

# ANNUAL REPORT

THE AUSTRALIAN INSTITUTE OF FOOD SCIENCE & TECHNOLOGY LIMITED

2017



Supporting  
Australia's Food  
Industry Professionals

**TECHNOLOGY • SCIENCE • INNOVATION**



# Notice of Annual General Meeting

2018 AIFST Annual General Meeting

4.30pm on 31 May 2018 (registrations from 4.00pm)

CSIRO Auditorium, 11 Julius Avenue, North Ryde NSW 2113



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*The AIFST Board focused its efforts in 2017 on the growth and diversification phase of the Strategic Plan. This phase was aimed at providing timely information and support for members to ensure they were ahead of the curve. Activities in 2017 built on the foundation created during 2016.*

## THE FOOD INDUSTRY LANDSCAPE

In 2017 the updated Food and Agribusiness Sector Competitiveness Plan was released by Food Innovation Australia Limited (FIAL) after extensive consultation with Industry, CSIRO, Universities and key industry bodies including AIFST. This plan was developed in response to the Federal Government identifying the Food and Agribusiness sector as a key priority for the nation's economy. The plan identifies key research and development priority areas as well as skills and capability priorities for the sector.

**AIFST, as the only organisation representing Food Industry professionals, was able to have key input into the present and future skills and capability needs of our industry sector.**

### Food Security and Sustainability

The food security and sustainability agenda are key pillars for the food industry and its future. Food security exists when all people, at all times, have physical, social and economic access to sufficient, safe and nutritious food. It is important to meet their dietary needs and food preferences for an active, healthy life. Sadly, this is not always the case. Food is a basic need and a fundamental human right. It has four interrelated elements: **availability, access, utilisation and stability**. The impact of the supply chain failures around these pillars results in malnourishment, famine and all associated health and cognitive disadvantages. It can range from drought-related famine to food deserts that occur in otherwise prosperous nations. Food security has been called the issue of our time.



*Peter Schutz, Chair*

As the world population continues to grow, more effort and innovation will urgently be needed in order to sustainably increase agricultural production, improve the global supply chain, decrease food losses and waste, and ensure that all who are suffering from hunger and malnutrition have access to nutritious food. Many in the international community believe that it is possible to eradicate hunger within the next generation and are working together to achieve this goal.

### Enhanced Production and Value Addition

In the vein of sustainability, there exist opportunities to boost energy efficiency in the food production and manufacture process, as well as to diversify energy supply toward more renewable energy sources in the food production process. This can be achieved via food and packaging waste reduction and extraction throughout the supply chain. Further, enhanced plant and animal breeding techniques as well the development of precision agriculture can support productivity improvement in agriculture.

<sup>1</sup> [https://fial.com.au/Attachment?Action=Download&Attachment\\_id=37](https://fial.com.au/Attachment?Action=Download&Attachment_id=37)

## Increasing Globalisation

Supply chain transformation is required to service the more globalised population and its circumstances. Improvements in supply chain traceability and logistic innovations will be critical to ensuring a high quality, reliable food supply. We expect to see further innovation with respect to business to consumer supply chain models taking advantage of e-commerce channels.

## Future Consumers

The growing issues with obesity and Type 2 diabetes in addition to the growth of our ageing population, presents challenges and opportunities in the area of nutrition. Product reformulations to reduce fat and sugar content, functional foods, and food fortification to support nutrient intake and address health concerns are and will continue to be front of mind. The general and growing health and wellness market who demand higher quality and non-processed foods will see demand for further product development for foods that include organic, “free-from”, high quality protein profiles and goods with a low environmental impact.

These key areas have shaped the food industry landscape in 2017 and will continue to impact in the years ahead. 2017 was yet another challenging year across the industry however as we look ahead to 2018 the industry needs to continue to develop the knowledge, infrastructure and agility to cater to the changing needs of consumers both here and abroad.

## IMPLEMENTATION OF THE 2016-2018 STRATEGIC PLAN

The AIFST Board continued with the implementation of the 2016 – 2018 Strategic Plan through the work of the CEO. As the only national



**independent voice and network for Australia’s food industry professionals, AIFST strives to advance a sustainable, world-leading industry.**

**In 2017, the AIFST continued to focus its efforts on the five key strategic priority areas including:**

### 1 | Membership Services

We enable our members to expand their knowledge and networks with likeminded people who are passionate about the future of the Australian food industry. With an engaged, national membership we ensure Australia’s food industry professionals are kept informed and up-to-date on the latest industry developments while assisting them to operate with a global mindset.

### 2 | Industry Services

We proactively identify and engage with key industry stakeholders to provide the Australian food industry timely and relevant information to support their business needs. We

actively monitor current and emerging industry trends, track insights into the latest innovations and provide project management and secretariat services on behalf of the Australian food industry.

### 3 | Skill and Capability Building

We take a leadership role in the skill and capability building of Australia’s food industry professionals to ensure their ability to generate value within a global operating environment. Our aim is to enrich the profession and ensure we continue to enhance the Australian food industry’s ability to meet future demand.

### 4 | Advocacy

We actively advocate on behalf of our members - the role food industry professionals play in ensuring sustainable, safe and world-leading food is delivered to Australia and the world. We actively respond to industry issues that negatively impact or seek to undermine the credibility and professional standing of our members through the provision of transparent, evidence-based information.

## 5 | Communications

We proactively communicate and engage with our members and stakeholders to ensure they are kept up-to-date and informed on relevant news and opportunities. Our communications build the credibility and trust of our brand within the industry.

### | 2017 IN REVIEW

2017 represented a significant milestone for the Institute, providing a chance to celebrate our key achievements over the past 50 years. As we recognised our 50th Anniversary, our focus was also on continuing to build for the next 50 years.

Our priorities in 2017, in line with the 2016-2018 Strategic Plan, were on ensuring we leveraged the infrastructure investments made in 2016 to implement strategies to grow our membership engagement, increase industry awareness of the Institute and deliver new services and value to members.

## MEMBERSHIP SERVICES

As the core focus of AIFST, Membership Services remains a priority. During the course of 2017 AIFST was able to launch several new initiatives to underpin and increase membership value and the AIFST offering.

The AIFST Board is pleased to report that membership numbers remained stable again in 2017 (1,704) when compared with 2016 (1,739).

