

# **Australian Chiropractic College Limited**

**ABN : 84 612 258 072**

## **Financial Statements**

**For the Financial Year ended 30 June 2021**

# Australian Chiropractic College Limited

ABN : 84 612 258 072

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For the financial year ended 30 June 2021

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# Australian Chiropractic College Limited

ABN : 84 612 258 072

## Directors' Report

30 June 2021

The directors present their report on Australian Chiropractic College Limited (the "Company") for the financial year ended 30 June 2021.

### 1. General information

#### Information on directors

The names of each person who are directors at the date of this report are:

Dr Patrick Sim  
Dr Hayden Belle  
Dr Aaron Scott  
Dr Mark Postles  
Mr Gerald (Jerry) Adams  
Dr Gerard (Gerry) Clum  
Prof Jennifer Graham (appointed July 2021)  
Mr Brad Seaman (appointed July 2021)

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

#### Principal activities

The principal activity of the Company during the year as a Tertiary Education and Quality Standards Agency (TEQSA) approved non-university provider (PRV14283) was the continuance of its delivery of a four (4) year Bachelor of Chiropractic Course to suitably prerequisite qualified domestic students. Other activities included application for Commonwealth Student Fee Help, fund raising, intra-professional promotion of the Company and managing the business through the impacts of COVID-19.

#### Members' guarantee

The Company is limited by guarantee. In the event of, and for the purpose of winding up of the Company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$5,000 for all members, subject to the provisions of the Company's constitution.

At 30 June 2021 the collective liability of members was \$20,000, the liability at 30 June 2020 was \$20,000.

### 2. Other items

#### Future developments and results

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

#### Meetings of directors

During the financial year, 8 meetings of directors were held. Attendances by each director during the financial year were as follows:

**Australian Chiropractic College Limited**

ABN : 84 612 258 072

**Directors' Report**

**30 June 2021**

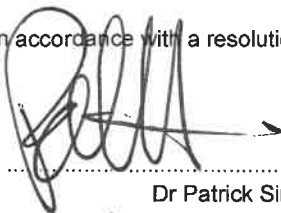
**Meetings of directors continued**


<b>Board Meetings</b>		
	<b>Number eligible to attend</b>	<b>Number attended</b>
Dr Patrick Sim	8	8
Dr Hayden Belle	8	7
Dr Aaron Scott	8	8
Dr Mark Postles	8	8
Mr Gerald (Jerry) Adams	8	8
Dr Gerard (Gerry) Clum	8	6
Prof Jennifer Graham	3	3
Mr Brad Seaman	3	3

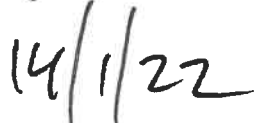
**Auditor's independence declaration**

The lead auditor's independence declaration in accordance with the Australian Charities and not-for-profits Commission Act 2012, for the financial year ended 30 June 2021 has been received and can be found on page 3 of the financial report.

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

Director:  .....  
Dr Patrick Sim

Director:  .....  
Dr Hayden Belle

Dated this 



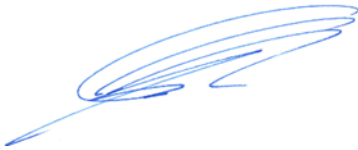
## Auditor's Independence Declaration

To the Directors  
Australian Chiropractic College Limited

As auditor for the audit of Australian Chiropractic College Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

- i) no contraventions of the independence requirements of the *Australian Charities and Not for Profits Commission Act 2012* in relation to the audit; and
- ii) no contraventions of any applicable code of professional conduct in relation to the audit.

PKF Adelaide



Steven A Russo CA, RCA  
Partner  
Lvl 9, 81 Flinders St, Adelaide SA 5000

14 January 2022

GPO Box 1373 Adelaide SA 5001 Level 9 81 Flinders Street Adelaide SA 5000  
T: +08 8373 5588 [www.pkf.com.au](http://www.pkf.com.au)

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## Australian Chiropractic College Limited

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### Statement of Profit or Loss and Other Comprehensive Income

