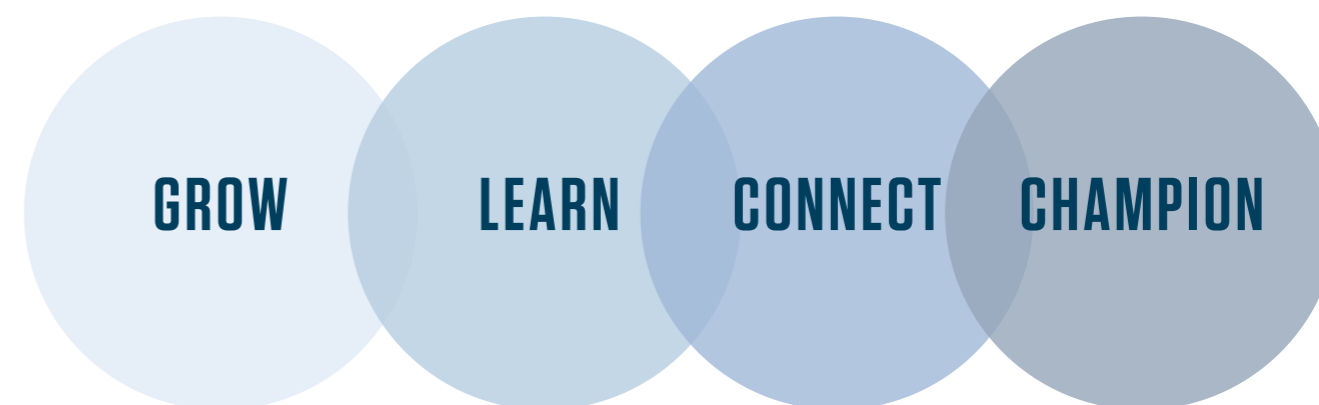


Members at the end of 2019

MANAGING DIRECTOR'S REPORT – THE YEAR IN REVIEW

2019 continued the rebuilding of the AIFST with the focus of the Board on four key strategic priority areas:

- **Grow** – personal development, mentoring and peer recognition to grow the next generation of food scientists and technologists. Investing time in the organisation to help grow and make the AIFST sustainable.
- **Learn** – learn and share knowledge about food systems, advances in food science and technology. Inspiring innovation that supports a robust food sector and explore related sectors, to strengthen our future.
- **Connect** – connecting like-minded members with industry networks, leveraging relationships and enabling collaboration that is relevant and fun.
- **Champion** – the leading voice for food science and food scientists within industry, academia, government and key opinion leaders, to grow respect and recognition for the profession.



These four key areas provided the framework for the AIFST work in 2019.

	GROW	LEARN	CONNECT	CHAMPION
MEMBERSHIP SERVICES				
National Mentoring Program	✓	✓	✓	
Member & Industry Events	✓	✓	✓	✓
Consultants Register	✓		✓	
Continuing Professional Development (CPD)	✓	✓	✓	✓
Membership – Professional and Fellows	✓			
KEY EVENTS				
Summer School	✓	✓	✓	
Annual Convention	✓	✓	✓	✓
AIFST Awards	✓			✓
COMMUNICATIONS				
<i>food australia</i>		✓	✓	✓
Bitesize			✓	
Social Media		✓	✓	✓
PARTNERSHIPS & ENGAGEMENT				
Projects	✓	✓	✓	✓
Member and Sponsorship Engagement	✓	✓	✓	✓

MEMBERSHIP SERVICES



Food Recall



Science Alive



Webinar



Food Recall Workshop in partnership with GS1 @ Victual



Food for Thought - Perth



Trivia Night - Victoria



Choc 101 - Melbourne

Mentoring Program

2019 saw the growth of the National Mentoring program, which increased from 52 mentors and mentees in 2018 to 76 mentors and mentees in 2019. 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 undertake the program again in 2020.

Member & Industry Events

The AIFST worked hard in 2019 to deliver a range of opportunities for members to grow, learn and connect. During 2019, a total of 41 events were hosted by AIFST – 19 face-to-face and 22 webinars with a total of 1,594 participants. This is the largest number of events in the last 5 years.

Webinars

All webinars were delivered “live” across a broad range of topics and presenters. The webinars were all recorded and saved to the AIFST website for members to access free of charge at any time, allowing flexible learning options.

Continuing Professional Development



In 2019, in keeping with the organisations’ key priorities of grow, learn, connect and champion, AIFST launched the Continuing Professional Development (CPD) program.

The program is voluntary and designed to encourage members to maintain currency of skills and knowledge and assist with career planning. It will provide recognition of experience and interests and align food scientists with other well respected professions.

Face to Face Events

AIFST in association with the State Branches, ran a number of successful face-to-face events around Australia in 2019 including:

- Summer Schools in Brisbane and Adelaide
- Workshops on Food Recall and Navigating the Food Regulation Maze
- Food Science Smorgasbord*
- “Food for Thought” workshop
- Food Waste workshop
- Chocolate 101*
- Trivia Night
- Science at the Speed of Light*
- Science Alive

* New event for 2019

Other Events

AIFST also participated in a number of industry events in 2019.

- FoodTech Qld
- Allergy Free Show
- Global Table

Global Table was held from 3-6 September 2019 in Melbourne. The event brought together international and Australian agri-food stakeholders to build the future of food.

AIFST hosted a panel session on food policy and regulation for an innovative Australian food industry.



