



ANNUAL REPORT 2015

THE AUSTRALIAN INSTITUTE OF FOOD SCIENCE & TECHNOLOGY LIMITED

SUPPORTING AUSTRALIA'S FOOD INDUSTRY PROFESSIONALS

NOTICE OF ANNUAL GENERAL MEETING

2016 AIFST Annual General Meeting
10.00am 19 May 2016 (registrations from 9.30am)
AIFST, Level 1, 40 Mount Street
North Sydney NSW 2060



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The focus on innovation has never been stronger in Australia and it is an extremely vibrant time for our food industry. We have strong Government leadership on innovation and growth, and AIFST has spent 2015 developing a future strategy to ensure the Institute can leverage these opportunities and deliver benefits that promote and support our members.

In context

Australia's agribusiness and food sector is known for its clean, green and safe production.

Agriculture and food has always been, and is likely to remain for some time, an important component of the Australian economy. With more than 300,000 people employed in the industry it is the biggest employer in rural and regional communities. When you include all those employed in the input and output sectors, food manufacturing and processing, distribution and retail sectors, agriculture provides employment for more than 1.6 million Australians – and provides for 93 per cent of the domestic food supply.

Leveraging established connections with Asia, Australia also offers unique opportunities to capitalise on the demand from fast-growing consumer markets for healthy, premium and convenient food products.

Investors in the agribusiness and food industries enjoy a transparent regulatory environment and close trade and cultural links to the Asia-Pacific region. International investment in Australia's agriculture and food is growing as the nation capitalises on the high demand for its safe, premium food products and creates stronger ties into regional supply chains.

Innovation for a nation

Demand for high quality Australian produce, particularly in key Asian markets, is driving significant growth in agriculture. To take advantage of the demand Australia must, however, become smarter and more innovative about how it produces. Strong, vibrant, innovative and sustainable rural communities are essential to Australia's growth and prosperity.

The **Global Innovation Strategy** announced in 2015 will support Australian businesses and researchers to work with international consortia and provide seed funding for collaborative science workshops with regional economies on shared challenges such as food.

Australian value-adding businesses have a new leg-up into domestic and export markets after funds were made available in July 2015 for a Food and Agribusiness Growth Centre as part of the Government's Growth Centres initiative. Operating as Food Innovation Australia Ltd (FIAL), the vision is to collaborate to drive productivity and competitiveness across the entire value chain, delivering growth and economic benefits to Australia.

The **China-Australia Free Trade Agreement** (ChAFTA) came into force in December 2015, with the sector of agribusiness one likely to be most impacted. Australia's then Minister for Trade and Investment, Andrew Robb, stated, "This historic agreement with our biggest trading partner will support future economic growth, job creation and higher living standards through increased goods and services, trade and investment".

In December 2015 the Business Council of Australia released a report on the agri-food sector, *Building Australia's*



Comparative Advantages: A 21st Century Agri-food Sector. This report focuses on how we can realise the enormous potential of Australia's agri-food sector as the preferred source of high quality, safe and premium food. It concludes that to realise the full potential of the agri-food sector, governments, businesses and the farming community must work together to unlock the barriers to accessing markets and increase productivity and competitiveness.

AIFST governance and structure

2015 saw the first year of new governance for the Institute, with AIFST operating as a Company Limited by Guarantee as part of the new vision signed-off at the Extraordinary General Meeting in October 2014. In the area of corporate governance, AIFST policies were developed and implemented to meet current legislative requirements in full.

At the first AGM under the new Company Limited by Guarantee structure, members voted in favour of three resolutions including amendments to the Constitution and the first election of Non-Executive Directors of the Institute. In August 2015 two new Directors were appointed to the AIFST Board – AIFST Fellow Peter Schutz and independent Marc Barnett – following the retirement of Jo Davey and Michele Allan. We thank Jo and Michele for their tireless contribution to AIFST over the years.

Georgie Aley was appointed the first CEO of AIFST on 1 April 2015 to strategically drive the Institute's promotion and support of Australian food professionals and their contribution to both the local and global markets. Throughout 2015 Georgie has made a most considerable contribution to the restructuring of AIFST and development of the 2016-2018 Strategic Plan.

Development of the 2016-2018 Strategic Plan

Much of 2015 was focused on the development of the new AIFST's first three-year Strategic Plan. The first phase of this process involved extensive consultation with members and stakeholders to gather feedback and input into the services and offerings they seek from AIFST.

Following extensive consultation, the 2016-2018 Strategic Plan was approved by the Board in December 2015. This represents an exciting new phase for the Institute by delivering on the vision of advancing Australia's position as a sustainable, world-leading food industry.

The AIFST Board agreed to five strategic priority areas that will drive the Institute's focus over the next three years. These include:

Membership Services – developing enhanced services to enable members to expand their knowledge and networks with like-minded people and keep up-to-date with industry developments.

Industry Services – proactively engaging with key industry stakeholders to provide the Australian food industry with timely and relevant information to support their business needs, monitor industry trends and track insights into the latest innovations.

Skill and Capability Building – taking a leadership role in the skill and capability building of Australia's food industry professionals.

Advocacy – advocating the important role food industry professionals play in ensuring sustainable, safe and world-leading food to Australia and the world.

Communications – proactively communicating and engaging with members and stakeholders to ensure



Dr Anne Astin, Chair

they are informed about relevant news and opportunities and focusing on building the credibility and trust of the AIFST brand.

Relationships

As AIFST operates in a global industry we recognise how vital it is to maintain and build relationships with like-minded Institutes such as the New Zealand Institute of Food Science and Technology (NZIFST) and the Institute of Food Technologists (IFT).