For the financial year ended 30 June 2021

	Note	2021 \$	2020 \$
<b>Revenue</b>			
Donations	4	443,793	3,867,091
Grant income		10,000	10,000
Interest income		3,017	2,263
Operating Income		226,454	61,621
Other income	5	294,862	193,679
Total revenue		<u>978,126</u>	<u>4,134,654</u>
<b>Expenses</b>			
Administration expenses		(43,861)	(26,524)
Advertising expenses		(21,161)	(60,794)
Bad debt expenses		-	(86,455)
Consultancy fees		(30,312)	(146,935)
Depreciation		(215,604)	(228,880)
Finance expenses		(113,257)	(76,265)
Operating expenses	6	(223,887)	(201,132)
Unrealised gain/loss		(147)	(148)
Payroll expenses		(866,325)	(717,135)
Total expenses		<u>(1,514,554)</u>	<u>(1,544,268)</u>
<b>Profit before income tax</b>		<b>(536,428)</b>	<b>2,590,386</b>
Income tax expense		-	-
<b>Profit from continuing operations</b>		<b>(536,428)</b>	<b>2,590,386</b>
<b>Profit for the year</b>		<b>(536,428)</b>	<b>2,590,386</b>
<b>Other comprehensive income, net of income tax</b>			
<b>Other comprehensive income for the year, net of tax</b>		-	-
<b>Total comprehensive income for the year</b>		<b>(536,428)</b>	<b>2,590,386</b>

The accompanying notes form part of these financial statements.

# Australian Chiropractic College Limited

ABN : 84 612 258 072

## Statement of Financial Position 30 June 2021

	Note	2021 \$	2020
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	7	456,889	303,359
Trade and other receivables	8	109,700	31,590
<b>TOTAL CURRENT ASSETS</b>		<b>566,589</b>	<b>334,949</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	9	72,595	50,332
Intangibles	4	3,000,000	3,000,000
Right of use assets	10	732,386	1,016,345
Other non-current assets	11	-	61,000
<b>TOTAL NON-CURRENT ASSETS</b>		<b>3,804,981</b>	<b>4,127,677</b>
<b>TOTAL ASSETS</b>		<b>4,371,570</b>	<b>4,462,626</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	85,196	240,068
Financial liabilities	13	15,726	1,304
Employee entitlements	14	35,145	29,714
Lease liabilities	10	241,648	151,905
Student fees received in advance	15	65,834	-
Other current liabilities	16	67,780	23,511
<b>TOTAL CURRENT LIABILITIES</b>		<b>511,329</b>	<b>446,502</b>
<b>NON-CURRENT LIABILITIES</b>			
Financial liabilities	13	1,355,466	733,272
Lease liabilities	10	762,233	1,003,882
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>2,117,699</b>	<b>1,737,154</b>
<b>TOTAL LIABILITIES</b>		<b>2,629,028</b>	<b>2,183,656</b>
<b>NET ASSETS</b>		<b>1,742,542</b>	<b>2,278,970</b>
<b>EQUITY</b>			
Retained earnings		1,742,542	2,278,970
<b>TOTAL EQUITY</b>		<b>1,742,542</b>	<b>2,278,970</b>

The accompanying notes form part of these financial statements.

## Australian Chiropractic College Limited

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### Statement of Changes in Equity For the financial year ended 30 June 2021

2021

	Note	Retained Earnings	Total
		\$	\$
<b>Balance at 1 July 2020</b>		<b>2,278,970</b>	<b>2,278,970</b>
Loss after income tax expenses for the year		<u>(536,428)</u>	<u>(536,428)</u>
<b>Balance at 30 June 2021</b>		<b><u>1,742,542</u></b>	<b><u>1,742,542</u></b>

2020

	Note	Retained Earnings	Total
		\$	\$
<b>Balance at 1 July 2019</b>		<b>(311,416)</b>	<b>(311,416)</b>
Profit after income tax expenses for the year		<u>2,590,386</u>	<u>2,590,386</u>
<b>Balance at 30 June 2020</b>		<b><u>2,278,970</u></b>	<b><u>2,278,970</u></b>

The accompanying notes form part of these financial statements.