### Communities of Interest

2017 delivered the first full year of the Communities of Interest framework since its implementation in September 2016. With over 100 members participating across 12 Communities of Interest Committees, the Institute delivered 17 events with over 515 participants.

The Communities of Interest for 2017 were:

- NSW Community of Interest
- VIC Community of Interest
- QLD Community of Interest
- SA Community of Interest

- WA Community of Interest
- TAS Community of Interest
- Microbiology Community of Interest
- Sensory Community of Interest
- Young Professionals Community of Interest
- Consultants Community of Interest
- Nutrition Community of Interest
- Innovation and New Product Development Community of Interest

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

### Skill and Capability Building

AIFST launched a Career's Webinar series in April 2017 as an accessible platform for members to participate in ongoing skill and capability building. There were 10 webinars delivered for access by all members covering areas such as Building Your LinkedIn Profile, Social Media for Small Businesses, Epidemiology of Food Safety Outbreaks, Packaging Innovation to Extend Shelf-Life, The Future of Online Grocery, and Fibre and Protein Nutrition Advances. Webinars have been widely utilised by members and will continue as a core service and platform in 2018.



## Pilot Mentoring Program

At the 50th Anniversary Convention AIFST launched a Pilot Mentoring Program. The pilot concluded in November 2017 with seven successful mentoring pairs completing the program. All participants reported they had a successful and fulfilling experience. Following the pilot program, AIFST intends to launch a National Mentoring Program in March 2018.



Mentoring Program

## AIFST Consultants Register

In September 2017, AIFST launched the Consultants Register as a service to members. Currently there are 32 consultants listed on the register, across all states and territories.

## INDUSTRY SERVICES

The Industry Services area focussed on a range of projects during 2017 including business to business research, consumer research and general project management.

Industry Services maintained AIFST's profile and built relationships amongst the broader Australian food industry via presentation opportunities and topical articles published in *food australia*.

Whilst Industry Services has met a specific strategic need over the past two years, the Institute will not be offering this service in 2018. The Institute's priority is to provide relevant and valuable services to the membership cohort and the change will support this sharper focus.

## COMMUNICATIONS

As we work to proactively communicate and engage with our members and stakeholders to ensure they are kept up-to-date and informed on relevant news and opportunities, AIFST's communications platforms continued to evolve in 2017.

### food australia magazine

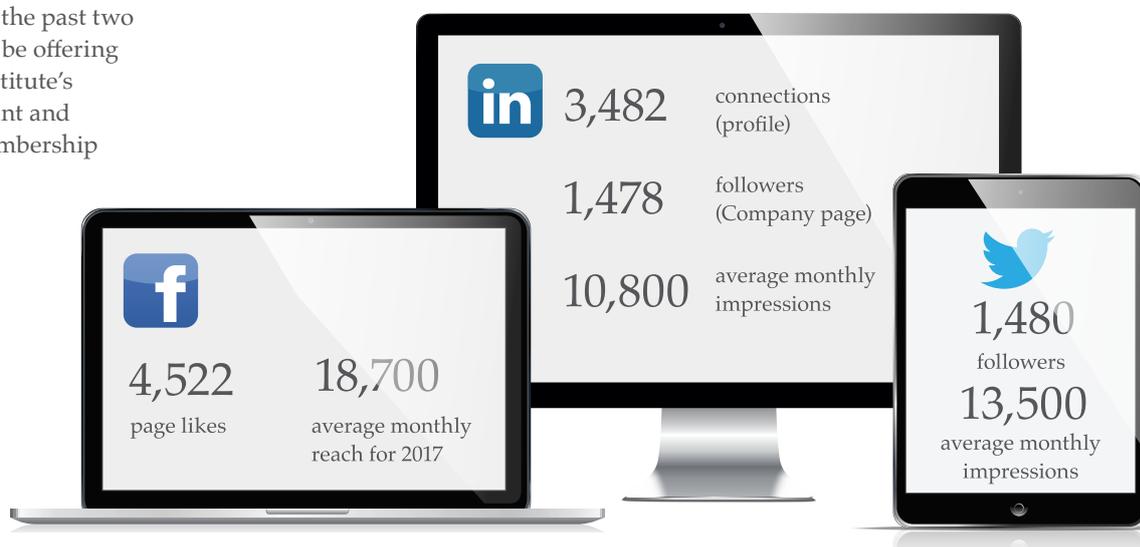
In 2017, six issues of *food australia* were published with content provided by a range of contributors. Just over 1,500 copies per edition were distributed to members and subscribers.

AIFST introduced the option for members to elect to receive a digital copy of the magazine of which nearly 15% of AIFST members have elected. We look to grow the digital uptake in the future.

### Member Communications

AIFST monthly e-newsletters underwent a refresh in late 2017 to better drive content engagement and alignment with membership activities. In 2017, 16 newsletters were sent out to members.

In addition to these monthly e-newsletters, AIFST also engaged with members and the broader food industry via the AIFST website, Facebook, LinkedIn and Twitter. At the end of 2017 engagement with each of these media was:



## Engagement with International Institutes

AIFST continued engagement with International Institute's, predominantly the Institute of Food Technologists (IFT) in the United States of America and the New Zealand Institute of Food Science and Technology (NZIFST). In 2018, we will continue to build our engagement and strengthen our ties with the appropriate corresponding organisations to deliver further membership offerings.

## KEY EVENTS

### Summer School

More than 40 students attended the 2017 AIFST Summer School held from 1-2 February 2017 at the Western Sydney University Hawkesbury Campus.

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



AIFST 2017 Summer School

### AIFST 50th Anniversary Convention

The 50th Anniversary AIFST Convention was held in Sydney NSW in July 2017. The annual event was co-located with Foodpro and brought together key industry players. Themed *The Future of Food*, the convention provided a firsthand opportunity for delegates to hear the latest news covering food-related science, technology and innovation. The convention was a major success for AIFST attracting over 700 delegates, the largest attendance number since 2005, as well as exceeding budget targets set for 2017.

#### Inaugural Fellows Breakfast

At the 2017 Convention, AIFST hosted the inaugural Fellows breakfast – more than 30 Institute Fellows enjoyed the opportunity to catch up.

#### Young Professionals Breakfast

AIFST hosted the second Young Professionals breakfast following on from the success of the inaugural event in 2016. Over 80 young AIFST professionals had the opportunity to network with peers and hear career insights from a range of AIFST members.