AIFST is exploring the sharing of more services and resources with like-minded institutes in international markets to bring greater access to services, resources and tools to support AIFST members. It is also reviewing how to build closer relationships with local partnerships including CSIRO, AFGC and Food Innovation Australia Ltd.

2015 has certainly been an exciting and innovative year for AIFST and in 2017 we celebrate 50 years. With the development of the 2016-2018 Strategic Plan, we anticipate strong growth and a positive future for the Institute into the next 50 years.

Dr Anne Astin, PSM MAICD MAIFST
AIFST Chair



AIFST's main focus in 2015 was on delivering core services efficiently and effectively to support the growth and advancement of the profession, while also reviewing current practices and ensuring AIFST is operating under best practice.

Introduction

2015 was an exciting year for AIFST, which was able to develop its core foundations for a modern, connected, engaged and relevant Institute. Our focus was on continuing to build member connectedness, gathering feedback and insights from our membership, and in response developing the 2016-2018 Strategic Plan. While the journey is far from complete, I am proud of the progress we have made to date towards ensuring AIFST will be a strong, adaptive, growing and innovative force into the future.

Our AIFST Chair, Dr Astin, highlighted 2015 was a significant year for the Institute. Thank you to our members, Branches including Communities of Interest and stakeholders who have provided valuable input and assisted us in developing a sustainable long-term strategic plan.

Corporate review

2015 saw development of an organisational and cultural alignment plan to best deliver the AIFST vision by actively building a positive and engaged AIFST management team.

The organisational structure was reviewed to ensure AIFST's priorities – including appropriate staff development and training, annual objectives and a transparent performance management process – are met. Staff performance management processes, management agreements and performance reviews were established and plans put into action to ensure a skills-based management team is in place to underpin the Strategic Plan, including communications, membership and business development.

AIFST's relocation to new office space within the Meat and Livestock Australia's offices in North Sydney has provided much greater technical infrastructure for the business, more suitable accommodation for the growing number of staff and a reduction in office-related overheads due to the shared services arrangement.

Sadly in 2015 we said farewell to our Finance and Administration Manager, Vicki Wallace, who retired after 17 years of service. Vicki's service to AIFST was outstanding and we wish her well in her retirement.

Membership and events

AIFST's membership continues to remain stable and the establishment of core functionality to deliver against the needs of a modern membership organisation in 2015 means we are now well placed to move forward with member retention and attraction strategies.

We must ensure that we are offering relevant, professional and modern member services and benefits. We are fortunate that the spotlight is well and truly on food and agribusiness in Australia, making our Institute more relevant and meaningful than possibly ever before.

Key outcomes in 2015 included:

- A membership engagement survey was conducted in 2015 to determine the performance versus priority and satisfaction baseline.
- Standing programs within AIFST were reviewed to ensure alignment with the new Constitution and business processes.
- The implementation of member events and updates to support an engaged membership were scoped.
- The 48th Annual AIFST Convention, held in conjunction with the 15th Australian Food Microbiology Conference, was delivered in full on-time and in-budget.

Communications

A number of communications-related projects were conducted in 2015 including:

- Development of streamlined member newsletter communication processes to keep members better abreast of the latest Institute news, events and career opportunities.
- Development of a brand suite including a style guide, brand identity, logo and re-brand for CPD events.
- Scoping for development of a new AIFST website and corresponding CRM database to provide a more automated and online service directory for members.
- Conducting a consultation outreach to AIFST stakeholders and *food australia* readers to determine

performance versus priority and satisfaction.

- Conducting a readership survey of Food Asia Pacific to determine value and gather insights on the role of AIFST and opportunities.

Our flagship publication, *food australia* continued to be delivered via our outsourced agency in 2015. In-line with the new Strategic Plan, *food australia* will be reviewed in 2016 to ensure it continues to deliver not only world-class, informative commentary for members but represents value against the investment.

Continuing Professional Development Program (CPD Program)

AIFST is strongly committed to the ongoing skill and capability building of food industry professionals through a range of technical and educational events. Our CPD program continues to be recognised as a valuable member service.

More than 10 CPD events were conducted in 2015 and an annual CPD program targeted at AIFST and non-AIFST members was completed.

The communication process for CPD events was streamlined in 2015 and a draft framework developed to underpin the 2016-2018 Strategic Plan.

Additional outcomes included:

- With support from the Australian Food and Grocery Council (AFCG), AIFST held workshops across Australia regarding the requirements for food labelling, and breakfast sessions on food regulation updates.
- Several successful workshops were held related to food ingredients covering stabilisers and food acids.



Georgie Aley, Chief Executive Officer

- The Innovation Masterclass, Innovate or Evaporate, was extremely well attended and attracted significant media attention.
- AIFST's 'Summer School' was held to increase awareness of AIFST amongst students and encourage student membership. 'Summer School' is an opportunity for food science students to share their research with like-minded scientists and stimulate the formation of a food science research network in Australia.
- The annual Student Product Development Competition was delivered to actively engage educational institutions and provide students with real-life experience in product development.

Branches and Communities of Interest

Branches continued to play an important role in the Institute through knowledge sharing and networking activities. In 2015 Branches hosted more than 25 events, attracting more than 630 AIFST members and non-members. In 2015 there were a number of AIFST Communities of Interest providing special interest group options for



members. Communities of interest operate in Food Micro within NSW and Victoria, Sensory in NSW and Victoria, and Young Members in NSW, Victoria and Queensland.