## Australian Chiropractic College Limited

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### Statement of Cash Flows

For the financial year ended 30 June 2021

	2021	2020
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	1,013,833	557,272
Grant receipts	10,000	10,000
Payments to suppliers and employees	(1,484,830)	(1,063,539)
Interest received/(paid)	3,017	(3,756)
Net cash provided by/(used in) operating activities	<u>(457,980)</u>	<u>(500,023)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Payment for plant and equipment	(25,506)	(50,332)
Net cash provided by/(used in) investing activities	<u>(25,506)</u>	<u>(50,332)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from borrowings	637,016	297,177
Net cash provided by/(used in) financing activities	<u>637,016</u>	<u>297,177</u>
Net increase/(decrease) in cash and cash equivalents held	153,530	(253,178)
Cash and cash equivalents at beginning of the period	303,359	556,537
Cash and cash equivalents at end of the period	7 <u>456,889</u>	<u>303,359</u>

The accompanying notes form part of these financial statements.

# Australian Chiropractic College Limited

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## Notes to the Financial Statements For the financial year ended 30 June 2021

The financial report covers the Company as an individual entity. The Company is a not-for-profit company limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of the Company is Australian dollars.

### 1 Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB'), the Australian Charities and Not-for-profits Commission Act 2012 and the Corporations Act 2001, as appropriate for not-for-profit oriented entities.

#### *Historical cost convention*

The financial statements have been prepared under the historical cost convention.

#### *Critical accounting estimates*

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Incorporated Association's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

### 2 Summary of Significant Accounting Policies

#### (a) Income Tax

The Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

#### (b) Revenue recognition

Revenue is recognised as follows:

##### *Revenue from student fee income*

Revenue is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a student. For each contract with a student, the company: identifies the contract with a student; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the student of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the student such as discounts, rebates and refunds, any potential bonuses receivable from the student and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

## Australian Chiropractic College Limited

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### Notes to the Financial Statements

For the financial year ended 30 June 2021

#### 2 Summary of Significant Accounting Policies continued

##### (b) Revenue recognition continued

###### *Sales revenue*

Events, fundraising and raffles are recognised when received or receivable.

###### *Donations*

Donations are recognised at the time the pledge is made.

###### *Grants*

Grant revenue is recognised in profit or loss when the company satisfies the performance obligations stated within the funding agreements.

If conditions are attached to the grant which must be satisfied before the company is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a liability until those conditions are satisfied.

###### *Interest*

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

###### *Other revenue*

Other revenue is recognised when it is received or when the right to receive payment is established.

##### (c) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

##### (d) Financial instruments

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through the Statement of Profit or Loss and Other Comprehensive Income where transaction costs are expensed as incurred).

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

## Australian Chiropractic College Limited

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# Notes to the Financial Statements

For the financial year ended 30 June 2021

## 2 Summary of Significant Accounting Policies continued

### (d) Financial instruments continued

#### Financial assets

##### *Receivables*

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The Company's trade and other receivables fall into this category of financial instruments.

In some circumstances, the Company renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the Company does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

#### Impairment of Financial assets

At the end of the reporting period the Company assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

##### *Financial assets at amortised cost*

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

#### Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

##### *Classification*

On initial recognition, the Company classifies its financial assets into the following categories, those measured at amortised cost.

## Australian Chiropractic College Limited

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### Notes to the Financial Statements

For the financial year ended 30 June 2021

#### 2 Summary of Significant Accounting Policies continued

##### (d) Financial instruments continued

###### Financial assets continued

###### *Amortised cost*

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in the Statement of Profit or Loss and Other Comprehensive Income. Gains or losses on derecognition are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

###### *Trade receivables*

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised as doubtful debt. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance. Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in the Statement of Profit or Loss and Other Comprehensive Income.

###### *Other financial assets measured at amortised cost*

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit loss for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

###### Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of The Company comprise trade payables, bank and other loans.

# Australian Chiropractic College Limited

ABN : 84 612 258 072

## Notes to the Financial Statements

For the financial year ended 30 June 2021

### 2 Summary of Significant Accounting Policies continued

#### (e) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

#### (f) 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

#### (g) Foreign currency transactions and balances

##### Transaction and balances

Foreign currency transactions are recorded at the spot rate on the date of the transaction.

At the end of the reporting period:

- Foreign currency monetary items are translated using the closing rate;

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition or in prior reporting periods are recognised through profit or loss, except where they relate to an item of other comprehensive income or whether they are deferred in equity as qualifying hedges.

#### (h) Related parties

Transactions with related parties are on normal commercial terms and conditions no more favourable than to those available to other persons unless otherwise stated.