Global Table - AIFST panel session - food policy and regulation for an innovative Australian food industry.

Branches & Special Interest Groups

In 2019 AIFST worked towards re-establishing State Branches and Special Interest Groups.

The Branches for 2019 were:

BRANCH	CHAIR	MEETINGS
Queensland	Collin Slater Polly Burey & Cassandra Budd	3
New South Wales	Anne Watson	5
Victoria	Deon Mahoney	3
South Australia	Belinda Hanson-Kenny	3
Western Australia	Adel Yousif Justin Whitely	6



AIFST student member volunteers at the convention



Consultants

The Special Interest Groups for 2019 were:

- Consultants
- Sensory
- Young Professionals

The Consultants group developed a Consultants Guide which will be published in 2020.

The Sensory group spent a large part of 2019 working on the Australian and New Zealand Sensory and Consumer Science Symposium which was held in Melbourne in February 2020.

The Young Professional group was reconvened late in 2019 and will be further developed during 2020 following Summer School.

On behalf of the Board, staff and members, I would like to acknowledge the contribution of our Branch committees and Special Interest Groups 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.

Membership

At the end of 2019 we had a total of 1359 members. The Board and team are very focused on strategies to demonstrate membership value to attract new members and bring back previous members to AIFST.

Consultants Register

The AIFST Consultants Register was launched in September 2017 as a service to members. Currently there are 40 consultants listed on the register, operating nationally or state-wide.

KEY EVENTS



Summer School - Brisbane



AIFST Convention



Young Professionals Breakfast



Young Professionals Breakfast



Summer School - Adelaide



AIFST Convention



AIFST 2019 Fellows

Summer Schools – University of Queensland & University of Adelaide

In 2019 - for the first time ever - AIFST concurrently organised two separate Summer School events. The first Summer School of the year was held at the University of Queensland, St. Lucia Campus in mid-February. This event hosted 90 students and a diverse range of speakers over the two days. The second Summer School was held at the University of Adelaide, Waite Campus in late February. Over the two days, a total of 43 students and a multitude of great speakers participated in the event. Both Summer Schools were great successes with programs featuring presentations from industry professionals and fellow students, site tours, and networking opportunities.

A special thanks to Assoc Professor Mark Turner (UQ) and Helen Morris (UoA) for all their hard work.

2019 AIFST Convention

The 2019 AIFST Convention was held over 1 & 2 July at the Sydney International Convention Centre (ICC). Over the course of the convention we had 400+ attendees, 70+ speakers, 30 students volunteers and 15 exhibitors. The feedback received from the Convention was majorly positive, with many commenting about the diverse program, engaging speakers and thought-provoking content.

“Great technical content, great speakers. Too many good presentations and hard to choose between sessions”

“Loved the variety, very inspiring”

“Best conference in terms of content, location and speakers in quite a number of years!”



Young Professionals Breakfast

AIFST hosted the Young Professional breakfast on day 2 of the convention. AIFST student and young professional members enjoyed the opportunity to network with peers.

Fellows Breakfast

At the 2019 Convention, AIFST hosted the 3rd Fellows breakfast – a number of Institute Fellows enjoyed the opportunity to catch up with colleagues in an informal setting.

AIFST Fellows

In 2019, the AIFST welcomed 12 new Fellows:

- Jackie Baroni
- Dr Martin Cole
- Dr Christopher Downs
- Stewart Eddie
- Fiona Fleming
- Dr Ian Jenson
- Deon Mahoney
- Craig Miller
- Allan Poynton
- Annesley Watson
- Dr Adel M Yousef
- Kirsten Zadow

A Fellow of AIFST is the highest level of our membership and is reserved for members who have dedicated themselves to the progression of the food industry and of the Institute.



AIFST Keith Farrer Award of Merit



AIFST Foodbank Hunger Hero Award



AIFST President's Award



AIFST Allergen Bureau Julie Newlands Award



AIFST Anthony (Tony) Williams Sensory Award



AIFST Peter Seale Food Industry Innovation Award



Student Product Development Competition



AIFST Research Poster Competition

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.

The **AIFST Keith Farrer Award of Merit** acknowledges achievements within food science and technology in the wide areas of research, industry and education, and may take cognisance of contributions made to further the aims and objectives of the Institute. In 2019 this prestigious award was presented to Dr Martin Cole.

The **AIFST President's Award** recognises an individual or an organisation that has made an outstanding contribution to the Institute. In 2019 the recipient was Dr Tom Lewis.

The **AIFST Foodbank Hunger Hero Award** went to Simon Davidson (not pictured), Saputo. The AIFST Foodbank Hunger Hero Award recognises a person or team who have gone above and beyond to tackle food insecurity.

The **AIFST Allergen Bureau Julie Newlands Award** recognises excellence in food allergen management in Australia and was awarded to Sarah Proctor, Lion Co.

The **AIFST Anthony (Tony) Williams Sensory Award**, honours Anthony (Tony) Williams, 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 2019 recipients were Shaoyang Wang (first place) and Pridhuvi Thavaraj (runner up).

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. The 2019 winners were Leonardo Bohorquez, Ashna Gobin, Hannah Summerhayes, Shabron Vertigan – CauliPlus.

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. In 2019 the award went to Trisco Foods Pty Ltd - Precise Thick-N Instant Liquid Thickening Concentrate.

The **AIFST Research Poster Competition** was awarded to Maria Stephanie - *Effects of milling method and composition on cooking and texture properties of sorghum-based gluten-free pasta*.