50th Anniversary Gala Dinner

### AIFST 50th Anniversary Gala Dinner

The 50th Anniversary Convention also played host to the 50th Anniversary Gala Dinner of the Institute. The Gala Dinner brought together 450 members and guests to recognise and pay tribute to the role AIFST and its members have played in shaping the Australian and global food industry. The Gala Dinner also recognised the Institute's Inaugural President, Dr JR Vickery, through the gifting of his CSIRO Alumni commissioned portrait to the National Portrait Gallery.

### Humanitarian Food Science & Technology Symposium

AIFST hosted the first-ever Humanitarian Food Science and Technology Symposium in conjunction with the AIFST Convention in July 2017. This insightful and thought-provoking symposium brought together experts from Australia and around the world to discuss issues related to humanitarian and emergency feeding. The Symposium involved over 50 delegates who work in humanitarian and emergency activities in NGOs, governments, academia, research institutes and the private sector as well as a range of interested food science and technology professionals.

As an outcome of the symposium key stakeholders, including AIFST, CSIRO, University of NSW (UNSW), WFP, Global Alliance for Improved Nutrition (GAIN), Foodbank and humanitarian specialists, have been working to advance the discussions from the event. These stakeholders are also engaging with key groups including IFT, FAO and other NGOs to implement key activities that further engage the food science and technology community. AIFST will keep members informed on future opportunities to participate in 2018.

### AIFST AWARDS

**The AIFST Awards recognise the outstanding achievements of AIFST members and the contributions they have made to the Institute and the Australian food industry.**

The **AIFST Research Poster Competition** was awarded to Jessica Heffernan for a poster investigating consumption patterns and satiety to support product development.

The **AIFST Young Members Malcolm Bird Commemorative Award** honours the fifth President of the Institute and is awarded to young AIFST members who demonstrate academic achievement, leadership and integrity.



JR Vickery portrait presentation



AIFST past Presidents

The 2017 winner was Julia Low for her investigation into the association between sweet taste function, oral complex carbohydrate sensitivity, liking and consumption of ad libitum sweet and complex carbohydrate milkshakes.

The **AIFST 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 2017 winner was Lu Yu for her paper on descriptive sensory analysis of high pressure, cooked rice.

The **Student Product Development Competition** is an exciting AIFST initiative to give student and graduate members an opportunity to experience a “real-life” new product development project and gain exposure to industry experts, peers and future employers. All participating teams showed great creativity and passion, rising to the challenge of developing a “future food”. The winning team was Tara McCormick, Gina Absalom and Brittany Andreola from Deakin University for their new product The Nutcracker.

The **AIFST Food 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. Tasmania’s Westhaven and Naturale Pty Ltd were joint winners for their production of the world’s first omega-3 yoghurt from cow’s milk.

The **Keith Farrer Award of Merit** is named after AIFST’s president from 1969-1971. This award acknowledges a member who has advanced the industry and made significant contributions to AIFST. The 2017 recipient of this award was Associate Professor Mark Turner, a long-standing advocate of AIFST and the profession with a great passion for food science and technology.

The **2017 AIFST President’s Award** went to Jayantha (Jay) Sellahewa recognising an individual who has made an outstanding contribution to the Institute during his almost 20 years of membership.

## 2017 FINANCIAL PERFORMANCE

**The profit of the Company for 2017 was \$9,431, which compares with a deficit of \$564,334 for the year ended 31st December 2016.**

The AIFST Board approved a small surplus budget for 2017 following the result in 2016 as a result of the significant

investment required in infrastructure and internal systems to support the long term growth and sustainability objectives of the Institute. Additionally, the 2016 deficit included unbudgeted payment of long serving employees, accrued entitlements and provisions. This had a significant impact on the cash position of the organisation ending 31st December 2016 which has carried through in 2017.

The 2017 reported profit of \$9,431, represents a \$573,765 turnaround in the Institute in one financial year. The Board and Management have remained focus on delivering a surplus budget and working to build the financial base of the Institute in line with the growth and diversification objectives.

The Board has continued its focus on the ongoing financial sustainability of the Institute with its core focus on looking to build the reserves base and deliver a surplus budget over the coming years.

## AIFST MANAGEMENT TEAM

**The outcomes achieved in 2017 are a direct reflection of the hard work and dedication of the AIFST team.**

The 2017 AIFST staff consisted of Georgie Aley, CEO and Company Secretary; Sarah Hyland, General Manager of Industry Services; Shona Gawel, General Manager of Membership Services (commenced February 2017); Giles Aley, Project Officer – Membership Services (commenced April 2017 following an internship); Annabel Rodgers, Project Officer (commenced part-time April 2017 following an internship); and Annette Votteler, Finance Manager (commenced part-time July 2017).

## THE YEAR AHEAD

**2018 represents the final year of the 2016-2018 Strategic Plan, which to date has ensured AIFST has consolidated**

**as an organisation so we could better service members’ needs and deliver new services and opportunities for growth into the future.**

In 2018 we will continue to focus on the growth and diversification phase to grow our membership base, increase industry awareness of the Institute, build ongoing financial sustainability and deliver new services and value to members.

A key focus in 2018 will also be the development of, and delivery toward, the 2019 – 2021 Strategic Plan which will guide the next phase of the Institute. This plan will be developed with consultation between management and the board during the first half of 2018.

The Institute will welcome Fiona Fleming as Managing Director in May 2018. Ms Fleming will continue to lead the organisation on the path of growth and diversification and with the board, drive the development and priorities for the 2019 – 2021 Strategic Plan.

## ACKNOWLEDGEMENT

The Board would like to acknowledge the work of outgoing CEO, Georgie Aley, who resigned from AIFST effective 15 December 2017. Under Ms Aley’s leadership, the Institute was able to deliver against the 2017 operating plan and the 2016 – 2018 Strategic Plan, which was the first plan of its type for AIFST. The plan included the overhaul of the operations of the Institute in order to provide the foundations for the delivery of member value and for the growth and sustainability of AIFST in the future.

As the inaugural CEO of the Institute, Georgie’s leadership contributed to setting the foundation and platform for AIFST to deliver against the needs and requirements of the modern food industry professional.