#### (i) Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Leasehold improvements	3-10 years
Plant and equipment	3-7 years

## Australian Chiropractic College Limited

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### Notes to the Financial Statements

For the financial year ended 30 June 2021

#### 2 Summary of Significant Accounting Policies continued

##### (i) Property, plant and equipment continued

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

##### (j) Right-of-use-assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

##### (k) Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period

## Australian Chiropractic College Limited

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# Notes to the Financial Statements

For the financial year ended 30 June 2021

## 2 Summary of Significant Accounting Policies continued

### (l) Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

### (m) Trade and other payables

These amounts represent liabilities for goods and services provided to the entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

### (n) Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

### (o) Employee benefits

#### *Short-term employee benefits*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

#### *Other long-term employee benefits*

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

#### *Defined contribution superannuation expense*

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.



## Australian Chiropractic College Limited

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### Notes to the Financial Statements

For the financial year ended 30 June 2021

#### 2 Summary of Significant Accounting Policies continued

##### (p) Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

##### (q) Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

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

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

## **Australian Chiropractic College Limited**

ABN : 84 612 258 072

### **Notes to the Financial Statements**

**For the financial year ended 30 June 2021**

#### **3 Critical Accounting Estimates and Judgments**

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

##### **Key estimates - fair value of financial instruments**

The Company has certain financial assets and liabilities which are measured at fair value. Where fair value has not been able to be determined based on quoted price, a valuation model has been used. The inputs to these models are observable, where possible, however these techniques involve significant estimates and therefore fair value of the instruments could be affected by changes in these assumptions and inputs. Management have used best and reasonable estimates as their inputs for the models given the information available at the time.

##### **Key estimates - provisions**

As described in the accounting policies, provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

##### **Key estimates - receivables**

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

##### **Key estimates – intangible asset**

The course curriculum intangible asset was received from the New Zealand Chiropractic College under a licence. The cost to develop a course range between \$5 million to \$8 million and the directors have estimated the value of the curriculum at \$3 million. The intangible asset has not been amortised.

The Company is considering obtaining an independent valuation for the intangible asset

##### **Coronavirus (COVID-19) pandemic**

The impact of COVID-19 had the Company enter a period of hibernation from April 2020 and for the remainder of the teaching year. To counter act the financial impact on the College, management secured Commonwealth and State Government support principally via JobKeeper Allowance in addition to property lease rental waiver and deferral during the prescribed April 2020 to January 2021. Teaching recommenced in February 2021 with minimal operational impact due to COVID-19 but lower student numbers than expected due to COVID-19 impact on student recruiting.

## Australian Chiropractic College Limited

ABN : 84 612 258 072

### Notes to the Financial Statements For the financial year ended 30 June 2021

#### 4 Donations

	2021	2020
	\$	\$
Donations	<b>443,793</b>	<b>3,867,091</b>

There was a one-off curriculum donation valued at \$3 million and multiple loans converted to donations totalling \$606,487 for the year ended 30 June 2020.

#### 5 Other income

	2021	2020
	\$	\$
ATO cash flow boost	<b>25,000</b>	75,000
ATO JobKeeper reimbursements	<b>237,800</b>	108,000
Event Income	<b>31,268</b>	9,770
Sundry income	<b>794</b>	909
	<b>294,862</b>	<b>193,679</b>

#### 6 Operating expenses

	2021	2020
	\$	\$
- Academic Travel Expenses	<b>2,526</b>	-
- Assets Written Off	<b>10,406</b>	-
- Board Members - STIPEND	<b>36,000</b>	-
- Campus Catering	<b>590</b>	-
- Cleaning	<b>13,303</b>	18,327
- College amenities	<b>2,746</b>	1,156
- Computer, IT services & systems	<b>39,818</b>	20,042
- Contract work	-	(520)
- Course Development	<b>4,205</b>	-
- Education Expenses	<b>3,028</b>	-
- Electricity	<b>9,853</b>	13,104
- Entertainment Expenses	<b>588</b>	475
- Events & fundraising	<b>14,023</b>	12,396
- Freight costs	<b>393</b>	-
- Hire of plant and equipment	-	4,072
- Insurance	<b>5,075</b>	3,246
- Leasing charges	-	1,950
- Legal costs	<b>37,577</b>	16,971
- Licences, fees and registrations	<b>5,146</b>	1,980
- Materials	-	906
- Medical Supplies	<b>171</b>	-
- Meetings expenses	<b>346</b>	1,404
- Parking Fees	<b>(618)</b>	745
- Printing, Postage and Stationery	<b>10,674</b>	5,423
- Professional fees	-	1,850