The competition provides an opportunity for scientists to present a summary of their recent work in poster form.



The **AIFST Bruce Chandler book prize** went to Michael Blakeney (Food Loss and Food Waste).

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 2019.

food australia

In 2019, four issues of *food australia* were published with content provided by a range of contributors. Just over 1,100 copies per editions were distributed to members and subscribers with 20% of AIFST members electing to receive digital copies. We look to continue to grow the digital uptake into the future.

In August 2019 we celebrated a significant milestone for the journal – the 70th anniversary of the establishment of the journal *Food Technology in Australia*, the forerunner of today's *food australia*.

The Publications Committee continued to oversee the editorial content for *food australia* meeting six times in 2019. The role of the Committee is to oversee and advise on the journal. In 2019 the members of the Publications Committee were:

Martin Palmer, Mark Turner, Tom Ross, Geoffrey Smithers, Fiona Fleming and Lisa Szabo. Andrea Bridges, Vianney Segedin and Owen Craig from Bite Communications also attended the meetings.



Member Communications

Bitesize e-newsletter

AIFST monthly Bitesize e-newsletters continued to keep members up to date in 2019 - 12 newsletters were sent out to members.

EDM's (Electronic Direct Mail)

Over the course of 2019 AIFST engaged members and the wider industry in key promotions through electronic direct emails for the 2019 AIFST Convention and events. These emails consistently reached over 5000 key contacts and saw an average engagement of 40%.

In 2020 AIFST will be looking to further connect with the wider food industry through regular email updates and content on our website and through social media.

Social Media

In addition to monthly e-newsletters, AIFST engaged with members and the broader food industry via Facebook, LinkedIn and Twitter. We saw an increase in engagement from 2018 to 2019 and we will be working towards furthering this growth in 2020.

SOCIAL MEDIA CHANNEL	2019	2018	NET CHANGE	DATA SOURCE
Facebook				
Page likes	5,335	4,893	+9.0%	FB insights
LinkedIn				
Connections (profile)	5,534	4,624	+19.7%	LinkedIn
Twitter				
Followers	1,755	1,589	+10.5%	Twitter Analytics

PARTNERSHIPS & ENGAGEMENT



During 2019 we continued to develop partnerships and engagements to support our reach and our place as representing food industry professionals. We have continued to work with Foodbank Australia, the Fight Food Waste CRC, IFT and NZIFST.

Foodbank Australia

The AIFST continued to work 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 has 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.

IFT

The Institute of Food Technologists (IFT) has continued their shared commitment to supporting professionals in the science of food. IFT came on board as a Gold Partner for the 2019 AIFST Convention.

AIFST and IFT are continuing to work together to identify meaningful ways to continue supporting the food science professionals we represent as well as academic institutions and the broader industry.

NZIFST

AIFST continued its ongoing relationship with NZIFST, recognising the importance of sharing knowledge to strengthen and support the food industry in both countries.

Industry Representation

AIFST has also been represented by Fiona Fleming in the following forums during 2019:

- 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.

- Department of Agriculture and Water Resources – Imported Food Consultative Committee:

The Imported Food Consultative Committee (IFCC) is a consultative forum for the Department of Agriculture and Water Resources and the food and beverage importing industry.

Aims

The IFCC is to be an effective consultative forum for the department to consult on:

- improvements to the effectiveness and efficiency of departmental measures taken to provide for the compliance of imported food with Australian food and public health standards
- coordination of department and industry activities to facilitate the clearance of food and beverage imports
- policy development and
- regulatory changes required to ensure that the recommendations from government commissioned reviews of the Australian food regulatory system and the Imported Food Control Act 1992 are implemented.



Food Bank Australia



Fight Food Waste CRC



IFT



NZIFST

2019 FINANCIAL PERFORMANCE

The surplus of the Company for the year ended 31 December 2019 was \$102,902, which compares with a surplus of \$137,750 for the year ended 31 December 2018. No provision for income tax has been made in the accounts as the Company is exempt from income tax.

The reported surplus of \$102,902 in 2019 represents a \$34,848 decrease during the financial year. The Board and management have been focused on continuing to deliver a surplus budget and working to build a sustainable financial base for the Institute.

GOVERNANCE AND MANAGEMENT

2019 brought new team members and board members for AIFST. Our current team and Board work incredibly well together and we cannot wait to see what 2020 has in store for us.

The **AIFST team** for 2019:

- **FIONA FLEMING**
MD, Company Secretary
3 days/week
- **CARILEE HICKS**
Administration Manager
3 days/week
- **CLIVE RUSSELL**
Business Development Manager
3 days/week
- **ROBIN SHERLOCK**
Education & CPD Manager
3 days/week
- **ALEXIA MORELLI**
Communications Officer
1.5 days/week (left in December 2019)
- **ANNETTE VOTTELER**
Finance Manager
1 day/week
- **INTERNS**
April McElligott and Elizabeth Yee
2 days/week (left January 2020 and December 2019 respectively)
Annelise Sarikas - May - July 2019

AIFST Board

In May we held our Annual General Meeting (AGM) and welcomed two new Directors – Duncan McDonald and Sandra Loader to the AIFST Board.