**Peter Schutz, FAIFST  
AIFST Chair**



**DR CHRIS DOWNS**  
PhD, GAICD, MAIFST  
Non-Executive Director

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

Chris has experience working with meat, dairy, seafood and horticulture

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

His previous directorships include companies involved in innovation and commercialisation in the seafood and biomaterials sectors. Chris is currently a Director of one of New Zealand's Crown Research Institutes, and the Institute of Food Technologists in the USA.

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



**MR STEWART EDDIE**  
BAppSC, MAIFST  
Non-Executive Director  
*Resigned 17 July 2017*

Stewart is a Food Technologist who has both hands-on and management experience in all aspects of developing and industrialising new products.

Stewart is currently employed by Weis Frozen Foods as New Products Manager. He has served as a Senior Food Technologist at the South Australian Food Centre and as Product Development Manager with Nestle Chilled Dairy. Prior to Nestle, Stewart was employed by Food

Spectrum, a Brisbane-based SME that provides innovative ingredient solutions to the food industry.

Stewart is a Professional Member of AIFST and a member of the Finance, Audit and Risk committee.



**MS FIONA FLEMING**  
B. App Sc (Food Tech),  
MNutr Mgt, MAIFST,  
MAICD  
Non-Executive Director

Fiona is an Advisor in Policy and Regulation for the Australian Food and Grocery Council and a Director of FJ Fleming Food Consulting Pty Ltd. Prior to establishing her business, Fiona worked for a large FMCG company in the role of Group Quality and Corporate Affairs Manager.

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. As an experienced Corporate and Regulatory Affairs professional, she 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 non-Government environments.

Fiona is currently serving as a Non-Executive Director of AIFST and a Non-Executive Director of Healthy Kids. Fiona is a member of Allergy and Anaphylaxis Australia; and an Associate Member of the Allergen Bureau.

Fiona is a Professional Member of AIFST and a member of the Australian Institute of Company Directors.



### TRENT HAGLAND

BBus, Grad Dip Appl Fin, Grad Dip Appl Econ, MFM, CFA, MIR, SF Fin, FAICD, MAIFST  
 Non-Executive Director

Trent Hagland has over 25 years' experience in the Financial Services industry across retail banking, portfolio management and investment banking. He commenced his career in Brisbane with Metway Bank (now Suncorp Bank) and then worked as a Portfolio Manager at the Queensland Treasury Corporation. Trent moved to Merrill Lynch in 1998 where he worked for 12 years as a Credit Trader, split between Sydney, New York and London. In May 2009, he joined Mitsubishi UFJ Securities International in London as Head of Credit Trading and Sales.

In May 2012, Trent became the Chief Executive Officer of Mitsubishi UFJ Securities Hong Kong, where he oversaw operations in Capital Markets, Equities, Rates Trading and Sales, Credit Trading and Sales, and Structured Products. Subsequently in the role of Head of Asia, he oversaw all securities-related business conducted by the Group in Asia-ex Japan. Trent served on the Board of Directors of both the MUFG Securities Hong Kong and MUFG Securities Singapore from May 2012 until July 2017.

Trent graduated from the University of Queensland with a Master of Financial Management and a Post-Graduate Diploma in Applied Economics. He has a Post-Graduate Diploma in Applied Finance

and Investment from the Securities Institute of Australia and is a CFA Charterholder. His Undergraduate Degree was a Bachelor of Business from the Queensland University of Technology. Trent completed a Master of International Relations at the University of Sydney in 2017.

Trent is a Fellow of the Australian Institute of Company Directors and a Senior Fellow of the Financial Services Institute of Australia. In addition, Trent serves on the Hong Kong University MBA Advisory Board and as a lecturer at Hong Kong University and the University of Sydney.



### CHERYL HAYMAN

B.Com (Mktg), FAICD, FAMI, MAIFST  
 Non-Executive Director

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

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 Director of the South Australian Research & Development Institute (SARDI) Food Safety and Innovation group, Deputy Chair of the Primary Industries and Regions South Australia (PIRSA) Food Innovation Taskforce and Bid Leader/Interim CEO of the Fight Food Waste CRC. He has 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, and a keen interest in preventing food fraud.

Steve's qualifications include a BSc Honours (Flinders Uni), PhD (Sydney

Uni) and MBA (Uni SA). He is a graduate of the European Summer School of Advanced Management (ESSAM), and in 2010 was awarded the prestigious Fulbright Professional Business-Industry Coral Sea Fellowship for his product development and commercialisation research.

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



### DR THOMAS (TOM) LEWIS

PhD, FAIFST, FAICD  
 Non-Executive Director  
*Resigned 17 July 2017*

Tom has more than 30 years' experience in commercial, research and academic roles in the food industry. Previous roles include Business Development Manager for the Australian Food Safety Centre of Excellence, researcher for the Tasmanian Atlantic salmon

sector, and Senior biologist for abalone and oyster aquaculture ventures.

Tom is a co-owner and Director of RDS Partners Pty Ltd, Chief Executive of the Allergen Bureau Ltd and is a founder and Executive Director of Fermentation Tasmania Ltd.

Tom is involved in project management and delivery for a number of food industry-based organisations

including the University of Tasmania, the Defence Science and Technology Group, the CSIRO, the Australian Centre for International Agricultural Research and several private food industry companies.

Tom is a Fellow of AIFST and Fellow 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, Innovation 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.



MS GEORGIE ALEY  
 BBusMgt(Eq), MBA, GAICD  
 Chief Executive Officer &  
 Company Secretary  
*Resigned 15 December 2017*

Georgie was appointed the inaugural CEO and Company Secretary of AIFST in April 2015, having held senior management roles covering membership, policy, government and stakeholder

relations within the Australian food and agribusiness sector. Georgie is a Non-Executive Director of Pulse Australia Limited, Workforce Consulting Pty Ltd and Agribusiness Australia Limited.

Georgie's industry leadership has been strongly recognised. She was the inaugural recipient of the Rabobank Emerging Agribusiness

Leader of the Year Award in 2013 and recognised in the Inaugural 100 Women in Australian Agribusiness. Georgie was listed by The Australian Financial Review and Westpac in the '100 Women of Influence' for 2014.