## Australian Chiropractic College Limited

ABN : 84 612 258 072

### Notes to the Financial Statements For the financial year ended 30 June 2021

#### 6 Operating expenses (continue)

	2021	2020
	\$	\$
- Rent	(14,132)	14,133
- Repairs and maintenance	1,714	946
- Security costs	725	3,440
- Seminars & conference registrations	1,359	(600)
- Signwriting	-	6,975
- Subscription	9,514	10,444
- Sundry Income	454	-
- Telephone & Internet	7,845	4,177
- Travelling, Flights & Accommodation Expenses	3,830	34,326
- Uniforms	-	1,238
- Website	13,780	19,107
- Worker's insurance	2,948	3,419
<b>Total operating expenses</b>	<b>223,887</b>	<b>201,132</b>

#### 7 Cash and cash equivalents

	2021	2020
	\$	\$
Cash at bank	277,977	127,359
Short-term deposit	178,912	176,000
<b>Total cash and cash equivalents</b>	<b>456,889</b>	<b>303,359</b>

#### 8 Trade and other receivables

	2021	2020
	\$	\$
CURRENT		
Trade receivables	105,862	104,547
Provision for doubtful debts	(10,341)	(86,455)
GST receivables	13,115	13,498
Prepayments – Insurance	544	-
Sundry Debtors	520	-
<b>Total current trade and other receivables</b>	<b>109,700</b>	<b>31,590</b>

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

## Australian Chiropractic College Limited

ABN : 84 612 258 072

### Notes to the Financial Statements For the financial year ended 30 June 2021

#### 9 Property, plant and equipment

	2021	2020
	\$	\$
Library books	1,560	1,560
Less: Accumulated depreciation	(419)	(133)
	<u>1,141</u>	<u>1,427</u>
Office equipment	773	773
Less: Accumulated depreciation	(233)	(98)
	<u>540</u>	<u>675</u>
Plant and equipment	24,938	5,982
Less: Accumulated depreciation	(2,615)	(888)
	<u>22,323</u>	<u>5,094</u>
Property improvements	50,338	43,788
Less: Accumulated depreciation	(1,747)	(652)
	<u>48,591</u>	<u>43,136</u>
	<u><u>72,595</u></u>	<u><u>50,332</u></u>

#### 10 Leases

##### Company as a lessee

The Company has leases over a range of assets including land and buildings, car park and IT equipment.

##### *Terms and conditions of leases*

The company leases land and buildings and car park under agreements of 5.5 years commencing on 1 July 2019, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated. The company also leases IT equipment under agreements of 3 years.

##### Right-of-use assets

	83 Currie Street	Car Park	IT Equipment	Total
	\$	\$	\$	\$
<b>Year ended 30 June 2021</b>				
Balance at beginning of year	1,053,721	36,866	81,270	1,171,857
Depreciation charge	(383,172)	(13,406)	(42,893)	(439,471)
<b>Balance at end of year</b>	<u>670,549</u>	<u>23,460</u>	<u>38,377</u>	<u>732,386</u>
<b>Year ended 30 June 2020</b>				
Balance at beginning of year	1,125,318	36,866	81,270	1,243,454
Depreciation charge	(204,603)	(6,703)	(15,803)	(227,109)
<b>Balance at end of year</b>	<u>920,715</u>	<u>30,163</u>	<u>65,467</u>	<u>1,016,345</u>

## Australian Chiropractic College Limited

ABN : 84 612 258 072

### Notes to the Financial Statements

For the financial year ended 30 June 2021

#### 10 Leases continued

##### Lease liabilities

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	< 1 year	1 – 5 years	> 5 years	Total undiscounted lease liabilities	Lease
	\$	\$	\$		
<b>2021</b>					
Lease liabilities	241,648	762,233	-	1,003,881	1,003,881
<b>2020</b>					
Lease liabilities	151,905	1,003,882	-	1,155,787	1,155,787

##### Extension options

The building leases contain extension options which allow the Company to extend the lease term by up to twice the original non-cancellable period of the lease.

The Company includes options in the leases to provide flexibility and certainty to the Company operations and reduce costs of moving premises and the extension options are the Company's discretion.