The AIFST Board members for 2019 were:

- Peter Schutz - Chair
- Fiona Fleming – MD & Company Secretary
- Dr Chris Downs – Non-Executive Director
- Trent Hagland – Non-Executive Director
- Dr Steven Lapidge – Non-Executive Director
- Sandra Loader – Non-Executive Director (joined May 2019)
- Duncan McDonald – Non-Executive Director (joined May 2019)
- Cheryl Hayman - Non-Executive Director (retired May 2019)
- Andreas Klieber - Non-Executive Director (retired May 2019)

THE YEAR AHEAD

The AIFST Board spent the latter part of 2019 finalising the 2020 – 2022 strategy, ready to implement in 2020.

The first year of the strategy is to focus on revitalising the AIFST

The Board and team at AIFST have been watching the unfolding response of Australian and global leaders to the emergence of COVID-19 and considering how this will impact the activities of the AIFST.

The AIFST recognises and respects the concerns of the community in relation to COVID-19. With the limitations on social gatherings, the AIFST is looking to move as many of our face to face events to webinars using Zoom as the platform.

In the spirit of embracing the wonders of digital connectivity the AIFST 2020 Convention will now be held as a virtual event over 2 weeks in late June and early July.

COVID-19 will have an impact on the revenue generated for AIFST by the annual convention and our face to face events. The Board and management are working to identify alternative streams of revenue and to reduce costs where possible to ensure the financial viability of the AIFST.

More than ever, our strong community of food science professionals need to support one another through connecting and learning – the AIFST CPD program provides this opportunity. AIFST has run several webinars in March and April focused on COVID-19 and will continue providing information to members and the food industry via our website and webinar platforms.

The AIFST Board and team are committed to ensuring the organisation is flexible and remains strong. Those organisations who adapt the fastest will gain a competitive advantage into the future.

2020 [YEAR 1] REVITALISING



- Strengthen and diversify the financial base
- Review best practice business model benchmarking (NPF)
- Strengthen membership engagement & review – Branches and SIGs
- Develop education & career pathway support (Products & Services) – foundation
- Explore & initiate strategic partnerships
- Lead the charge on adapting the industry to the digital revolution – “the science & technology of feeding the future”

ACKNOWLEDGMENT

Finally, a huge vote of thanks must go to the hard-working team at AIFST in Sydney.

I would also like to acknowledge all of our partners and sponsors who have supported the AIFST during 2019 – we could not have run successful events without your support.

I would also like to thank outgoing Board members –Trent Hagland and Steven Lapidge for their input, support and expertise during their three years on the Board.

I will also be stepping down from the Board in May 2020 as my three-year term is now over. I will continue with the AIFST as the CEO.

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.

Please join us for the journey in 2020:

- Renew your membership
- Get involved
- Have a say
- Introduce someone new to the Institute!

Fiona Fleming
Managing Director & Company Secretary



Back row (R-L): Elizabeth Yee, April McElligott, Clive Russell, Alexia Morelli, Annelise Sarikas.
Front row (R-L): Annette Votteler, Fiona Fleming, Carilee Hicks, Robin Sherlock.

MEET YOUR AIFST BOARD & MANAGING DIRECTOR



Dr Chris Downs,
*PhD, GAICD, FAIFST –
Non-Executive Director*

Chris leads CSIRO's Food Program which delivers science that underpins the development and delivery of health, safe and sustainable foods, food ingredients and beverages for Australia's food industry and global consumers.

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 Fellow of AIFST and a Graduate of the Australian Institute of Company Directors.



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

Fiona is Managing Director of the Australian Institute of Food Science and Technology (AIFST). 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 Fellow of the Australian Institute of Food Science and Technology. Fiona is currently serving as 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.

Fiona holds a Bachelor of Applied Science (Food Technology) from the University of Queensland and a Master of Nutrition Management from the University of Wollongong.



Trent Hagland,
BBus, Grad Dip Appl
Fin, Grad Dip Appl
Econ, MFM, CFA, MIR,
SF Fin, FAICD, Member
of AIFST, Non-Executive
Director; and Chair of
Finance, Audit and

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 Finance, Audit
and Risk Committee
(retired May 2019)

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. Specifically, 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
(retired May 2019)

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 inaugural 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, PhD and an MBA. He is a graduate of the European Summer School of Advanced Management (ESSAM), and a Fulbright Professional Business-Industry Coral Sea Fellow.

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.



Sandra Loader B.A.Sc, GAICD, Member of AIFST – Non-Executive Director

Sandra is a professional company director with over 10 years board experience as well as previously holding several senior executive roles, in multinational organisations. Passionate about embracing change and focused on adding value through wisdom gained from 30 years in the FMCG sector in both food and beverage organisations across ANZ.

Sandra's board experience spans not for profit and private sectors across associations, government, and the Food & Beverage sectors as a Non-Executive Director and Chair. Governance is where she loves to add value based on expertise in the areas of Innovation, Research & Development, Strategy, Compliance, Risk and Human Capital.

Sandra has a mixed board portfolio and is the current independent chair of the Australian Beverages Council, a Non-Executive Director of the Sports Environment Alliance. She is also the Victorian advocate for Hargraves Institute, who focus on innovation and collaboration across all sectors.

Sandra's passion for science, is evident from the executive roles she has held within the food and beverage sectors. Her leadership experience as Executive Director for The Better Drinks Company ANZ, the Science & Technology Director for Schweppes Australia for 8 years (responsible for Innovation, Food Science disciplines and flavour manufacturing) in addition to leading both strategic and commercial teams, shows both a depth and breadth of experience. She held various general manager roles for Cadbury across both technical and commercial functions and is known for developing and implementing business change programs at senior levels and across multiple functions and jurisdictions.