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

# FINANCIAL REPORT

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2017

THE AUSTRALIAN INSTITUTE OF FOOD SCIENCE  
& TECHNOLOGY LIMITED



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

**FINANCIAL REPORT  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2017**

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Your Directors present their report on the Company for the year ended 31<sup>st</sup> December 2017.

## **DIRECTORS**

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

Christopher Downs (prior appointment ratified on 17 July 2017)

Stewart Eddie (resigned 17 July 2017)

Fiona Fleming

Trent Hagland (appointed 17 July 2017)

Cheryl Hayman

Andreas Klieber

Steven Lapidge (appointed 17 July 2017)

Thomas Lewis (resigned 17 July 2017)

Peter Schutz

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

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

## **COMPANY SECRETARY**

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

Georgie Aley (resigned 15 December 2017)

Fiona Fleming (appointed 15 December 2017)

## **OPERATING RESULTS**

The surplus of the Company for the year ended 31 December 2017 was \$9,431, which compares with a deficit of \$564,334 for the year ended 31<sup>st</sup> December 2016. No provision for income tax has been made in the accounts as the Company is exempt from income tax.

The AIFST Board approved a small surplus budget for 2017. The result in 2016 reflected the significant investment required in infrastructure and internal systems to support the long-term growth and sustainability objectives of the Institute. Additionally, the 2016 deficit included unbudgeted payments of accrued entitlements and provisions for long serving employees who left the business in 2016. This had a significant impact on the cash position of the organisation as at 31 December 2016, which has carried through in 2017.

The reported surplus of \$9,431 in 2017 represents a \$573,765 turnaround in one financial year. The Board and management have been focused on delivering a surplus budget and working to build the financial base of the Institute in line with the growth and diversification objectives.

The Board has continued its focus on the financial sustainability of the Institute through the re-building of the company's reserves base and delivering a surplus budget in the years ahead.

## **PRINCIPAL ACTIVITY**

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

## **STRATEGIC OBJECTIVES**

Through the activities of the CEO and employees, the AIFST Board continued with the implementation of the 2016 – 2018 Strategic Plan. 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 2017, AIFST continued to focus its efforts on the five key strategic priority areas including:

- **Membership Services**  
We enable our members to expand their knowledge and networks with likeminded people who are passionate about the future of the Australian food industry. With an engaged, national membership we ensure Australia's food industry professionals are kept informed and up-to-date on the latest industry developments while assisting them to operate with a global mindset.
- **Industry Services**  
We proactively identify and engage with key industry stakeholders to provide the Australian food industry timely and relevant information to support their business needs. We actively monitor current and emerging industry trends, track insights into the latest innovations and provide project management and secretariat services on behalf of the Australian food industry.
- **Skill and Capability Building**  
We take a leadership role in the skill and capability building of Australia's food industry professionals to enhance their ability to generate value within a global operating environment. Our aim is to enrich the profession and ensure we continue to enhance the Australian food industry's ability to meet future demand.
- **Advocacy**  
We actively advocate - on behalf of our members - the role food industry professionals play in ensuring sustainable, safe and world-leading food is delivered to Australia and internationally. We actively respond to industry issues that negatively impact or seek to undermine the credibility and professional standing of our members, through the provision of transparent, evidence-based information.
- **Communications**  
We proactively communicate and engage with our members and stakeholders to ensure they are kept up-to-date and informed on relevant news and opportunities. Our communications build the credibility and trust of our brand within the industry.

AIFST celebrated its 50th Anniversary in 2017, representing a significant milestone for the Institute and providing a chance to celebrate our key achievements over the past 50 years. As we recognised our 50th Anniversary, focus was also on continuing to build for the next 50 years.

Our priorities in 2017, in line with the 2016-2018 Strategic Plan, were on ensuring we leveraged the infrastructure investments made in 2016 to implement strategies to grow our membership engagement, increase industry awareness of the Institute and deliver new services and value to members.

### Membership Services

As the core focus of AIFST, Membership Services remains a priority. During the course of 2017 AIFST was able to launch several new initiatives to underpin and increase membership value and the AIFST offering. The AIFST Board is also pleased to report that Membership numbers remained stable again in 2017 (1,704) when compared with 2016 (1,739).

Key activities in 2017:

- **Communities of Interest**  
2017 delivered the first full year of the Communities of Interest framework since its implementation in September 2016. With over 100 members participating across 13 Communities of Interest Committees, the Institute was able to deliver 17 events with over 515 participants throughout the course of 2017.
- **Skill and Capability Building**  
AIFST launched a Career Webinars Series in April 2017 as an accessible platform for members to participate in ongoing skill and capability building. There were 10 webinars delivered for access by all members covering areas such as Building Your LinkedIn Profile, Social Media for Small Businesses, Epidemiology of Food Safety Outbreaks, Packaging Innovation to Extend Shelf-Life, The Future of Online Grocery, and Fibre and Protein Nutrition Advances. Webinars have been widely utilized by members and will continue as a core services and platform in 2018.
- **Pilot Mentoring Program**  
At the 50th Anniversary Convention AIFST launched a Pilot Mentoring Program which serves as a platform to trial a program that could underpin a new National membership service. The pilot program concluded in November 2017 with seven successful mentoring pairs participating in the program including interstate and remote participants. Following the pilot program, AIFST intends to launch a National Mentoring Program in 2018.

### Industry Services

The Industry Services area focused on a range of projects during 2017 including business to business research, consumer research and general project management.

Industry Services maintained a profile amongst the broader Australian food industry via presentation opportunities and topical articles published in *food australia*. These activities built relationships and raised the awareness and profile of the Institute.

Whilst Industry Services has met a specific strategic need over the past 2 years, the Institute will not be offering this service in 2018. The Institute's priority is to provide relevant and valuable services to the membership cohort and the ensuing changes will support this sharper focus.

### Communications

As we work to proactively communicate and engage with our members and stakeholders, AIFST's communications platforms continued to evolve in 2017. During the course of the year the following was delivered:

- *food australia* magazine  
Following a review and revision to *food australia* in 2016 to a more cost effective and modernised publication (across four annual issues), AIFST introduced the option for members to elect to receive

a digital copy of the magazine of which nearly 15% of AIFST members have elected. We look to grow the digital uptake in the future.

