NATIONAL INSTITUTE OF INTEGRATIVE MEDICINE LTD

ABN: 15095139209

Financial Report For The Year Ended 30 June 2020

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NATIONAL INSTITUTE OF INTEGRATIVE MEDICINE LTD
ABN: 15095139209
STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020	2019
		$	$
Revenue	2	95,195	8,150
Other income	2	1,566,858	1,368,339
Employee benefits expense		(563,456)	(925,348)
Depreciation and amortisation expense	3	(313,527)	(298,645)
Interest expenses	3	(193,202)	(211,163)
Utilities expense		(49,898)	(66,680)
Staff training and development expenses		(491)	-
Audit, legal and consultancy fees		(264,111)	(130,260)
Administration expense		(222,445)	(215,655)
Marketing expenses		(115)	-
Client support services expense		-	-
Fundraising expenses		-	-
Rent Expense		(259,921)	(252,350)
Repairs & Maintenance		(37,463)	(57,665)
Foreign Currency Loss		(5,214)	(687)
Sundry expenses		-	-
Unit Trust Distributions		109,626	76,714
Current year surplus before income tax		(138,162)	(705,249)
Income tax expense			
Net current year surplus		(138,162)	(705,249)
Net current year surplus attributable to members of the entity		(138,162)	(705,249)

The accompanying notes form part of these financial statements.

NATIONAL INSTITUTE OF INTEGRATIVE MEDICINE LTD
ABN: 15095139209
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 $	2019 $
Net current year surplus		(138,162)	(705,249)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Total other comprehensive (losses)/income for the year		-	-
Total comprehensive income for the year		(138,162)	(705,249)
Profit attributable to members of the entity		(138,162)	(705,249)
Total comprehensive income attributable to members of the entity		(138,162)	(705,249)

The accompanying notes form part of these financial statements.

NATIONAL INSTITUTE OF INTEGRATIVE MEDICINE LTD
ABN: 15095139209
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	Note	2020 $	2019 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	315,705	127,061
Trade and other receivables	5	99,904	55,941
TOTAL CURRENT ASSETS		415,609	183,002
NON-CURRENT ASSETS			
Financial assets	6	4,207,793	4,370,531
Property, plant and equipment	7	905,005	1,067,798
Inter-entity Loans	11	1,209,968	1,008,870
TOTAL NON-CURRENT ASSETS		6,322,766	6,447,198
TOTAL ASSETS		6,738,376	6,630,200
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	295,101	315,226
Borrowings	12	3,642,802	332,613
Employee provisions	9	192,980	230,148
Inter-entity Loans	11	260,995	292,833
TOTAL CURRENT LIABILITIES		4,391,878	1,170,820
NON-CURRENT LIABILITIES			
Borrowings	12	53,233	3,271,118
Employee provisions	9	33,180	16,153
TOTAL NON-CURRENT LIABILITIES		86,413	3,287,271
TOTAL LIABILITIES		4,478,291	4,458,091
NET ASSETS		2,260,085	2,172,109
EQUITY			
Retained surplus		2,260,085	2,172,109
Reserves		-	-
TOTAL EQUITY		2,260,085	2,172,109

The accompanying notes form part of these financial statements.

NATIONAL INSTITUTE OF INTEGRATIVE MEDICINE LTD
ABN: 15095139209
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2020

	Note	Retained Surplus	Total
		$	$
Balance at 1 July 2018		2,877,358	2,877,358
Comprehensive Income			
Surplus for the year attributable to owners of the entity		(705,249)	(705,249)
Total comprehensive income attributable to owners of the entity		(705,249)	(705,249)
Balance at 30 June 2019		2,172,109	2,172,109
Balance at 1 July 2019		2,172,109	2,172,109
Adjustment - Lightfolk Loan	17	226,138	226,138
Balance at 1 July 2019 (restated)		2,398,247	2,398,247
Comprehensive Income			
Surplus for the year attributable to owners of the entity		(138,162)	(138,162)
Total comprehensive income for the year		(138,162)	(138,162)
Transactions with owners, in their capacity as owners, and other transfers			-
Total transactions with owners and other transfers		-	-
Balance at 30 June 2020		2,260,085	2,260,085

The accompanying notes form part of these financial statements.