Communities of Interest held several events in 2015 and play a crucial role in providing relevant insights and networking opportunities for our members. We are continuing to explore more options for communication platforms for greater engagement in 2016.

I would like to acknowledge the role and work of our Committee members in supporting the Institute's delivery of membership value.

2015 Financials

The reported financial year is from 1 January to 31 December 2015. The 2015 financial year reported a loss of \$301,962 compared to a surplus of \$28,079 in 2014.

The AIFST Board approved a deficit budget in May 2015 following a complete review of the investments required to ensure the business was sustainable moving forward. The 2015 financials also recognise the specific project funding which ended in 2014 supporting the overall surplus budget that year. The 2015 reported loss was \$24,687 better than the approved Board budget.

The AIFST Board has approved a minor loss for 2016 with direction to management to make improvements on this as part of implementations throughout the year. The target is to return to a surplus budget from 2017 following the initial investment period required in the business to bring its operations up-to-date to meet member and industry expectations on what is delivered.

As we look to ensure a sustainable, viable and relevant Institute, the future is very clearly focused on ensuring we have the right internal foundations to deliver against the needs of current and future members.

AIFST Management Team

The AIFST Management Team has gone through some significant changes and restructuring over 2015 to better reflect the dynamic and progressive changes the Institute is adopting as it moves forward with the 2016-2018 Strategic Plan. At 31 December 2015 the Team comprised a: Chief Executive Officer, General Manager – Industry Services, Sales and Advertising Manager, Financial Controller, Communications and Marketing Manager, CPD Coordinator, Membership Services and Events Coordinator, and Office Manager. The new management team provides a significant skills base in the organisation to allow the business to deliver against the 2016-2018 Strategic Plan.

Looking forward

As the only national, independent voice and network for Australia's food industry professionals, AIFST works to support its members' contribution to the Australian and global food industry.

AIFST will continue to evolve its service offering to both members and stakeholders, ensuring customers are at the heart of all our services. Key strategic priorities will continue to provide enhanced membership services and skill and capability building support for members.

The future is focused on ensuring AIFST has the right internal foundations to deliver against the needs of current and future members.

A handwritten signature in black ink, appearing to read "G. Aley".

Georgie Aley
AIFST Chief Executive Officer



australian institute of
food science & technology



MEET YOUR AIFST BOARD AND CEO



DR ANNE ASTIN PSM

BSc(Hons), PhD, MAIFST
Non-Executive Director
and Chair

Anne is the former inaugural Chief Executive Officer of the Victorian Government's authority, Dairy Food Safety Victoria. For more than 30 years she has held senior executive positions in the Victorian public sector, working in food policy and regulation, public health, agriculture, minerals and petroleum, natural resources and environment, land administration and forensic science.

In addition to her role as Chair of the AIFST, Anne is also Chair of SafeFish – which

provides technical support and advice to Australia's seafood trade – and the William Angliss Institute of TAFE.

In 2013 Anne was appointed to the Panel of the New Zealand Government's Inquiry into the Whey Protein Contamination Incident. She is the immediate past Chair of the Australian and New Zealand Implementation Sub-Committee for Food Regulation.

Anne is a member of EnergySafe Victoria's Audit and Risk Committee. She has previously held Directorships at Dairy Australia, Australian Dairy Farmers Limited, the Melbourne Royal Botanic Gardens and was Chair of the Victorian Minister's

Women in Primary Industries Advisory Panel.

In 2011 Anne was awarded the Public Service Medal in the Victorian Division of the Queen's Birthday Honours for her services to the dairy industry, national food regulation and rural women.

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



DR MICHELE ALLAN

B.App Sc, MMgt Tech,
MCommLaw, DBA,
MAIFST, FAICD
Non-Executive Director
Resigned 12 August 2015

Michele is currently Chair of Meat and Livestock Australia, Apple and Pear Australia, Grains & Legumes Nutrition Council and Chancellor at Charles Sturt University. She is a Non-Executive Director of Innovation and Science Australia, Grain Growers Limited, Food and Agribusiness Growth Centre (trading as Food Innovation Australia Limited) and CRC for Hearing.

Until 2008 Michele was CEO/MD of a listed food manufacturer and marketer. Prior to that role, she was Group General Manager Risk and Sustainability for Amcor Limited. Michele was General Manager of Amcor Research and Technology. She has also held executive roles with Kraft Foods, Bonlac Foods Limited, ICI, Tasmanian Bioinformatics Centre of Excellence Tasmania, Johnson and Johnson and Nestle.

Michele has a Bachelor of Applied Science from University of Technology Sydney, Master of Management of Technology from Melbourne University,

Master Commercial Law Deakin University and Doctor of Business Administration from RMIT. She is a fellow of the Australian Institute of Company Directors, Professional member of AIFST and Independent Chair of the AIFST Finance, Audit and Risk Committee.



MR MARC BARNETT

Non-Executive Director
Appointed 12 August 2015

Marc is a senior executive with a strong track record in growing businesses, leading large teams, and developing and building effective work cultures. As Chief Operating Officer of the Bohemia Group, Marc is building foundations to support future business growth by leading the business, commercial and investment functions.

Marc spent eight years working across ninemsn, Mi9 and Microsoft in a variety of roles. As Chief

Operating Officer of Mi9, Marc restructured the ninemsn joint venture into a wholly owned business of Nine Entertainment Co (NEC) prior to its listing on the ASX. He successfully established a joint venture with MailOnline to bring the The Daily Mail to Australia.

Based in Singapore as APAC Sales Director for Microsoft, Marc was responsible for driving revenue growth and developing business relationships across Australia, New Zealand, South Korea and South East Asia.