- **AIFST 50th Anniversary Convention**  
The 50th Anniversary AIFST Convention was held in Sydney NSW in July 2017. The annual event was co-located with Foodpro and brought together key industry players. Themed *The Future of Food*, the Convention provided a firsthand opportunity for delegates to hear the latest news covering food-related science, technology and innovation. The Convention was a major success for AIFST attracting over 700 delegates, the largest attendance number since 2005, as well as exceeding budget targets set for 2017.
- **AIFST 50th Anniversary Gala Dinner**  
The 50th Anniversary Convention also played host to the 50th Anniversary Gala Dinner of the Institute. The Gala Dinner brought together 450 members and guests to recognise and pay tribute to the role AIFST and its members have played in shaping the Australian and global food industry. The Gala Dinner also recognised the Institute's Inaugural President, Dr JR Vickery, through the gifting of his CSIRO Alumni commissioned portrait to the National Portrait Gallery.
- **Engagement with International Institutes**  
AIFST continued engagement with its sister entities internationally, and particularly with the Institute of Food Technologists (IFT) in the United States of America and the New Zealand Institute of Food Science (NZIFST). In 2018, we will look to engage more deeply with these organisations in order to deliver greater value to our member base.

#### The Year Ahead

2018 represents the final year of the 2016-2018 Strategic Plan, which to date has ensured that the AIFST better services its members needs and delivers new initiatives and opportunities for growth.

In 2018 we will continue to focus on the growth and diversification phase to grow our membership base, increase industry awareness of the Institute, build ongoing financial sustainability and deliver new services and value to members.

A key focus in 2018 will also be the development and delivery of the 2019 – 2021 Strategic Plan which will guide the next phase of the Institute. This Plan will be developed with consultation between Management and the Board during the first half of 2018.

The Institute welcomed Fiona Fleming as the interim Managing Director in February 2018. Ms Fleming will officially commence her role as full-time Managing Director on 7 May 2018. Ms Fleming will continue to lead the organisation on the path of growth and diversification and with the Board and drive the development and priorities for the 2019 – 2021 Strategic Plan.

#### Acknowledgement

The Board would like to acknowledge the work of outgoing CEO, Georgie Aley, who resigned from AIFST effective 15 December 2017. Under Ms Aley's leadership, the Institute was able to deliver against the 2017 operating plans and the 2016 – 2018 Strategic Plan, which was the first plan of its type for AIFST. The plan included the overhaul of the operations of the Institute in order to provide the foundations for the delivery of member value and for the growth and sustainability of AIFST in the future.

## 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 and whether the company's strategic objectives are being achieved. The key indicators are measured via annual operating plans.

## INFORMATION ON DIRECTORS

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

## MEETINGS OF DIRECTORS

During the financial year, five (5) meetings of directors were held. Attendances by each director were as follows: -

	Directors Meeting	
	Number eligible to attend	Number attended
Christopher Downs	5	5
Stewart Eddie	3	3
Fiona Fleming	5	5
Trent Hagland	2	2
Cheryl Hayman	5	5
Andreas Klieber	5	5
Steven Lapidge	2	2
Thomas Lewis	3	3
Peter Schutz	5	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 2017 these Committees consisted of the following members:

<b>Board Sub-Committee</b>	<b>Committee Members</b>
Nomination and Remuneration	Peter Schutz (Chair) Cheryl Hayman Steven Lapidge Fiona Fleming
Finance, Audit and Risk Committee	Trent Hagland (Chair) Thomas Debney Stewart Eddie Andreas Klieber Chris Downs

The company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$1 each towards meeting any outstanding obligations of the entity. At 31 December 2017, the total amount that members of the company are liable to contribute if the company is wound up is \$1,704 (2016: \$1,739).

## **AUDITOR'S INDEPENDENCE DECLARATION**

The lead auditor's independence declaration for the year ended 31<sup>st</sup> December 2017 has been received and can be found on page 7 of the financial report.

Signed in accordance with a resolution of the Directors.



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Signed  
Peter Schutz  
Chairman

Signed at Sydney on the 19<sup>th</sup> day of April 2018



**Walker Wayland NSW**

Chartered Accountants

ABN 55 931 152 366

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SYDNEY NSW 2000

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SYDNEY NSW 2001

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

Website: www.wwnsw.com.au

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

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

We declare that, to the best of our knowledge and belief, during the year ended 31<sup>st</sup> December 2017 there have been:

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

  
Walker Wayland NSW  
Chartered Accountants

  
Wali Aziz  
Principal

Dated this 23<sup>rd</sup> day of April 2018, Sydney

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

**Report on the Audit of the Financial Report**

**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 2017, 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:

- a. the accompanying financial report of the The Australian Institute of Food Science and Technology Limited is in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the Company's financial position as at 31 December 2017 and of its performance for the year then ended; and
  - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

**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 on the same terms if given to the directors as at the time of this auditor's report.

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

**Material Uncertainty Related to Going Concern**

We draw attention to Note 1(a) in the financial report, which indicates that the company has derived a surplus after tax for the year ended 31 December 2017 of \$9,431 (2016: loss of \$564,334) and has experienced net cash outflows from operating activities of \$63,203 (2016: cash outflow of \$277,764). As at 31 December 2017, the company had a net current asset deficiency position of \$395,560 (31 December 2016: net current asset deficiency of \$404,992). The company has cash assets of \$64,732 as at 31 December 2017 (\$127,935 as at 31 December 2016). Other liabilities include deferred income in advance of \$306,260 as at 31 December 2017 (\$452,190 as at 31 December 2016). As stated in Note 1(a), these events or conditions, along with other matters as set forth in Note 1(a), indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### **Other Information**

The directors are responsible for the other information. The other information comprises the information included in the company's annual report for the year ended 31 December 2017 but does not include the financial report and our auditor's report thereon.