NATIONAL INSTITUTE OF INTEGRATIVE MEDICINE LTD
ABN: 15095139209
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020	2019
		$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Commonwealth, state and local government grants		45,000	-
Receipts from donations, bequests and raffles		1,565,323	1,676,309
Payments to suppliers and employees		(1,396,380)	(1,841,561)
Short-term and low-value lease payments		-	-
Interest received		195	8,188
Dividends received		-	-
Distributions received		-	-
Other Receipts		-	-
Interest paid		(193,202)	(200,188)
Net cash generated from operating activities		20,936	(357,252)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		-	-
Payment for property, plant and equipment		(150,733)	(167,817)
Proceeds from sale of investments in equity instruments designated as at fair value through other comprehensive income		-	-
Payment for investments in equity instruments designated as at fair value through other comprehensive income		-	-
Payment for financial assets		-	-
Payment for intangible assets		-	-
Payment for financial assets at amortised cost		-	-
Net cash used in investing activities		(150,733)	(167,817)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of lease liabilities		(94,885)	(26,024)
Proceeds / (repayments of borrowings)		413,327	(129,000)
Net cash used in financing activities		318,442	(155,024)
Net increase in cash held		188,645	(680,093)
Cash on hand at beginning of the financial year		127,060	807,153
Cash on hand at end of the financial year	4	315,705	127,060

The accompanying notes form part of these financial statements.

Note 1 Summary of Significant Accounting Policies

Basis of Preparation

The financial statements cover National Institute of Integrated Medicine Ltd as an individual entity, incorporated and domiciled in Australia. National Institute of Integrated Medicine Ltd is a company limited by guarantee.

Financial Reporting Framework
The directors have prepared the financial statements on the basis that the Entity is a non-reporting entity because there are no users dependent on general purpose financial statements. These financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the Corporations Act 2001. The Entity is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the Corporations Act 2001and the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with those of previous periods unless stated otherwise

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs unless otherwise stated in the notes. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise. The amounts presented in the financial statements have been rounded to the nearest dollar

The entity has not assessed whether it has relationships with other entities which, for financial reporting purposes, might be considered subsidiaries, associates or joint ventures as it is not required by the Australian Charities and Not-for-profits Commission Act 2012 to do so.
These special purpose financial statements comply with all the recognition and measurement requirements in Australian Accounting Standards (except for the requirements set out in AASB 10 Consolidated Financial Statements or AASB 128 Investments in Associates and Joint Ventures).

The financial statements were authorised for issue on 23 December 2020 by the directors of the company

Accounting Policies

(a) Revenue

Revenue recognition
The Entity has applied AASB 15: *Revenue from Contracts with Customers* (AASB 15) and AASB 1058: *Income of Not-for-Profit Entities* (AASB 1058) using the cumulative effective method of initially applying AASB 15 and AASB 1058 as an adjustment to the opening balance of equity at 1 July 2019. Therefore, the comparative information has not been restated and continues to be presented under AASB 118: Revenue and AASB 1004: Contributions. The details of accounting policies under AASB 118 and AASB 1004 are disclosed separately since they are different from those under AASB 15 and AASB 1058, and the impact of changes is disclosed in Note 1.

In the current year

Contributed Assets
The entity receives assets from the government and other parties for nil or nominal consideration in order to further its objectives. These assets are recognised in accordance with the recognition requirements of other applicable accounting standards (for example AASB 9, AASB 16, AASB 116 and AASB 138).

On initial recognition of an asset, the Entity recognises related amounts being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer.

The Entity recognises income immediately in profit or loss as the difference between initial carrying amount of the asset and the related amounts.

Operating Grants, Donations and Bequests
When the entity receives operating grant revenue, donations or bequests, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance to AASB 15.

When both these conditions are satisfied, the Entity:
- identifies each performance obligation relating to the grant;
- recognises a contract liability for its obligations under the agreement; and
- recognises revenue as it satisfies its performance obligations.

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the Entity:

- recognises the asset received in accordance with the recognition requirements of other applicable accounting standards (for example AASB 9. AASB 16, AASB 116 and AASB 138);
- recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer); and
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

If a contract liability is recognised as a related amount above, the Entity recognises income in profit or loss when or as it satisfies its obligations under the contract.