Duncan McDonald, B. App. Sc (Food Technology), MBA, FAIFST, GAICD – Non-Executive Director

Duncan runs his own food ingredient and technology business which services the Australian food manufacturing and related industries and has business interests in Food and Agri Food Science Education. Duncan has enjoyed a longstanding and diverse career resulting in a multi-skilled background (Food Science / Nutrition, Manufacturing / Operations, Marketing / New Products, and Strategy), with a solid financial and cultural performance record stemming from past Senior Management responsibilities which have covered Australia and overseas markets and operations within blue-chip organizations such as Nestle, Symrise, Goodman Fielder and Burns Philp.

Duncan has been actively involved over the years within various food company Boards such as Symrise (Oceania) and Burns Philp (Asian JV's) and his own companies. His food industry association involvements include:

Chairing in 2011 the 44th Annual Australian Institute of Food Science & Technology (AIFST) Convention in Sydney. Between 2005 and 2007, he Chaired the Australian Flavour and Fragrance Association, and in the 1990's, in addition to initiating the AIFST Membership Marketing Committee, he assisted in developing strategies for the AIFST and was a contributing author for the Secondary Schools text book in Food Technology.

Duncan's most recent Industry and Federally Funded activity was being on a Steering Committee preparing National Meal Guidelines for Age Care: *A Guide for Service Providers, Caterers and Health Professionals Providing Home Delivered and Centre Based Meal Programs for Older Australians.*

Duncan is a fellow of the AIFST.

Duncan was an elected Local Government Councillor from 2008 to September 2017, where in addition to normal Council activities, he was a founding member of the Council's Audit and Risk Committee and Chaired from 2012 until September 2016 the Kur ring gain / Hornsby Meals on Wheels Board and was a MWP Community Aid Director.



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

**FINANCIAL REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2019**

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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 2019**

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

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 (retired May 22, 2019)
Andreas Klieber (retired May 22, 2019)
Duncan McDonald (joined May 22, 2019)
Sandra Loader (joined May 22, 2019)
Steven Lapidge
Peter Schutz (Chair)

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 2019 was \$102,902, which compares with \$137,750 for the year ended 31 December 2018. No provision for income tax has been made in the accounts as the Company is exempt from income tax on member income pursuant to mutuality principle.

The reported surplus of \$102,902 in 2019 represents a decrease of \$34,848 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 and to advance and inspire all food sector professionals through education, collaboration and recognition, to champion a robust, innovative science based Australian food industry to meet future food needs.

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 and to unite food industry professionals in the science of feeding our future. 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 2019**

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 2019, the AIFST Board continued to focus its efforts on four key strategic priorities:

- **Grow** – personal development, mentoring, peer recognition to grow the next generation of food scientists and technologists. Invest time in organisations to help grow and make the AIFST sustainable.
- **Learn** – learn and share knowledge about food systems, advances in food science and technology. Inspire innovation that supports a robust food sector and explore related sectors, to strengthen our future.
- **Connect** – connecting like-minded members with industry networks; leveraging relationships and enabling collaboration that is relevant and fun.
- **Champion** – the leading voice for food science and food scientists within industry, academia, government and key opinion leaders, that grows respect and recognition for the profession.

Key activities in 2019 are set out in the Managing Director's report, located on page 6 of the AIFST 2019 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, FAIFST	DR STEVEN LAPIDGE Non-Executive Director B.Sc. (Hon), PhD, MBA, GAICD, MAIFST
FIONA FLEMING Executive Director and Company Secretary B App Sc (Food Tech), MNutr Mgt, MAICD, FAIFST	SANDRA LOADER (joined 22 May 2019) Non-Executive Director B.A.Sc, GAICD, Member of AIFST
TRENT HAGLAND Non-Executive Director B.Bus, Grad Dip Applied Fin, Grad Dip Applied Econ, MFM, CFA, MIR, SF Fin, FAICD, Member of AIFST	DUNCAN MCDONALD (joined 22 May 2019) Non-Executive Director B.App.Sc (Food Technology), MBA, FAIFST, GAICD
CHERYL HAYMAN (retired May 22, 2019) Non-Executive Director B.Com (Mktg), FAICD, FAMI, MAIFST	PETER SCHUTZ Chair and Non-Executive Director B.Sc (Hon), B.App.Sc, FAICD, FAIFST
DR ANDREAS KLIEBER (retired May 22, 2019) Non-Executive Director BSc(Food Tech Hons 1), PhD, MAIFST	

**THE AUSTRALIAN INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY LIMITED A.B.N. 15 602 767 019
DIRECTORS' REPORT FOR THE YEAR ENDED 31st DECEMBER 2019**

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	3	3
Andreas Klieber	3	3
Duncan McDonald	4	4
Sandra Loader	4	4
Steven Lapidge	7	6
Peter Schutz	7	5

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 2019 these Committees consisted of the following members:

Board Sub-Committee	Committee Members
Nomination and Remuneration Committee	Cheryl Hayman (Chair) (retired 22 May 2019) Peter Schutz (Chair from 22 May 2019) Steven Lapidge Sandra Loader (joined February 2020)
Finance, Audit and Risk Committee	Trent Hagland (Chair) Stewart Eddie Andreas Klieber (retired 22 May 2019) Duncan McDonald (joined September 2019) 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 2019, the total amount that members of the company are liable to contribute if the company is wound up is \$1,395 (2018: \$1,516).