At commencement date and each subsequent reporting date, the Company assesses where it is reasonably certain that the extension options will be exercised.

There are \$2,214,087 in potential future lease payments which are not included in lease liabilities as the Company has assessed that the exercise of the option is not reasonably certain.

#### 11 Other non-current assets

	2021	2020
	\$	\$
Cash flow boost receivable	-	25,000
JobKeeper payment receivable	-	36,000
	-	61,000

## Australian Chiropractic College Limited

ABN : 84 612 258 072

### Notes to the Financial Statements

For the financial year ended 30 June 2021

#### 12 Trade and other payables

	Note	2021 \$	2020 \$
Current			
Trade payables		32,715	188,462
Other payables		-	1,395
Deposits		4,363	4,363
Withholdings taxes payable		48,118	45,848
		<u>85,196</u>	<u>240,068</u>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days.

#### 13 Financial liabilities

	2021 \$	2020 \$
Current liabilities		
Interest payable	15,726	1,304
	<u>15,726</u>	<u>1,304</u>
Non-Current liabilities		
Loan from Australian Spinal Research Foundation	176,000	176,000
Loan from Dr Michael Harney	20,000	-
Loan from C1 Founder Cash Advance	-	31,000
Loan from Chiropractors' Association of Australia (South Australia) Ltd	250,000	250,000
Loan from Dr Adam McKenzie	100,000	-
Loan from Morgan Belle Pty Ltd Superannuation Fund	125,000	125,000
Loan from Infinite Possibilities	100,000	60,000
Loan from Jerry Adams (Chairman Board Fees)	29,466	20,872
Loan from Mark Postles	70,000	70,000
Loan from Richard Thomas Sims (Trust Acc)	20,000	-
Loan from Ryan Carlson	15,000	-
Loan from TRUEJAY PTY LTD	10,000	-
Loan from ABCA	30,000	-
Loan from Rock and Snow Pty Ltd	50,000	-
Loan from Dr Beau Woods	40,000	-
Loan from Above the Atlas	50,000	-
Loan from Sacro Occipital Technic	100,000	-
Loan from Gee and Tee Family Trust	20,000	-
Loan from Sharlosh Super Fund	100,000	-
Loan from Neptune Super Fund (David Hendrey)	50,000	-
	<u>1,355,466</u>	<u>732,872</u>

## Australian Chiropractic College Limited

ABN : 84 612 258 072

### Notes to the Financial Statements

For the financial year ended 30 June 2021

#### 14 Employee entitlements

	2021	2020
	\$	\$
Provision for annual leave	35,145	29,714
	<u>35,145</u>	<u>29,714</u>

#### 15 Student fees received in advance

	2021	2020
	\$	\$
Student fees received in advance	65,834	-
	<u>65,834</u>	<u>-</u>

#### 16 Other current liabilities

	2021	2020
	\$	\$
Deferred Rent	59,082	-
Accrued professional fees	6,000	-
Accrued electricity	2,698	-
ATO Integrated client account	-	23,512
	<u>67,780</u>	<u>23,512</u>

#### 17 Members' Guarantee

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 \$5,000 each towards meeting any outstanding and obligations of the Company. At 30 June 2021 the number of members were four.

#### 18 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2021. At 30 June 2020, contingencies were also nil.

#### 19 Key management personnel disclosures

The aggregate compensation made to officers and other members of key management personnel of the College is set out below:

	2021	2020
	\$	\$
Aggregate compensation	451,100	336,000
	<u>451,100</u>	<u>336,000</u>



## Australian Chiropractic College Limited

ABN : 84 612 258 072

### Notes to the Financial Statements

For the financial year ended 30 June 2021

#### 20 Related party disclosure

The following persons were directors of the Company during the financial year:

Dr Patrick Sim  
Dr Hayden Belle  
Dr Aaron Scott  
Dr Mark Postles  
Mr Gerald (Jerry) Adams  
Dr Gerard (Gerry) Clum

#### *Loans to/from related parties*

Except the following, there are no other related party transactions

	2021	2020
	\$	\$
Loan – Mark Postles	70,000	70,000
Loan - Jerry Adams (Chairman Board Fees)	29,465	20,872
	<u>99,465</u>	<u>90,872</u>

#### 21 Statutory information

The registered office is:

PKF Adelaide  
Level 9, 81 Flinders Street  
Adelaide, SA 5000

Principal place of business is:

Australian Chiropractic College Limited  
Level 1 Dowie House 83-89 Currie Street  
ADELAIDE SA 5000

#### 22 Events after the reporting date

##### *CRICOS*

CRICOS registration was received in October 2021 which enables the College to enroll international students. Numbers will be small for 2022 due to COVID-19 travel restrictions.