Capital Grant
When the Entity receives a capital grant, it recognises a liability for the excess of the initial carrying amount of the financial asset received over any related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer) recognised under other Australian Accounting Standards.

The Entity recognises income in profit or loss when or as the Entity satisfies its obligations under terms of the grant.

Interest Income
Interest income is recognised using the effective interest method.

Dividend Income
The Entity recognises dividends in profit or loss only when the Entity's right to receive payment of the dividend is established.
All revenue is stated net of the amount of goods and services tax.

In the comparative period

Non-reciprocal grant revenue is recognised in profit or loss when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

National Institute of Integrative Medicine Ltd receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in profit or loss.

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

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

All revenue is stated net of the amount of goods and services tax.

(b) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated, less, where applicable, accumulated depreciation and any impairment losses.

Plant and Equipment
Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(f) for details of impairment).

Plant and equipment that have been contributed at no cost, or for nominal cost, are valued and recognised at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Fixed Asset	**Depreciation Rate**
Furniture & Fixtures	15-30%
Medical Equipment	20-30%
Leasehold Improvement	15-30%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise. Gains are not classified as revenue. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(c) Leases

The Entity as lessee

At inception of a contract, the Entity assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Entity where the Entity is a lessee. However all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Entity uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:
— fixed lease payments less any lease incentives;
— variable lease payments that depend on an index or rate, initially measured using the index or rate at the
— the amount expected to be payable by the lessee under residual value guarantees;
— the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
— lease payments under extension options if lessee is reasonably certain to exercise the options; and
— payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest. Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Entity anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

Concessionary Leases

For leases that have significantly below-market terms and conditions principally to enable the Entity to further its objectives (commonly known as peppercorn/concessionary leases), the Entity has adopted the temporary relief under AASB 2018-823 and measures the right of use assets at cost on initial recognition.

The Entity as lessor

The Entity leases some rooms in their building to external parties .

Upon entering into each contract as a lessor, the Entity assesses if the lease is a finance or operating lease.

The contract is classified as a finance lease when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases not within this definition are classified as operating leases.

Rental income received from operating leases is recognised on a straight-line basis over the term of the specific lease.

Initial direct costs incurred in entering into an operating lease (for example legal cost, cost to setup) are included in the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

Rental income due under finance leases are recognised as receivables at the amount of the Entity's net investment in the leases.

When a contract is determined to include lease and non-lease components, the Entity applies AASB 15 to allocate the consideration under the contract to each component.

(d) Financial Instruments

Classification and subsequent measurement

Financial liabilities

Financial liabilities are subsequently measured at:

– amortised cost

Financial assets

Financial assets are subsequently measured at:

– amortised cost;
– fair value through other comprehensive income; or
– fair value through profit or loss.

Measurement is on the basis of two primary criteria:

– the contractual cash flow characteristics of the financial asset; and
– the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

– the financial asset is managed solely to collect contractual cash flows; and
– the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income:

– the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
– the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The Entity initially designates a financial instrument as measured at fair value through profit or loss if:

– it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as an "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
– it is in accordance with the documented risk management or investment strategy and information about the groupings is documented appropriately, so the performance of the financial liability that is part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and
– it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial measurement of financial instruments at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Equity instruments

The entity measures investments in equity instruments at fair value through profit or loss.
The dividend/distribution revenue received on equity instruments investments is recognised in profit or loss.
The investments in related NIIM subsidiary entities are held at cost in these separate financial statements.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.
The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for the derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Entity no longer controls the asset (ie it has no practical ability to make unilateral decisions to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Impairment

The Entity recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Entity uses the following approaches to impairment, as applicable under AASB 9: *Financial Instruments*:

- the general approach;

General approach

Under the general approach, at each reporting period, the Entity assesses whether the financial instruments are credit-

- if the credit risk of the financial instrument has increased significantly since initial recognition, the Entity measures the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; and
- if there has been no significant increase in credit risk since initial recognition, the Entity measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

Recognition of expected credit losses in financial statements

At each reporting date, the Entity recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

(e) Impairment of Assets

At the end of each reporting period, the entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in profit or loss.