Marc is known as a progressive and passionate leader within

the online advertising industry and established the world's first premium mobile ad exchange through a partnership with Mi9 and Fairfax Media. He was the inaugural Chairman of the Australian Premium Exchange (APEX) board. In addition to APEX, Marc was also a Director of the leading financial comparison site, RateCity.

Marc was named the Australian Financial Review Boss Magazine 'Young Executive of the Year' in 2014 and named in AdNews 'Top 40 under 40' in 2012. Marc is not a member of AIFST.



JOSEPHINE DAVEY

**BSc(Hons), MBA, FAIFST,
FAICD, CFS**
Non-Executive Director
Resigned 12 August 2015

Jo is the Director of Pirrama Consulting, which provides strategic and technical services to the food industry. She has spent most of her corporate career to date in the dairy

industry, in senior technical and commercial roles at Dairy Farmers and as a Director of various industry research and development organisations including Dairy Innovation Australia Ltd and its predecessors.

Jo was also a Director of Australian Dairy Proteins Pty Ltd and Managing Director of Diabetes Smart, a food and

nutrition company providing services to people living with diabetes.

Throughout her career, Jo has been very engaged with AIFST and with the Dairy Industry Association of Australia (DIAA), of which she was elected the first female Federal President in 2003.



MR TOM DEBNY

BSc, Grad Dip Mgt, MAIFST
Non-Executive Director

Tom has extensive experience in managing organisations throughout Australia and Asia across the food, food ingredients, chemicals and packaging industries. His career began in Research and Development at CSIRO and

Kraft Foods before he relocated to the UK to take-up various Managing Director positions.

Tom currently sits on a number of small company boards and advisory committees and is Principal Consultant with Expense Reduction Analysts. He is a Member of the Australian Institute of Company Directors and a Professional member of AIFST.

MEET YOUR AIFST BOARD AND CEO



MR STEWART EDDIE

**B.App Sc (FS&T), MAIFST
Non-Executive Director**

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 based that provides innovative ingredient solutions to the food industry.

Stewart is a Professional member of AIFST.



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 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 a Professional member of AIFST and a Professional member of Anaphylaxis Australia.



DR TOM LEWIS

**PhD, MBus, MAIFST, FAICD
Non-Executive Director**

As an owner and Director of RDS Partners, Tom has more than 25 years experience in commercial, research and academic roles in the aquaculture and food safety arenas. Previous roles include as Business Development

Manager for the Australian Food Safety Centre of Excellence, Researcher for the Tasmanian Atlantic salmon sector, and Senior Technician for abalone and oyster aquaculture ventures.

Tom is involved in project management and delivery for a number of food industry-based organisations including the Allergen Bureau, the

Centre for Food Innovation, the CSIRO, the Fisheries Research and Development Corporation, the Australian Centre for International Agricultural Research and several aquaculture companies.

Tom is a Professional member of AIFST and Fellow of the Australian Institute of Company Directors.



MR PETER SHUTZ

BSc (Hon), B.App Sc,
FAIFST, FAICD
Non-Executive Director
Appointed 12 August 2015

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

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

Peter is a Non-Executive Director of the Grains & Legumes Nutrition Council and the Victorian Centre for Sustainable Chemical

Manufacture. 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, MAICD
Chief Executive Officer

Georgie was appointed CEO of AIFST in April 2015, having held senior management roles within the Australian food and agribusiness sector.

Georgie is Non-Executive Director of Pulse Australia Limited, Workforce Consulting

Pty Ltd, and Managing Director of the Grains & Legumes Nutrition Council.

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 in The Australian Financial Review and Westpac's '100 Women of Influence' for 2014.

Georgie is a Member of the Australian Institute of Company Directors.

FINANCIAL REPORT

THE AUSTRALIAN INSTITUTE OF
FOOD SCIENCE AND TECHNOLOGY LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2015





Altus Financial Pty Limited

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

FINANCIAL REPORT

FOR THE YEAR ENDED 31ST DECEMBER 2015

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Our liability is limited by a scheme approved under professional standards legislation, except where we are a financial services licensee

THE AUSTRALIAN INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY LIMITED A.B.N. 15 602 767 019
DIRECTORS' REPORT for the year ended 31st December 2015

Your Directors present their report on the Company for the year ended 31st December 2015.

DIRECTORS

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

Anne Astin
Michele Allan (resigned 12 August 2015)
Josephine Davey (resigned 12 August 2015)
Thomas Debney
Stewart Eddie
Fiona Fleming
Thomas Lewis
Peter Schutz (appointed 12 August 2015)
Marc Barnett (appointed 12 August 2015)

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.

OPERATING RESULTS

The deficiency of the Company for the year was \$301,962, which compares with a surplus of \$28,079 for the year ended 31st December 2014. No provision for income tax has been made in the accounts as the Company is exempt from income tax.

This deficiency was \$24,687 better than the budget prepared and approved by the Directors as part of the overall restructures and development of new income streams.

PRINCIPAL ACTIVITY

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

THE AUSTRALIAN INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY LIMITED A.B.N. 15 602 767 019
DIRECTORS' REPORT for the year ended 31st December 2015

STRATEGIC OBJECTIVES

A new era for the Institute

Following on from the change from an Incorporated Association to a Company Limited by Guarantee in October 2014, the new structure of AIFST was fully implemented in 2015 as we worked to build a stronger Institute to support the advancement of our members as food industry professionals.

AIFST's inaugural Chief Executive Officer (CEO) commenced on 1 April 2015 who has led, under the direction of the Board, the implementation of the required structural changes within the organisation.