THE AUSTRALIAN INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY LIMITED A.B.N. 15 602 767 019
DIRECTORS' REPORT FOR THE YEAR ENDED 31ST DECEMBER 2019



Walker Wayland NSW
Chartered Accountants

ABN 55 931 152 366

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SYDNEY NSW 2001

Telephone: +61 2 9951 5400
Facsimile: +61 2 9951 5454
mail@wwnsw.com.au

Website: www.wwnsw.com.au

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 31st December 2019 has been received and can be found on page 33 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 2020

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 2019 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
Walker Wayland NSW
Chartered Accountants

Wali Aziz
Partner

Dated this 20th day of April 2020, Sydney



Walker Wayland NSW
Chartered Accountants

ABN 55 931 152 366

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**INDEPENDENT AUDIT REPORT
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 2019, 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:

- (a) giving a true and fair view of the company's financial position as at 31 December 2019 and of its performance for the year then ended; and
- (b) 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.



**INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF THE AUSTRALIAN INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY LIMITED**

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 2019 of \$102,902 (2018: \$137,750) and has generated a net cash inflows from operating activities of \$59,616 (2018: cash inflow of \$120,130). As at 31 December 2019, the company had a net deficiency position of \$154,908 (2018: \$257,810). The company has cash assets of \$244,478 as at 31 December 2019 (2018: \$184,862). Other liabilities including deferred income in advance of \$354,931 as at 31 December 2019 (2018: \$383,171).

Subsequent to the year ended 31 December 2019, the operations of the Company have been subject to the impact of COVID-19, and the fiscal and economic responses to this virus by local and international governments.

As the responses to the virus continue to develop, there is uncertainty about the financial impact this will have on the Company's operations and activities subsequent to the end of the year and will potentially affect the Company's ongoing operations.

The Directors have made investments and operational decisions subsequent to the year ended 31 December 2019 and up to the date of signing the financial report. During the period subsequent to the balance date it is not possible to accurately determine the nature or extent of the impacts of the virus or the time over which the Company will be impacted, however it is possible that it will be material to the Company as the effects and consequences are outside the Company's control and are far reaching globally.

Although there has been consistent and demonstrable progress in operating results over the past three years, as at the reporting date, and the date of signing, the above matters (along with other matters as set forth in Note 1(a)) give rise to material uncertainties that cast doubt over the ability of the entity to continue as a going concern and therefore realise its assets and extinguish its liabilities in the ordinary course of business. Our opinion is not modified in respect of this matter.



INDEPENDENT AUDIT REPORT

TO THE MEMBERS OF THE AUSTRALIAN INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY LIMITED

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 2019 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.



INDEPENDENT AUDIT REPORT

TO THE MEMBERS OF THE AUSTRALIAN INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY LIMITED

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 scepticism throughout the audit. We also:

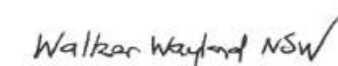
- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a 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 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.



**INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF THE AUSTRALIAN INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY LIMITED**

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 20th day of April 2020, 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 40 to 60 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 2019 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 2020

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 2019

	NOTE	2019 \$	2018 \$
Revenues from continued operations	2	820,796	956,905
Administration expenses		(118,994)	(131,607)
Convention, symposium and member event expenses		(87,545)	(155,574)
Employee expenses		(390,710)	(395,153)
Office expenses		(16,234)	(30,183)
Publication expenses		(104,411)	(106,638)
Total Expenses		(717,894)	(819,155)
Surplus before income tax		102,902	137,750
Income tax expense	1b	-	-
Surplus for the year		102,902	137,750
Other comprehensive income after income tax		-	-
Total comprehensive income for the year		102,902	137,750
Total comprehensive income attributable to members of the Company		102,902	137,750

The accompanying notes from an integral part of these accounts

THE AUSTRALIAN INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY LIMITED A.B.N. 15 602 767 019
STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2019

	NOTE	2019 \$	2018 \$
CURRENT ASSETS			
Cash and cash equivalents	5	244,478	184,862
Trade and other receivables	6	18,661	23,748
Inventories	7	583	583
Other assets	8	9,415	23,345
TOTAL CURRENT ASSETS		273,137	232,538
NON-CURRENT ASSETS			
Plant and Equipment	9	-	-
TOTAL NON-CURRENT ASSETS		-	-
TOTAL ASSETS		273,137	232,538
CURRENT LIABILITIES			
Trade and other payables	10	53,228	92,752
Employee provisions	11	19,886	14,425
Other liabilities	12	354,931	383,171
TOTAL CURRENT LIABILITIES		428,045	490,348
TOTAL LIABILITIES		428,045	490,348
NET DEFICIENCY		(154,908)	(257,810)
MEMBERS' FUNDS			
Members reserve	21	159,343	159,343
Accumulated Deficits		(314,251)	(417,153)
TOTAL DEFICIENCY		(154,908)	(257,810)

The accompanying notes from 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 2019

	Member's Reserve	Accumulated Deficits \$	Total \$
Balance at 1 January 2018	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)
Surplus attributable to members	-	102,902	102,902
Other comprehensive income for the year	-	-	-
Balance at 31 December 2019	159,343	(314,251)	(154,908)