Where the assets are not held primarily for their ability to generate net cash inflows – that is, they are specialised assets held for continuing use of their service capacity – the recoverable amounts are expected to be materially the same as fair value.

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

Where an impairment loss on a revalued individual asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

(f) Employee Benefits

Short-term employee benefits

Provision is made for the company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

The entity classifies employees' long service leave and annual leave entitlements as other long-term employee benefits as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for the company's obligation for other long-term employee benefits, which are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss classified under employee benefits expense.

The company's obligations for long-term employee benefits are presented as non-current liabilities in its statement of financial position, except where the entity does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current liabilities.

Retirement benefit obligations

Defined contribution superannuation benefits

All employees of the entity receive defined contribution superannuation entitlements, for which the entity pays the fixed superannuation guarantee contribution (currently 9.5% of the employee's average ordinary salary) to the employee's superannuation fund of choice. All contributions in respect of employees' defined contribution entitlements are recognised as an expense when they become payable. The company's obligation with respect to employees' defined contribution entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the company's statement of financial position.

(g) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(h) Trade and Other Debtors

Trade and other debtors include amounts due from members as well as amounts receivable from customers for goods sold.

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.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(e) for further discussion on the determination of impairment losses.

(i) Goods and Services Tax (GST)

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

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

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(j) Income Tax

No provision for income tax has been raised as the entity is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997* .

(k) Provisions

Provisions are recognised when the entity 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 reporting period.

(l) Comparative Figures

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

(m) Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

Key estimates

(i) Useful lives of property, plant and equipment

As described in Note 1, the Entity reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period.

Key judgements

(i) Performance obligations under AASB 15

To identify a performance obligation under AASB 15, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature/ type, cost/ value, quantity and the period of transfer related to the goods or services promised.

(ii) Lease term and Option to Extend under AASB 16

The lease term is defined as the non-cancellable period of a lease together with both periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and also periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. The options that are reasonably going to be exercised is a key management judgement that the entity will make. The entity determines the likeliness to exercise the options on a lease-by-lease basis looking at various factors such as which assets are strategic and which are key to future strategy of the entity.

(iii) Employee benefits

For the purpose of measurement, AASB 119: *Employee Benefits* defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. As the entity expects that most employees will not use all of their annual leave entitlements in the same year in which they are earned or during the 12-month period that follows (despite an informal internal policy that requires annual leave to be used within 18 months), the directors believe that obligations for annual leave entitlements satisfy the definition of other long-term employee benefits and, therefore, are required to be measured at the present value of the expected future payments to be made to employees.

(n) Fair Value of Assets and Liabilities

The entity measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

“Fair value” is the price the entity would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability). In the absence of such a market, market information is extracted from the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity’s own equity instruments (if any) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and where significant, are detailed in the respective note to the financial statements.

(o) New and Amended Accounting Standards Adopted by the Company

Initial application of AASB 15 and AASB 1058

The Entity has applied AASB 15: *Revenue from Contracts with Customers* and AASB 1058: *Income of Not-for-Profit Entities* using the cumulative effective method of initially applying AASB 15 and AASB 1058 as an adjustment to the opening balance of equity at 1 July 2019. Therefore, the comparative information has not been restated and continues to be presented under AASB 118: *Revenue* and AASB 1004: *Contributions*.

The Entity has elected to apply AASB 1058 retrospectively only to contracts that are not completed contracts at the date of initial application. The adjustment to opening retained surplus on 1 July 2019 was an increase of $0 with a corresponding decrease in contract liabilities. A classification change occurred which resulted in the deferred income now being classified as contract liability in line with wording used in AASB 15.

Initial application of AASB 16: Leases

The Entity has adopted AASB 16: Leases with a date of initial application of 1 July 2019. As a result, the Entity has changed its accounting policy leases recognition as detailed in this note.

The directors assessed that there is no material difference in the result of the Entity between applying AASB 117 and AASB 16 as the Entity has assessed that it only has rental expense related to short term leases.

On the date of initial application 1 July 2019, the Entity has short term leases from renting property which is on a month to month basis with no extension option.