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

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

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

### **Responsibilities of the Directors for the Financial Report**

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

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

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

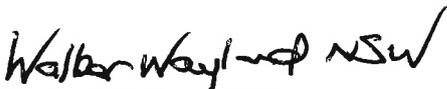
Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

  
Walker Wayland NSW  
Chartered Accountants

  
Wali Aziz  
Principal

Dated this 23<sup>rd</sup> day of April 2018, Sydney

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

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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 12 to 30 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 2017 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:



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Signed  
Peter Schutz  
Chairman

Signed at Sydney on the 19<sup>th</sup> day of April 2018

**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 31<sup>ST</sup> DECEMBER 2017**

	NOTE	2017 \$	2016 \$
Revenues	2	1,465,012	1,398,122
Administration expenses		(241,065)	(170,876)
Convention, symposium and member event expenses		(203,417)	(390,516)
Employee expenses		(692,955)	(902,538)
Office expenses		(125,884)	(161,607)
Project expenses		-	(50,324)
Publication expenses		(192,260)	(168,442)
Systems upgrade project expenses		-	(118,153)
Surplus / (Deficit) before income tax		9,431	(564,334)
Income tax expense	1	-	-
Surplus / (Deficit) for the year		<u>9,431</u>	<u>(564,334)</u>
Other comprehensive income after income tax		-	-
Total comprehensive income (expense) for the year		<u>9,431</u>	<u>(564,334)</u>
Total comprehensive income (expense) attributable to members of the Company		<u>9,431</u>	<u>(564,334)</u>

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 31<sup>st</sup> DECEMBER 2017**

	NOTE	2017 \$	2016 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	64,732	127,935
Trade and other receivables	6	28,092	103,822
Inventories	7	904	2,601
Other current assets	8	25,255	37,517
<b>TOTAL CURRENT ASSETS</b>		<u>118,983</u>	<u>271,875</u>
<b>NON-CURRENT ASSETS</b>			
Plant and Equipment	9	-	-
<b>TOTAL NON-CURRENT ASSETS</b>		<u>-</u>	<u>-</u>
<b>TOTAL ASSETS</b>		<u>118,983</u>	<u>271,875</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	194,331	203,487
Employee provisions	11	13,952	21,190
Other liabilities	12	306,260	452,190
<b>TOTAL CURRENT LIABILITIES</b>		<u>514,543</u>	<u>676,867</u>
<b>TOTAL LIABILITIES</b>		<u>514,543</u>	<u>676,867</u>
<b>NET DEFICIENCY</b>		<u>(395,560)</u>	<u>(404,992)</u>
<b>MEMBERS' FUNDS</b>			
Accumulated Deficiency		<u>(395,560)</u>	<u>(404,992)</u>
<b>TOTAL DEFICIENCY</b>		<u>(395,560)</u>	<u>(404,992)</u>

The accompanying notes form an integral part of these accounts

**THE AUSTRALIAN INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY LIMITED A.B.N. 15 602 767 019**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>st</sup> DECEMBER 2017**

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	<b>Accumulated Deficits \$</b>	<b>Total \$</b>
<b>Balance at 1 January 2016</b>	159,342	159,342
Deficit attributable to members	(564,334)	(564,334)
Other comprehensive income for the year	-	-
<b>Balance at 31 December 2016</b>	<u>(404,992)</u>	<u>(404,992)</u>
Surplus attributable to members	9,431	9,431
Other comprehensive income for the year	-	-
<b>Balance at 31 December 2017</b>	<u><u>(395,560)</u></u>	<u><u>(395,560)</u></u>

The accompanying notes form an integral part of these accounts

**THE AUSTRALIAN INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY LIMITED A.B.N. 15 602 767 019**  
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31<sup>st</sup> DECEMBER 2017**

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	NOTE	2017 \$	2016 \$
<b>Cash flows from operating activities</b>			
Receipts from members and customers re membership fees and all other activities		1,452,782	1,592,133
Interest received		184	1,921
Payments to suppliers and employees		<u>(1,516,169)</u>	<u>(1,871,818)</u>
<b>Net cash provided by (used in) operating activities</b>	18	<u>(63,203)</u>	<u>(277,764)</u>
<b>Net increase in cash held</b>		(63,203)	(277,764)
Cash at the beginning of the financial year		<u>127,935</u>	<u>405,699</u>
<b>Cash at the end of the financial year</b>	18	<u><u>64,732</u></u>	<u><u>127,935</u></u>

The accompanying notes form an integral part of these accounts

**THE AUSTRALIAN INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY LIMITED A.B.N. 15 602 767 019**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> DECEMBER 2017**

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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, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board, and International Financial Reporting Standards. 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 2017 of \$9,431 (2016: loss of \$564,334) and has experienced net cash outflows from operating activities of \$63,203 (2016: cash outflow of \$277,764). As at 31 December 2017, the company had a net current asset deficiency position of \$395,560 (31 December 2016: net current asset deficiency of \$404,992). The company has cash assets of \$64,732 as at 31 December 2017 (\$127,935 as at 31 December 2016). Other liabilities include deferred income in advance of \$306,260 as at 31 December 2017 (\$452,190 as at 31 December 2016).

As at the reporting date, and the date of signing, the above matters give rise to a Material Uncertainty that casts significant doubt about the company's ability to continue as a going concern.

Subsequent to year end, however, and as at the date of signing this report, the company:

- has initiated and executed several significant cost-saving initiatives;
- has signed a contract with the Institute of Food Technologists (IFT) for the provision of services, which has resulted in a significant cash inflow;
- is actively managing its outstanding debts with its creditors.

The directors believe that the Company will be successful in the ongoing execution of its business plan and be in a position to realise its assets and settle its liabilities and 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.

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

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

Computers and Peripherals	33% straight line
Office Furniture and Equipment	13% 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.

**(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 from 1st January to 31st December. 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 Balance Sheet under the heading Income in Advance.

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

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

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

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

**(j) Goods and Services Tax (GST)**

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

Receivables and payables in the statement of financial position are shown inclusive of GST.

The net amount of GST recoverable from or payable to the ATO is included with other receivables or payables in the statement of financial position.

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

**(k) Comparative Figures**

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

### **(l) Conventions, Symposiums and Member Events**

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

### **(m) Trade and Other Receivables**

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

### **(n) Trade and Other Payables**

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

### **(o) Provisions**

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

### **(p) New Accounting Standards for Application in Future Periods**

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

- AASB 15: *Revenue from Contracts with Customers* (applicable to annual reporting periods beginning on or after 1 January 2018, as deferred by AASB 2015-8: *Amendments to Australian Accounting Standards – Effective Date of AASB 15*).