The accompanying notes from an integral part of these accounts

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 2019

	NOTE	2019 \$	2018 \$
Cash flows from operating activities			
Receipts from members and customers re membership fees and all other activities		893,502	1,135,931
Interest received		151	151
Payments to suppliers and employees		(834,037)	(1,015,952)
Net cash provided by operating activities	18b	59,616	120,130
Cash flows from investing activities			
Payment for property, plant and equipment		-	-
Net increase in cash held		59,616	120,130
Cash at the beginning of the financial year		184,862	64,732
Cash at the end of the financial year	18a	244,478	184,862

The accompanying notes from an integral part of these accounts

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 2019

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 2019 of \$102,902 (2018: \$137,750) and has generated a net cash inflow from operating activities of \$59,616 (2018: cash inflow of \$120,130). As at 31 December 2019, the company had a net deficiency position of \$154,908 (2018: \$257,810). The company has cash assets of \$244,478 as at 31 December 2019 (2018: \$184,862). Other liabilities including deferred income in advance of \$354,931 as at 31 December 2019 (2018: \$383,171).

Subsequent to the year ended 31 December 2019, the operations of the Company have been subject to the impact of COVID-19, and the fiscal and economic responses to this virus by local and international governments.

As the responses to the virus continue to develop, there is uncertainty about the financial impact this will have on the Company's operations and activities subsequent to the end of the year and will potentially affect the Company's ongoing operations.

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 2019

The Directors have made investments and operational decisions subsequent to the year ended 31 December 2019 and up to the date of this report. During the period subsequent to the balance date it is not possible to accurately determine the nature or extent of the impacts of the virus or the time over which the Company will be impacted, however it is possible that it will be material to the Company as the effects and consequences are outside the Company's control and are far reaching globally.

Although there has been consistent and demonstrable progress in operating results over the past three years, as at the reporting date, and the date of signing, the above matters give rise to material uncertainties that cast doubt over the ability of the entity to continue as a going concern and therefore realise its assets and extinguish its liabilities in the ordinary course of business.

Based on the current available information, 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 realisable 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.

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The depreciable amount of all fixed assets is 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.

(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.

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(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.

(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.

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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.

(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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2019

(p) Adoption of New and Amended Accounting Policies

The Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current year.

The following accounting standards have been applied for the first time for the 31 December 2019 reporting period. The Directors' assessment of the impact of these new standards and interpretations (to the extent relevant to the Company) is set out below:

- i. AASB 9: *Financial Instruments* and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2019).

The Company has adopted AASB 9 which is effective for annual periods beginning on or after 1 January 2018. The Standard includes revised requirements for the classification and measurement of financial instruments, and revised requirements for financial instruments and hedge accounting. The key changes include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Other than the upfront accounting of expected credit loss, AASB 9 has had no material effect on the Company's financial report as the Company does not have any financial instruments or undertake any hedge accounting. The application of the upfront accounting of expected credit loss did not result in any material impairment losses for the year ended 31 December 2019.

- ii. AASB 15: *Revenue from Contracts with Customers* (applicable to annual reporting periods beginning on or after 1 January 2019, as deferred by AASB 2015-8: *Amendments to Australian Accounting Standards – Effective Date of AASB 15*).

The Company has adopted AASB 15 which is effective for annual periods beginning on or after 1 January 2018. AASB 15 applies to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers. The core principle of the Standard is that an entity recognises 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. The Company's accounting policies for its revenue recognition is disclosed in Note 1 (a). The application of AASB 15 has not had a significant impact on the financial position and/or the financial performance of the Company.

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

AASB 16 applies to annual reporting periods beginning on or after 1 January 2019. AASB 16 introduces a single lease accounting model that eliminates the requirement for leases to be classified as operating or finance leases. The Company has adopted AASB 16 from 1 January 2019, however as the Company do not currently hold a formal lease, there are no adjustments made to the comparative balances. Set out below are the new accounting policies of the Company upon adoption of AASB 16:

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Short-term leases

The Company does not currently hold a formal lease agreement, and therefore applies the short-term lease recognition exemption to its short-term property leases (those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase or renewal option). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

Peppercorn leases

The Company is currently in a rent-free arrangement with the landlord, where the Company occupy a space within the office. This rent-free arrangement would be deemed a peppercorn lease rent-free arrangement. Not-For-Profits (NFPs) are temporarily exempt from having to fair-value right-of-use assets (ROUA) arising from peppercorn lease contracts. The Company is income tax exempt, however, is not a NFP, and therefore maybe required to obtain a rental market appraisal from a qualified real estate valuer, and potentially recognise a ROUA and corresponding lease liability.

Application of this accounting policy to the leases of the Group

At the date of this Annual report the Company has one property from which the business operates, located at 11 Julius Avenue, North Ryde, NSW 2113. The Company has no contractual commitment for the lease of this property, as it is a rent-free arrangement and is therefore classified as a short-term lease for the purposes of AASB16. Due to the rent-free arrangement there are no lease payments for this property. In the event that rent was to be charged to the Company in future periods, these would be included in the Statement of Profit or Loss and Other Comprehensive Income and classified as an operating expense.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st DECEMBER 2019

	2019	2018
	\$	\$
2. REVENUE		
Advertising and displays	18,338	21,828
Projects	5,400	40,400
Convention, symposium and member event income	411,582	517,986
Interest income	146	151
Membership fee income	279,836	271,813
Publication income	84,361	78,318
Book sales	675	1,030
Subscriptions	14,506	13,411
Sundry income	5,952	11,968
	<u>820,796</u>	<u>956,905</u>