Note 2 Revenue and Other Income

	2020	2019
Revenue	$	$
Revenue from grants		
— State/federal government grants – operating	95,000	-
Total revenue	95,000	-
Other revenue		
Interest received	195	8,150
	195	8,150
Total revenue	95,195	8,150
Other income		
— Gain on disposal of property, plant and equipment	-	39,367
— Charitable income and fundraising	108,771	281,541
— Rental income from operating leases	766,121	890,281
— Other	104,278	28,451
— Education Income (Net)	(10,641)	1,000
— Events Income (Net)	103,805	66,226
— Research Income	494,524	61,473
Total other income	1,566,858	1,368,339
Total revenue and other income	1,662,054	1,376,489

Note 3 Surplus for the year

	2020	2019
	$	$
a. Expenses		
Employee benefits expense:		
— contributions to defined contribution superannuation funds	43,372	68,881
— Salaries & Wages	495,731	783,939
— Annual Leave Expenses	7,326	(5,589)
— Long Service Leave Expenses	17,027	78,117
Total employee benefits expense	563,456	925,348
Depreciation and amortisation:		
— furniture and equipment	14,142	13,324
— Medical Equipment	122,814	109,602
— Tenant Improvements	176,571	175,719
Total depreciation and amortisation	313,527	298,645
Finance costs:		
— interest expense	193,202	211,163
Audit fees:		
— audit services	13,300	9,900
— taxation services	-	-

NATIONAL INSTITUTE OF INTEGRATIVE MEDICINE LTD
ABN: 15095139209
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

Total audit remuneration	13,300	9,900

Note 4 Cash and Cash Equivalents

	2020 $	2019 $
CURRENT		
Cash at bank	315,705	127,061
Cash on hand	-	-
	315,705	127,061
	315,705	127,060

Note 5 Trade and Other Receivables

	Note	2020 $	2019 $
CURRENT			
Trade receivables		99,904	67,941
Other receivables		-	-
Provision for impairment	5a(i)	-	(12,000)
Total current accounts receivable and other debtors		99,904	55,941

The entity's normal credit term is 30 days.

Note 6 Financial Assets

	Note	2020 $	2019 $
NON-CURRENT			
NIIM Property Trust Unitholding	12	4,207,693	4,370,431
NIIM Holdings Pty Ltd Shareholding	12	100	100
Total non-current assets		4,207,793	4,370,531
		2020 $	2019 $

Note 7 Property, Plant and Equipment

	2020 $	2019 $
Medical Equipment		
At cost	673,804	927,237
(Accumulated depreciation)	(408,168)	(678,280)
	265,637	248,956
Further & Fixtures		
At cost	94,721	83,484
(Accumulated depreciation)	(51,163)	(37,021)
	43,558	46,463
Leasehold Improvements		
At cost	1,305,970	1,305,970
(Accumulated depreciation)	(710,160)	(533,592)
	595,810	772,378
	-	-
Total plant and equipment	905,005	1,067,798
Total property, plant and equipment	905,005	1,067,798

Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Medical Equipment $	Furniture & Fixtures $	Leasehold Improvements $	Total $
2019				
Balance at the beginning of the year	303,994	61,151	801,868	1,167,013
Additions at cost	55,257	-	146,228	201,485
Additions at fair value	-	-		-
Disposals	-	(1,364)		(1,364)
Revaluations		-		-
Depreciation expense	(110,293)	(13,324)	(175,718)	(299,335)
Carrying amount at the end of the year	248,958	46,463	772,378	1,067,799
2020				
Balance at the beginning of the year	248,958	46,463	772,378	1,067,799
Additions at cost	139,496	11,237	-	150,733
Disposals				-
Depreciation expense	(122,817)	(14,142)	(176,568)	(313,527)
Carrying amount at the end of the year	265,637	43,558	595,810	905,005

Note 8 Trade and Other Payables

	Note	2020 $	2019 $
CURRENT			
Trade payables		180,909	119,820
Deferred income		34,000	81,000
Other current payables		-	694
GST payable		36,417	56,003
PAYG Withholding Payable		43,775	57,709
Prepaid Revenue		-	-
	8a	295,101	315,226

Note 9 Provisions

	2020 $	2019 $
CURRENT		
Provision for employee benefits: annual leave	76,737	69,411
Provision for employee benefits: long service leave	61,964	61,964
Superannuation Payable	32,957	43,572
Provision for Wages	21,322	55,201
	192,980	230,148
NON-CURRENT		
Provision for employee benefits: long service leave	33,180	16,153
	33,180	16,153
	226,160	246,301

Provision for employee benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the entity does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the entity does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits have been discussed in Note 1(h).