##### *COVID-19*

The impact of COVID-19 had the Company enter a period of hibernation from April 2020 and for the remainder of the teaching year. To counter act the financial impact on the College, management secured Commonwealth and State Government support principally via JobKeeper Allowance in addition to property lease rental waiver and deferral during the prescribed April 2020 to January 2021. Teaching recommenced in February 2021 with minimal operational impact due to COVID-19 but lower student numbers than expected due to COVID-19 impact on student recruiting.

## Australian Chiropractic College Limited

ABN : 84 612 258 072

### Notes to the Financial Statements

For the financial year ended 30 June 2021

23 Reconciliation of (loss)/profit after income tax to net cash from operating activities	2021	2020
	\$	\$
(Loss)/profit after income tax expense for the year	<b>(536,428)</b>	2,590,386
Adjustments for:		
Depreciation and amortisation	<b>215,604</b>	228,880
Intangibles	-	(3,000,000)
Change in operating assets and liabilities:		
(Increase)/decrease in trade and other receivables	<b>(17,110)</b>	39,254
Decrease/(increase) in right of use asset	<b>71,598</b>	(1,245,225)
(Decrease)/increase in trade and other payables	<b>(111,003)</b>	218,632
Increase in student fees received in advance	<b>65,834</b>	-
Increase in provisions	<b>5,431</b>	29,714
(Decrease)/increase in lease liabilities	<b>(151,906)</b>	638,336
Net cash (used in) operating activities	<b>(457,980)</b>	(500,023)

## Australian Chiropractic College Limited


ABN : 84 612 258 072

### Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 4 to 23, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012 and the Corporations Act 2001*:
  - a. comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
  - b. give a true and fair view of the financial position as at 30 June 2021 and of the performance for the financial year ended on that date of the Company.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Director: .....  
Dr Patrick Sim

Director: .....  
Dr Hayden Belle

Dated 14/1/2022

GERALD K. ADAMS

# Independent Audit Report to the members of Australian Chiropractic College Limited

## Report on the Audit of the Financial Report

### Qualified Opinion

We have audited the financial report of Australian Chiropractic College Limited, which comprises the statement of financial position as at 30 June 2021, 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, notes to the financial statements and the directors' declaration.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the financial report of Australian Chiropractic College Limited is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) giving a true and fair view of the College's financial position as at 30 June 2021 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

### Basis for Qualified Opinion

We draw attention to Note 3 to the financial report, which describes the critical accounting estimates and judgments. The intangible asset is a significant balance of total assets for Australian Chiropractic College Limited, which comprises the course curriculum license received from the New Zealand Chiropractic College. The Australian Chiropractic College Limited has determined it is impracticable to reliably measure the value of the asset at reporting date. Accordingly, as the evidence available to us regarding this asset value was limited, our audit procedures with respect to intangible assets had to be restricted to the amounts recorded in the financial records. We, therefore, are unable to express an opinion on the recorded intangible asset value of Australian Chiropractic College Limited.

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 College in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

### Responsibilities of Management and Those Charged with Governance

The responsible persons of the College are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the ACNC Act, and for such internal control as the responsible entities determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the College's financial reporting process.

GPO Box 1373 Adelaide SA 5001 Level 9 81 Flinders Street Adelaide SA 5000

T: +08 8373 5588 [www.pkf.com.au](http://www.pkf.com.au)

### Auditor's Responsibilities for the Audit of the Financial Report

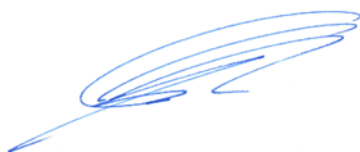
Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that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

As part of an audit in accordance with 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 College's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the responsible entities.
- Conclude on the appropriateness of the responsible entities' 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 College'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 College to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

PKF Adelaide



Steven A Russo CA, RCA

Partner

Lvl 9, 81 Flinders St, Adelaide SA 5000

Dated this 14<sup>th</sup> day of January 2022