Member services

In line with the existing strategy for the Institute, activities in 2015 continued to operate under the key areas of knowledge sharing; Continuing Professional Development (CPD); professional networking; membership growth and organisational sustainability.

Continuing Professional Development

In 2015 the Institute continued to employ a full time CPD coordinator to further enhance and advance specific programs in response to member feedback and to meet changing industry needs. As previously advised to members, the Australian Food and Grocery Council made a three-year commitment of \$30,000 per annum towards the Institute's CPD program and a number of joint programs and cross promotional activities were delivered. Since the implementation of the CPD program with the support of the AFGC, AIFST has delivered training to over 800 members.

To build on the CPD achievements to date under the 2016-2018 Strategic Plan, 2016 will see work commence on the development of an overall skill and capability framework to recognise the full career cycle of our members and to map this against the needs members identified needs to ensure we continue to deliver a valuable resource for members and support their role within the profession. The existing CPD program will transition into the Skill and Capability Building strategic priority area within AIFST.

Knowledge sharing

AIFST provides knowledge resources for members through key publications and platforms such as *food australia*. In 2015, *food australia* continued as a valuable resource for members providing updates on the latest innovations, key member interest areas and industry information. Advertising revenue continues to be a key focus for the Institute to ensure we can continue to provide a good quality and timely publication for members.

Knowledge sharing continues to be a focus area for the Institute and forms a core component of the 2016 – 2018 Strategic Plan. A focus on streamlined communications and enhanced online platforms will be key to ensuring an Institute which supports our member's needs into the future.

Professional networking

A valuable component of AIFST membership is the access to an engaged and leading group of food industry professionals. Again in 2015 we continued to provide a range of conferences, social activities and scientific interest groups to support the ongoing networking development of members. The branches provided strong support in the delivery of the networking events and partnerships with other likeminded organisations provided members the opportunity to build their network beyond the AIFST membership.

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DIRECTORS' REPORT for the year ended 31st December 2015

AIFST's Annual Convention was held in Sydney NSW in August 2015. The annual event was extremely successful with strong engagement from across the whole food supply chain. The 2015 convention was held in conjunction with the Australian Microbiology Conference.

Linkages and partnerships were a key area of success for AIFST in 2015. We continued our engagement with the Institute of Food Technology (IFT) in the United States of America, New Zealand Institute of Food Science and Technology and IuFoST. In 2016, we will continue to build our engagement with the appropriate corresponding organisations to build the membership offering of the Institute for our members.

Organisational sustainability

The key component of ensuring a sustainable and viable Institute for members moving forward was the roll out of the new governance structure for AIFST following the appointment of the inaugural Board in November 2014. The appointment of an inaugural CEO in April 2015 meant a clear framework and structure is now in place to drive outcomes and value for members. The ongoing organisational sustainability has been further advanced by the development of the 2016 – 2018 Strategic Plan which is focused on ensuring the relevance and growth of the Institute moving forward.

Looking Ahead: 2016 – 2018 Strategic Plan

During the course of 2015, AIFST relocated premises to a shared services office arrangement in North Sydney reducing the administration and outsourced services the organisation had in place. This has provided a more efficient operation for the Institute.

Under the leadership of the CEO, the AIFST Board commenced a significant strategic review of the organisation including a detailed analysis of the current food industry operating environment, the changing landscape for membership organisations and consultation with members and stakeholders. As a result the Board approved the 2016 – 2018 Strategic Plan in December 2015.

As the only national independent voice and network for Australia's food industry professionals supporting and underpinning their contribution to the Australian and global food industry, AIFST strives to advance Australia's food industry as a sustainable, world-leading industry.

The Strategic Plan focuses AIFST's efforts around five key strategic priority areas including:

- Membership Services
- Industry Services
- Skill and Capability Building
- Advocacy
- Communications

The 2016-2018 Strategic Plan will be rolled out over a three-year implementation period to ensure we continue to build a sustainable organisation for the next 50-year period.

As part of the strategic review of the operations of AIFST in 2015, AIFST appointed three additional positions to the organisation in 2015 including Membership Services and Events Coordinator, Communications and Marketing Manager and General Manager of Industry Services. These roles provide the required support to implement the 2016 – 2018 Strategic Plan and allow the business to build its membership and industry offering.

THE AUSTRALIAN INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY LIMITED A.B.N. 15 602 767 019
DIRECTORS' REPORT for the year ended 31st December 2015

The focus for 2016 will remain on evolving our Membership Services offering and incorporate a substantial investment into an upgrade of the Institute's operating systems infrastructure. This is a required investment to bring AIFST in line with the operating requirements of 2016 and the expectations of our stakeholders of the professionalism of our services.

Finally, the Strategic Plan implementation will see the rebrand of AIFST under the trading name of Food Australia in recognition of the breadth of our food industry professional membership and the information and services role the organisation plays within the Australian food industry.

KEY PERFORMANCE MEASURES

The Institute measures its own 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 and an annual reputational tracking study.