3. SURPLUS

(a) Expenses

Auditors Remuneration		
Auditing or reviewing the Financial Report	10,647	14,271
Rent Expenses	-	9,035

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	2019 \$	2018 \$
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	108,000
Post-employment benefits	10,260	10,260
	<u>118,260</u>	<u>118,260</u>
5. CASH AND CASH EQUIVALENTS		
Cash at Bank	244,478	184,862
Cash on Hand	-	-
	<u>244,478</u>	<u>184,862</u>
6. TRADE AND OTHER RECEIVABLES		
Trade debtors	18,661	23,748
Less provision for impairment	-	-
	<u>18,661</u>	<u>23,748</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>583</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2019

	Note	2019 \$	2018 \$
8. OTHER ASSETS			
Prepaid expenses – Other Prepayments		9,015	23,345
Prepaid expenses – NZOZ Symposium Costs Prepaid		400	-
		<u>9,415</u>	<u>23,345</u>
9. PLANT AND EQUIPMENT			
Computers & Peripherals, at cost		-	-
Less: Accumulated Depreciation		-	-
		<u>-</u>	<u>-</u>
10. TRADE AND OTHER PAYABLES			
Trade Creditors		21,280	66,712
Accruals		13,415	15,181
Net GST Payable		18,533	14,859
		<u>53,228</u>	<u>92,752</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.			
11. EMPLOYEE PROVISIONS			
CURRENT			
Annual Leave		19,886	14,425
Long Service Leave		-	-
		<u>19,886</u>	<u>14,425</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 2019

	2019	2018
	\$	\$
12. OTHER LIABILITIES		
Income in Advance – Memberships	194,539	211,675
Income in Advance – Food Australia Subscriptions	33,672	70,961
Income in Advance – Convention	80,000	42,235
Income in Advance – Other	46,720	58,300
	<u>354,931</u>	<u>383,171</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 2019. The Company holds a Director Conflict of Interest register on file and advises 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* journal, 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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	2019	2018
	\$	\$
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	-	-
- later than one year but not later than two years	-	-
- later than two years but not later than 5 years	-	-
	<u>-</u>	<u>-</u>

AIFST moved to a new office location in North Ryde, in March 2018. The office space was offered by a related party company. 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. This is conducted as a single segment.

16. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

At 31 December 2019, AIFST had no contingent liabilities or contingent assets.

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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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	2019 \$	2018 \$
Financial Assets			
Cash and cash equivalents	5	244,478	184,862
Trade and other receivables	6	18,661	23,748
Total Financial Assets		<u>263,139</u>	<u>208,610</u>
Financial Liabilities			
Trade and sundry payables	10	53,228	92,752
Total Financial Liabilities		<u>53,228</u>	<u>92,752</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 2019.

(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 2019 fiscal period. The Board continues to undertake any necessary action to ensure the Company delivers against the expected financial performance.

From April 2019 the Finance, Audit and Risk Committee monitor the monthly cashflow and budget to actuals.

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: -

	2019 \$	2018 \$
Cash and cash equivalents	<u>244,478</u>	<u>184,862</u>
	<u>244,478</u>	<u>184,862</u>

(b) Reconciliation of net cash provided by (used in) operating activities to operating surplus after tax:

	2019	2018
Surplus after tax	102,902	137,750
Changes in assets and liabilities:		
Decrease in trade and other receivables	5,087	4,344
Decrease in inventories	-	321
Decrease other current assets	13,930	1,910
(Decrease) in trade and other payables	(39,524)	(101,579)
Increase in employee provisions	5,461	473
Increase / (Decrease) in other current liabilities	(28,240)	76,911
Net cash provided by operating activities	<u>59,616</u>	<u>120,130</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 2019

(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 2019.

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.

Price Risk:

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

The trade receivables balances at 31st December 2019 do not include any counterparties with external credit ratings. Customers are assessed for credit worthiness using the criteria detailed above.

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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 operates 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 manage 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.

	2019 \$	2018 \$
Total equity (reserves plus retained earnings)	<u>(154,908)</u>	<u>(257,810)</u>
Total deficit	<u>(154,908)</u>	<u>(257,810)</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 2019, the number of members was 1,395 (2018: 1,516).

22. EVENTS SUBSEQUENT TO BALANCE DATE

Subsequent to the year ended 31 December 2019, the operations of the Company have been subject to the impact of COVID-19, and the fiscal and economic responses to this virus by local and international governments.

As the responses to the virus continue to develop, there is uncertainty about the financial impact this will have on the Company's operations and activities subsequent to the end of the year and will potentially affect the Company's ongoing operations.

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22. EVENTS SUBSEQUENT TO BALANCE DATE (CONT'D)

The Directors have made investments and operational decisions subsequent to the year ended 31 December 2019 and up to the date of this financial report. During the period subsequent to the balance date it is not possible to accurately determine the nature or extent of the impacts of the virus or the time over which the Company will be impacted, however it is possible that it will be material to the Company as the effects and consequences are outside the Company's control and are far reaching globally.

Although there has been consistent and demonstrable progress in operating results over the past three years, as at the reporting date, and the date of signing, the above matters give rise to material uncertainties that cast doubt over the ability of the entity to continue as a going concern and therefore realise its assets and extinguish its liabilities in the ordinary course of business.

Based on the current available information, 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.

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