Note 10 Events After the Reporting Period

The directors are not aware of any significant events since the end of the reporting period.

Note 11 Inter-company Loans

	Note	2020	2019
Inter-company Loans - Non-Current Assets	**Note**	$	$
— NIIM Clinic Pty Ltd		891,440	604,271
— NIIM Lane Cove Pty Ltd		7,278	-
— NIIM Holdings Pty Ltd		311,251	404,599
TOTAL INTER-COMPANY LOANS - NON-CURRENT ASSETS		1,209,969	1,008,870
Inter-company Loans - Current Liability	**Note**	$	$
— NIIM Property Pty Ltd ATF NIIM Unit Trust		260,995	292,833
TOTAL INTER-COMPANY LOANS - CURRENT LIABILITY		260,995	292,833
Total Inter-company Loans		948,974	716,037

Note 12 Borrowings

	2020	2019
	$	$
CURRENT		
Lease liability	106,475	106,475
Lightfolk Foundation - Loan	-	226,138
Bank Loan	3,430,227	-
Loan - Peter Vial	106,100	-
	3,642,802	332,613
NON-CURRENT		
Lease liability	53,233	148,118
Bank Loan	-	3,123,000
	53,233	3,271,118
TOTAL BORROWINGS	3,696,034	3,603,731

Lease liabilities are secured by the underlying leased assets.

The Loan with National Australia Bank is secured by a commercial mortgage over the property at 21 Burwood Rd Hawthorn VIC 3122 which is owned by NIIM Property Unit Trust. National Institute of Integrative Medicine Ltd owns the majority of the units in the Trust. The loan has financial covenant applicable including requirement for interest coverage ratio of in excess of 1.5x.

Note 13 Going Concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the Company has incurred a net loss after taxes of $138,162 and had net cash inflow from operating activities of $20,936 for the year ended 30 June 2020. As at that date, the Company had net current liabilities of $4,130,885.

These factors indicate a material uncertainty which may cast significant doubt as to whether the Company will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The Directors believe there are reasonable grounds to believe that the Company will be able to continue as a going concern, after consideration of the following factors:

• The Company operates as a group with a trading entity called NIIM Clinic Pty Ltd. The budget prepared for the next 12 months shows an expected group Earnings before Interest, Tax, Depreciation and Amortisation of $265,301.77 resulting from the trading of NIIM Clinic Pty Ltd. This amount suffices bank covenant and shows the ability to cover liabilities.

• The Company has been engaged in the sale of 11-23 Burwood Rd, a property owned by NIIM Unit Trusts of which NIIM Ltd holds 57% of the unitholding. The sale price of the property is set at $17.5 million, with a settlement period of 120 days. The Company is currently finalising the contract of sale and leaseback arrangements.

• The expiry date of NAB Bank Loan has been extended to 31 December 2021 subsequent to balance date.

Accordingly, the Directors believe that the Company will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report. The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the Company does not continue as a going concern.

Note 14 Entity Details

The registered office of the entity is:

National Institute of Integrative Medicine Ltd
21 Burwood Rd, Hawthorn VIC 3122

The principal place of business is:

National Institute of Integrative Medicine Ltd
21 Burwood Rd, Hawthorn VIC 3122

Note 15 Members' Guarantee

The entity is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of $10 towards meeting any outstanding obligations of the entity. At 30 June 2020 the number of members was 7

Note 16 Reconcilation of cash flows from operating activities

	2020 $	2019 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Surplus/(deficit) for the period	(138,162)	(705,249)
Non-cash flows in operating surplus/(deficit):		
- Depreciation and amortisation	313,527	298,645
- loss/(profit) on sales of property, plant and equipment	-	(39,367)
- loan foregiveness	-	-
- other		
Movements in:		
- change in inventories	-	-
- change in trade and other receivables	(43,964)	65,381
- change in other assets	(70,199)	(178,186)
- change in trade and other payables	(20,126)	88,093
- change in other liabilities		