INFORMATION ON DIRECTORS

ANNE ASTIN PSM

Non-Executive Director and Chair
BSc(Hons), PhD, MAIFST

DR MICHELE ALLAN

Non-Executive Director
B.App Sc, MMgt Tech, MCommLaw, DBA,
MAIFST, FAICD

MARC BARNETT

Non-Executive Director

JOSEPHINE DAVEY

Non-Executive Director
BSc(Hons), MBA, FAFST, FAICD, CFS

TOM DEBNAY

Non-Executive Director
BSc, Grad Dip Mgt, MAIFST

STEWART EDDIE

Non-Executive Director
B.App Sc (FS&T), MAIFST

FIONA FLEMING

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

DR TOM LEWIS

Non-Executive Director
PhD, MBus, MAIFST, FAICD

PETER SCHUTZ

Non-Executive Director
BSc (Hon), B.App Sc, FAFST, FAICD

THE AUSTRALIAN INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY LIMITED A.B.N. 15 602 767 019
DIRECTORS' REPORT for the year ended 31st December 2015

MEETINGS OF DIRECTORS

During the financial year, eleven (11) meetings of directors were held. Attendances by each director were as follows:-

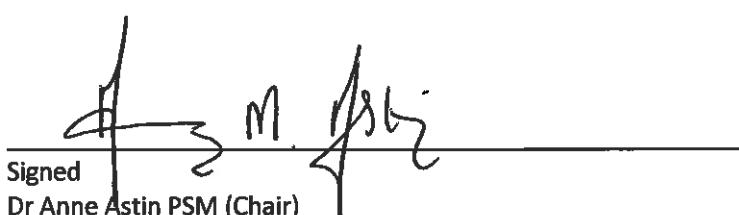
	Directors Meeting	
	Number eligible to attend	Number attended
Anne Astin	11	11
Michele Allan	7	6
Marc Barnett	3	3
Josephine Davey	8	6
Thomas Debney	11	11
Stewart Eddie	11	10
Fiona Fleming	11	10
Thomas Lewis	11	10
Peter Schutz	3	3

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 31st December 2015, the total amount that members of the company are liable to contribute if the company is wound up is \$1,779 (2014 \$1,904).

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 31st December 2015 has been received and can be found on page 6 of the financial report.

Signed in accordance with a resolution of the Directors.


Signed
Dr Anne Astin PSM (Chair)

Signed at Sydney on the 12 day of April 2016

Altus Financial Pty Limited
ABN 62 061 142 843
P 02 8998 1444 F 02 6908 2455
Level 12, 10 Spring Street, Sydney NSW 2000
GPO Box 49, Sydney NSW 2001

**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**

I declare that, to the best of my knowledge and belief, during the year ended 31st December 2015 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.

Altus Financial
ALTUS FINANCIAL


Mr Rex L Miller
Consultant
Registered Company Auditor
Registration No 4182

Signed at Sydney on the 12th day of April 2016

Altus Financial Pty Limited

ABN 62 081 162 843

P 02 8908 3444 F 02 8908 3455

Level 12, 10 Spring Street, Sydney NSW 2000
GPO Box 49, Sydney NSW 2001

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

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

Report on the Financial Report

We have audited the financial report of the Australian Institute of Food Science and Technology Limited for the year ended 31st December 2015 as set out on pages 9 to 27.

Directors' Responsibility 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee, as well as evaluating the overall presentation of the financial report.

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

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

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001 which has been given to the directors of the Australian Institute of Food Science and Technology Limited, would be in the same terms if given to the directors as at the time of this auditors report.

Opinion

In our opinion, the financial report of 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 31st December 2015 and of its performance for the year then ended on that date; and
- ii. complying with Australian Accounting Standards and the Corporations Regulations 2001.

Altus Financial

ALTUS FINANCIAL

Mr Rex L. Miller
Consultant
Registered Company Auditor
Registration No. 4182

Signed at Sydney on the

15th day of *April*

2016

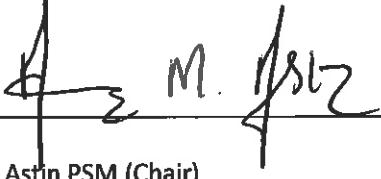
THE AUSTRALIAN INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY LIMITED A.B.N. 15 602 767 019
DIRECTORS' DECLARATION

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

1. The financial report and notes as set out on pages 10 to 27 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 2015 and of its performance for the year ended on that date
2. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due

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

Signed
Dr Anne Astin PSM (Chair)



Signed at Sydney on the 12 day of April 2016

THE AUSTRALIAN INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY LIMITED A.B.N. 15 602 767 019
COMPREHENSIVE INCOME STATEMENT for the year ended 31st December 2015

	NOTE	2015 \$	2014 \$
Revenues	2	1,389,788	1,665,749
Office expenses		(222,237)	(148,628)
Convention, conference and workshop expenses		(328,995)	(345,535)
Branch expenses		(4,323)	(8,016)
Branch meeting expenses		(46,602)	(49,998)
CPD Events		(80,321)	(76,019)
Employee expenses		(561,010)	(411,911)
Administration expenses		(202,619)	(202,007)
Project expenses		(24,022)	(142,998)
Publication expenses		<u>(221,621)</u>	<u>(252,558)</u>
(Deficiency) surplus before income tax	3	(301,962)	28,079
Income tax expense	1	-	-
(Deficiency) surplus for the year		<u>(301,962)</u>	<u>28,079</u>
Other comprehensive income after income tax		-	-
Total comprehensive (deficiency) surplus for the year		<u>(301,962)</u>	<u>28,079</u>
Total comprehensive (deficiency) surplus attributable to members of the Company		<u>(301,962)</u>	<u>28,079</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 31st December 2015