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

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

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

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

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

**THE AUSTRALIAN INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY LIMITED A.B.N. 15 602 767 019**  
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	2017	2016
	\$	\$
<b>2. REVENUE</b>		
Advertising and displays	7,260	7,870
Projects	270,125	318,105
Convention, symposium and member event income	702,855	494,449
Interest income	184	1,921
Membership fee income	319,800	337,271
Publication income	106,549	136,977
Book sales	3,447	6,734
Subscriptions	23,286	7,383
Sundry income	31,506	14,043
Shared services	-	73,369
	<u>1,465,012</u>	<u>1,398,122</u>

**3. SURPLUS**

**(a) Expenses**

Auditors Remuneration		
Auditing or reviewing the Financial Report	24,099	9,125
Taxation Services	-	450
Depreciation		
Plant and equipment	-	22,932
Rent Expenses	99,795	109,098

**(b) Significant Expenses**

The following significant expenses are relevant in explaining the financial performance:

<i>North Sydney relocation costs</i>		
Systems upgrade project	-	118,153

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	2017	2016
	\$	\$

**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	313,077	346,020
Post-employment benefits	-	-
	<u>313,077</u>	<u>346,020</u>

**5. CASH AND CASH EQUIVALENTS**

Cash at Bank and on Deposit	64,732	127,935
Cash on Hand	-	-
	<u>64,732</u>	<u>127,935</u>

**6. TRADE AND OTHER RECEIVABLES**

Trade Debtors	24,649	103,822
Less provision for impairment	-	-
GST Receivable	3,443	-
	<u>28,092</u>	<u>103,822</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>904</u>	<u>2,601</u>

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	2017 \$	2016 \$
<b>8. OTHER ASSETS</b>		
Prepaid expenses – 2017 Convention	-	37,374
Prepaid expenses – NZOZ Symposium Costs Prepaid	2,096	-
Prepaid expenses – Other Prepayments	<u>23,159</u>	<u>143</u>
	<u>25,255</u>	<u>37,517</u>

**9. PLANT AND EQUIPMENT**

Computers & Peripherals, at cost	-	-
<u>Less Accumulated Depreciation</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
Office Furniture and Equipment, at cost	-	-
<u>Less Accumulated Depreciation</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

**10. TRADE AND OTHER PAYABLES**

Trade Creditors	100,853	35,794
Accruals	93,478	141,667
GST Payable	-	26,026
	<u>194,331</u>	<u>203,487</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**

<b>CURRENT</b>		
Annual Leave	13,952	21,190
Long Service Leave	-	-
	<u>13,952</u>	<u>21,190</u>

Number of employees at year end	3	4
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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.

**THE AUSTRALIAN INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY LIMITED A.B.N. 15 602 767 019**  
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	2017	2016
	\$	\$
<b>12. OTHER LIABILITIES</b>		
Income in Advance – Memberships	228,026	202,882
Income in Advance – Food Australia Subscriptions	6,930	19,885
Income in Advance – 2017 Convention	-	164,980
Income in Advance – Subscriptions in Advance	-	22,756
Income in Advance – Other	71,304	41,687
	<u>306,260</u>	<u>452,190</u>

**13. DIRECTORS' REMUNERATION**

Aggregate income received or due and receivable by Directors from the Company or any related entity	-	-
Amounts paid to superannuation funds and Directors in respect of the Directors' retirement	-	-

**14. 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 31<sup>st</sup> December 2017. The Company holds a Director Conflict of Interest register on file and advise that all Directors are members of the Company.

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

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

	2017	2016
	\$	\$

## **15. CAPITAL AND LEASING COMMITMENTS**

### Operating Leases

Cancellable operating leases of premises etc. contracted for but not capitalised in the accounts:

Payable – minimum lease payments

- not later than one year	90,474	88,125
- later than one year but not later than two years	94,093	91,649
- later than two years but not later than 5 years	305,471	297,536
- later than 5 years but not later than 10 years	91,492	149,030
	581,530	626,340

Subsequent to year end the Company have moved to a new office location in North Ryde, in March 2018. The move was part of a rent-free agreement with FIAL (related party). Upon the company moving to the new location, no future leasing commitment exists with the previous lessor.

## **16. 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.

## **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

2017	2016
\$	\$

## 18. CASH FLOW INFORMATION

### (a) Reconciliation of Cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the Statement of Financial Position as follows: -

Cash and cash equivalents	<u>64,732</u>	<u>127,935</u>
	<u>64,732</u>	<u>127,935</u>

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

Surplus / (Deficit) after tax	9,431	(564,334)
Non-cash flows in surplus:		
Depreciation	-	22,932
Doubtful Debts	-	(5,000)
Changes in assets and liabilities:		
(Increase) decrease in trade and other receivables	75,730	46,687
(Increase) decrease in inventories	1,697	11,422
(Increase) decrease other current assets	12,263	(18,772)
(Decrease) increase in trade and other payables	(9,156)	71,711
(Decrease) increase in employee provisions	(7,238)	(38,342)
(Decrease) increase in other current liabilities	(145,930)	195,932
Net cash provided by (used in) operating activities	<u>(63,203)</u>	<u>(277,764)</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.

## 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	2017 \$	2016 \$
<b>Financial Assets</b>			
Cash and cash equivalents	5	64,732	127,935
Trade and other receivables	6	28,092	103,822
<b>Total Financial Assets</b>		<u>92,824</u>	<u>231,757</u>
<b>Financial Liabilities</b>			
Trade and sundry payables	10	194,331	203,487
<b>Total Financial Liabilities</b>		<u>194,331</u>	<u>203,487</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 31<sup>st</sup> December 2017.

#### (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 2017 fiscal period. The Board continues to undertake any necessary action to ensure the Company delivers against the expected financial performance.

From April 2017 the Finance, Audit and Risk Committee monitor the monthly cashflow and budget to actuals.

(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 31<sup>st</sup> December 2017.

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 31<sup>st</sup> December 2017 and 31<sup>st</sup> December 2016 do not include any counterparties with external credit ratings. Customers are assessed for credit worthiness using the criteria detailed above.

## 20. CAPITAL MANAGEMENT

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

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

The Company's capital consists of total equity.

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

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

	2017	2016
	\$	\$
Total equity (reserves plus retained earnings)	<u>(395,560)</u>	<u>(404,992)</u>
Total capital	<u>(395,560)</u>	<u>(404,992)</u>

## 21. 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 \$1 each towards meeting any outstanding obligations of the Company. At 31 December 2017, the number of members was 1704 (2016 1,739).



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