- change in provisions	(20,140)	113,433
Net cash from Operating activities	**20,936**	**(357,251)**

Note 17 Prior Year Adjustment

The accompanying financial statements have been restated to correct an error made in prior years. The error relates to a receipt of $226,137.77 from Lightfolk Foundation that was recorded as a payable loan in the Financial year ended 30 June 2017. This amount has been restated as a donation income in that year following confirmation from the Donor. Retained Earnings and Net Assets amounts have been adjusted to reflect this correction.

NATIONAL INSTITUTE OF INTEGRATIVE MEDICINE LTD
ABN: 15095139209
DIRECTORS' DECLARATION

In accordance with a resolution of the directors of National Institute of Integrative Medicine Ltd, the directors of the entity declare that:

1. The financial statements and notes, as set out on pages 1 to 18, are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 and:

   (a) comply with Australian Accounting Standards - Reduced Disclosure Requirements; and

   (b) give a true and fair view of the financial position of the registered entity as at 30 June 2020 and of its performance for the year ended on that date.

2. There are reasonable grounds to believe that the registered entity will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with subs 60.15(2) of the Australian Charities and Not-for-profits Commission Regulation 2013.

Director ______________________
Avni Sali

Dated this 22nd day of December 2020

walkerwaylandAdvantage

Chartered Accountants & Advisors

Walker Wayland Advantage Audit Partnership

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**AUDITOR'S INDEPENDENCE DECLARATION
UNDER ACNC ACT SECTION 60-40 TO THE DIRECTORS OF
NATIONAL INSTITUTE OF INTEGRATIVE MEDICINE LIMITED**

In accordance with Subdivision 60-C and Section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, I am pleased to provide the following declaration of independence to the directors of National Institute of Integrative Medicine Limited.

As the lead audit partner for the audit of the financial report of National Institute of Integrative Medicine Limited for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, during the year ended 30 June 2020 there have been no contraventions of:

a) the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and

b) any applicable code of professional conduct in relation to the audit.

Walker Wayland Advantage

**WALKER WAYLAND ADVANTAGE AUDIT PARTNERSHIP
CHARTERED ACCOUNTANTS**

**AWAIS UR REHMAN
PARTNER**

Dated in Melbourne on this 22nd day of December 2020

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
NATIONAL INSTITUTE OF INTEGRATIVE MEDICINE LIMITED

Opinion

We have audited the accompanying financial report of National Institute of Integrative Medicine Limited (the "Company"), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the directors declaration.

In our opinion the financial report of National Institute of Integrative Medicine Pty Ltd has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-Profits Commission Act 2012* (ACNC Act), including:

(a) giving a true and fair view of the registered company's financial position as at 30 June 2020 and of its financial performance and cash flows for the year ended on that date; and

(b) complying with Australian Accounting Standards to the extent described in Note 1, and Division 60 the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. 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 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the responsible company's financial reporting responsibilities under the ACNC Act. As a result, the financial report may not be suitable for another purpose.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF NATIONAL INSTITUTE OF INTEGRATIVE MEDICINE LIMITED

Material Uncertainty Related to Going Concern
We draw attention to Note 13 in the financial report, which indicates that the company incurred a net loss of $138,162 during the year ended 30 June 2020 and, as of that date, the company's current liabilities exceeded its current assets by $3,976,69. As stated in Note 13, these events or conditions, along with other matters as set forth in Note 13, indicate 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.

Directors' Responsibilities for the Financial Report
The directors of the company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the ACNC Act, and for such internal control as the directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends 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 judgment and maintain professional scepticism throughout the audit. We also:

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF NATIONAL INSTITUTE OF INTEGRATIVE MEDICINE LIMITED

- 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.

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 Advantage

WALKER WAYLAND ADVANTAGE AUDIT PARTNERSHIP
CHARTERED ACCOUNTANTS

AWAIS UR REHMAN
PARTNER

Dated in Melbourne on this 22nd day of December 2020