	NOTE	2015 \$	2014 \$
CURRENT ASSETS			
Cash and cash equivalents	5	405,699	711,042
Trade and other receivables	6	145,509	67,581
Inventories	7	14,023	18,871
Other current assets	8	18,745	17,104
TOTAL CURRENT ASSETS		583,976	814,598
NON-CURRENT ASSETS			
Plant and Equipment	9	22,932	37,978
TOTAL NON-CURRENT ASSETS		22,932	37,978
TOTAL ASSETS		606,908	852,576
CURRENT LIABILITIES			
Trade and other payables	10	131,776	109,353
Employee provisions	11	59,532	72,969
Other current liabilities	12	256,258	208,950
TOTAL CURRENT LIABILITIES		447,566	391,272
TOTAL LIABILITIES		447,566	391,272
NET ASSETS		159,342	461,304
MEMBERS' FUNDS			
Accumulated Surplus		159,342	461,304
TOTAL EQUITY		159,342	461,304

The accompanying notes form an integral part of these accounts

THE AUSTRALIAN INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY LIMITED A.B.N. 15 602 767 019
STATEMENT OF CHANGES IN EQUITY for the year ended 31st December 2015

	Accumulated Surplus \$	Total \$
Balance at 1 January 2014	433,225	433,225
Surplus attributable to members	28,079	28,079
Other comprehensive income for the year	-	-
Balance at 31 December 2014	<u>461,304</u>	<u>461,304</u>
Deficiency attributable to members	(301,962)	(301,962)
Other comprehensive income for the year	-	-
Balance at 31 December 2015	<u>159,342</u>	<u>159,342</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 31st December 2015

	NOTE	2015 \$	2014 \$
Cash flows from operating activities			
Receipts from members re membership fees		369,005	386,948
Receipts from members/customers re all other activities		973,862	1,259,334
Interest received		11,301	16,136
Payments to suppliers and employees		(1,658,849)	(1,531,607)
Net cash provided by (used in) operating activities	18	(304,681)	130,811
Cash flows from investing activities			
Payments for purchase of plant & equipment		(662)	(245)
Net cash provided by (used in) investing activities		(662)	(245)
Net increase/(decrease) in cash held		(305,343)	130,566
Cash at the beginning of the financial year		711,042	580,476
Cash at the end of the financial year	18	405,699	711,042

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 31st December 2015

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 12th April 2016 by the directors of the Company.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

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

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

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

Accounting Policies

(a) 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.

(b) Inventories

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

THE AUSTRALIAN INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY LIMITED A.B.N. 15 602 767 019
NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st December 2015

(c) 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.

(d) 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.

THE AUSTRALIAN INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY LIMITED A.B.N. 15 602 767 019
NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st December 2015

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.

(e) 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 Association estimates the recoverable amount of the cash generating unit to which the asset belongs.

(f) 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.

(g) 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.

(h) 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.

THE AUSTRALIAN INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY LIMITED A.B.N. 15 602 767 019
NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st December 2015

Revenue from the sale of goods is recognized 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 recognized at the point of delivery of the service to the customers.

Interest revenue is recognized 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).

(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.

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.

(j) Comparative Figures

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

(k) Conferences and Seminars

Income received and expenses incurred in respect of conferences and seminars are accumulated in respect of each identifiable conference and seminar. This income and expenditure is carried forward and brought to account against surplus in the year in which the respective conference and/or seminar 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.

THE AUSTRALIAN INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY LIMITED A.B.N. 15 602 767 019
NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st December 2015

(l) 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.

(m) 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.

(n) 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.

(o) Relocation Costs

Relocation costs incurred to move to Mount Street in 2015 have not been deferred to future years. The costs have been expensed in full in the 2015 year.

THE AUSTRALIAN INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY LIMITED A.B.N. 15 602 767 019
NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st December 2015

	2015 \$	2014 \$
2. REVENUE		
Advertising and displays	3,756	8,097
Projects	27,417	189,069
Conference income	482,819	525,772
Meetings and seminars income	96,147	86,743
CPD Events	140,744	126,878
Interest income	11,301	16,136
Membership fee income	370,265	397,503
Publication income	191,861	260,423
Book sales	12,425	13,097
Subscriptions	17,799	24,187
Sundry income	29,254	5,844
Secretariat income	6,000	12,000
	<u>1,389,788</u>	<u>1,665,749</u>

3. SURPLUS (DEFICIENCY)

(a) Expenses

Auditors Remuneration		
Auditing or reviewing the Financial Report	10,500	16,500
Taxation Services	450	900
Depreciation		
Plant and equipment	11,213	16,381
Operating Leases	63,714	62,083

(b) Significant Expenses

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

North Sydney relocation costs	64,478	-
Governance review costs	-	68,897

THE AUSTRALIAN INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY LIMITED A.B.N. 15 602 767 019
NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st December 2015

	2015	2014
	\$	\$

4. KEY MANAGEMENT PERSONNEL COMPENSATION

The totals of remuneration paid to Key Management Personnel (KMP) of the Association during the year are as follows:-

Short term employee benefits	195,042	143,310
Post employment benefits	-	-
	<u>195,042</u>	<u>143,310</u>

5. CASH AND CASH EQUIVALENTS

Cash at Bank and on Deposit	405,577	711,033
Cash on Hand	122	9
	<u>405,699</u>	<u>711,042</u>

The effective interest rate on short term bank deposits was 2% (2014: 2.5%). Those deposits have an average maturity of 120 days

6. TRADE AND OTHER RECEIVABLES

Trade Debtors	150,509	67,581
Less provision for impairment	(5,000)	-
	<u>145,509</u>	<u>67,581</u>

Current trade debtors are generally receivable in 60 days. As at 7th April 2016 \$23,495 remained unpaid and a provision for impairment of \$5,000 was made.

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	14,023	18,871
- books at cost		

THE AUSTRALIAN INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY LIMITED A.B.N. 15 602 767 019
NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st December 2015

	2015 \$	2014 \$
8. OTHER ASSETS		
Prepaid expenses – 2016 Convention	7,705	-
Prepaid expenses – AACIC 2016	11,040	-
Prepaid expenses – All others	-	686
Security Deposits	-	<u>16,418</u>
	<u>18,745</u>	<u>17,104</u>

9. PLANT AND EQUIPMENT

Computers & Peripherals, at cost	73,567	92,802
<u>Less</u> Accumulated Depreciation	<u>(55,372)</u>	<u>(59,598)</u>
	<u>18,195</u>	<u>33,204</u>
Office Furniture and Equipment, at cost	22,268	22,268
<u>Less</u> Accumulated Depreciation	<u>(17,531)</u>	<u>(17,494)</u>
	<u>4,737</u>	<u>4,774</u>
	<u>22,932</u>	<u>37,978</u>

(a) Movements in Carrying Amounts

Movements in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year

	Balance at 1 January 2014	Additions	Depreciation	Disposals	Balance at 31 December 2014
Computers & Peripherals	49,227	-	(16,023)	-	33,204
Office Furniture & Equipment	4,887	245	(358)	-	4,774
	<u>54,114</u>	<u>245</u>	<u>(16,381)</u>	<u>-</u>	<u>37,978</u>

THE AUSTRALIAN INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY LIMITED A.B.N. 15 602 767 019
NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st December 2015

	Balance at 1 January 2015	Additions	Depreciation	Disposals	Balance at 31 December 2015
Computers & Peripherals	33,204	662	(11,176)	(4,495)	18,195
Office Furniture & Equipment	4,774	-	(37)	-	4,737
	37,978	662	(11,213)	(4,495)	22,932

	2015	2014
	\$	\$
10. TRADE AND OTHER PAYABLES		
Trade Creditors	45,826	35,739
Accruals	71,081	74,726
Amounts held in trust		
- GST Payable/(Receivable)	14,869	(1,112)
	131,776	109,353

The current trade creditors are normally paid within 60 days of recognition of the liability.

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

11. EMPLOYEE PROVISIONS

CURRENT		
Annual Leave	16,824	13,369
Long Service Leave	42,708	59,600
	59,532	72,969

Number of employees at year end	7	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.

12. OTHER LIABILITIES

Income in Advance – Memberships	195,845	197,105
Income in Advance – Food Australia Subscriptions	9,869	11,845
Income in Advance – 2016 Convention	50,544	-
	256,258	208,950

THE AUSTRALIAN INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY LIMITED A.B.N. 15 602 767 019
NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st December 2015

2015	2014
\$	\$

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

The Directors named in the attached Directors' report each held office as a Director of the Company during the year ended 31st December 2015.

15. CAPITAL AND LEASING COMMITMENTS

Operating Leases

Non-cancellable operating leases of premises etc contracted for but not capitalised in the accounts:

Payable – minimum lease payments

- not later than one year	84,735	38,940
- later than one year but not later than two years	88,125	8,550
- later than two years but not later than 5 years	288,092	-
- later than 5 years but not later than 10 years	250,123	-
	<hr/> <u>711,075</u>	<hr/> <u>47,490</u>

The property lease is a non-cancellable lease that expires on 31st October 2023.

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.

THE AUSTRALIAN INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY LIMITED A.B.N. 15 602 767 019
NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st December 2015

2015	2014
\$	\$

17. COMPANY DETAILS

The registered office and place of business of the Company is:-

Level 1
 40 Mount Street
 NORTH SYDNEY NSW 2059

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 balance sheet as follows:-

Cash and cash equivalents	405,699	<u>711,042</u>
	<u>405,699</u>	<u>711,042</u>

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

(Deficiency) surplus after tax	(301,962)	28,079
Non cash flows in surplus:		
Depreciation	11,213	16,381
Loss on sale	4,495	-
Doubtful Debts	5,000	
Changes in assets and liabilities:		
(Increase) decrease in trade and other receivables	(82,928)	9,637
(Increase) decrease in inventories	4,848	2,441
(Increase) decrease other current assets	(1,641)	12,450
(Decrease) increase in trade and other payables	22,423	78,612
(Decrease) increase in employee provisions	(13,437)	(3,821)
(Decrease) increase in other current liabilities	47,308	(12,968)
Net cash provided by (used in) operating activities	<u>(304,681)</u>	<u>130,811</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.

THE AUSTRALIAN INSTITUTE OF FOOD SCIENCE AND TECHNOLOGY LIMITED A.B.N. 15 602 767 019
NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st December 2015

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	2015 \$	2014 \$
Financial Assets			
Cash and cash equivalents	5	405,699	711,042
Trade and other receivables	6	145,509	67,581
Total Financial Assets		551,208	778,623
Financial Liabilities			
Trade and sundry payables	10	131,776	109,353
Total Financial Liabilities		131,776	109,353

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

Financial Risk Management Policies

The Company does not have any derivative instruments at 31st December 2015.

(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.

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(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 forecast cash flows and maintaining adequate accumulated surpluses.

Credit Risk:

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

There are no material amounts of collateral held as security at 31st December 2015.

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

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

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

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

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Price Risk:

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

The trade receivables balances at 31st December 2015 and 31st December 2014 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 manage the entity's capital by assessing the entity's financial risks and responding to changes in these risks and in the market. These responses may include consideration of debt levels.

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

	2015	2014
	\$	\$
Total equity (reserves plus retained earnings)	159,342	461,304
<u>Total capital</u>	<u>159,342</u>	<u>461,304</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 2015, the number of members was 1,779 (2014 \$1,904).



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