

ACEM Financial Report

For the year ended 30 June 2018

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Australasian College for Emergency Medicine

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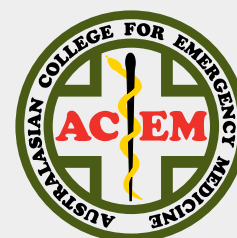
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Directors' Report

The Directors of The Australasian College for Emergency Medicine present the annual financial report on the Company for the financial year ended 30 June 2018.

Directors

The names, qualifications and roles (if relevant) of each person who has been a Director during the year and to the date of this report are:

Name	Qualification	Board Meetings Eligible to Attend	Board Meetings Attended
Dr Naveed Aziez (Trainee Representative from 20 November 2016)	MBBS	5	4
Dr John Bonning	BHB, MBChB, FACEM	5	5
Dr Simon Chu	MBBS, DCH, FACEM, MMed, AMusA	5	5
Mr Anthony Evans	BBus, Dip Ed, FCPA, FCIS, FAICD	5	4
Mr Michael Gorton	AM, FRACS (Hon), BComm, LLB, FANZCA (Hon), FAICD	5	4
Dr Barry Gunn	MBBS, FACEM, Dip Av Med	5	4
Dr Simon Judkins (President-Elect from 20 November 2016; President from 19 November 2017)	MBBS, FACEM	5	5
Professor Anthony Lawler (President from 22 November 2015; Immediate Past President from 19 November 2017)	MBBS, BMedSci, FACEM	5	5
Dr Yusuf Nagree	MBBS, FACEM, GradDip CompSci, MBA	5	4
Dr Didier Palmer (Board member from 19 November 2017)	MBBS, FACEM	3	3

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

Result of Operations

The net surplus of the College for the year ending 30 June 2018 was \$1,008,283 (2017 - \$621,370).

The College's net assets were \$21,054,393 at 30 June 2018 (2017: \$20,046,110).

The financial year results have been prepared on an accrual accounting basis and are therefore fully comparable.

Review of Operations

The main focus of the College continued to be the support of emergency medicine training, assessment, professional development, advocacy on behalf of members, and publication of general practice standards.

The Department of Health (DOH) funded "Specialist Training Program: Health Workforce Program" project was extended to February 2021, allowing the continuation of funding for the Specialist Training program, Emergency Medicine Education and Training program and other ancillary projects.

Principal Activities and Objectives

The College's principal activity and long term objective is to promote excellence in the delivery of quality emergency medical care to the community. To achieve this, ACEM aims to become the trusted authority for ensuring clinical professional and training standards in the provision of quality, patient-focused emergency care.

The College has adopted the following six strategic priorities for the period 2015 – 2018 to enable it to respond effectively to challenges and opportunities within emergency medicine and the wider health sector:

- 1 Education:** facilitate and support the education, training and continuing professional development of emergency medicine professionals.
- 2 Member Support:** represent, support and protect the interests of members in their professional life.
- 3 Advocacy:** lead the policy debate as the trusted, authoritative source of advice and research.

4 Standards: set, monitor and maintain standards for the provision of quality emergency medicine care in Australia and New Zealand.

5 Awareness: promote Emergency Medicine as a specialist practice, body of knowledge and career.

6 College Operations: ensure that ACEM is a sustainable organisation.

Dividends

The College is prohibited from paying any dividends to its members as set out in its constitution.

Likely Developments

The College anticipates that it will maintain its positive financial position. The College is continually reviewing and improving its management and governance practices to ensure that the objectives of the College and its Directors are met.

Significant Changes in the State of Affairs

There were no significant changes in the College's state of affairs during the financial year that are not otherwise disclosed in this Report or the Financial Statements.

Events Subsequent to Balance Date

No matters or circumstances have arisen since the end of the financial year and the date of this report which have significantly affected or are likely, in the opinion of the Directors, to significantly affect:

- i** The operations of the College;
- ii** The results of those operations; or
- iii** The state of affairs of the College in subsequent financial years

Environmental Regulation and Performance

The College is not subject to any particular or significant environmental regulation.

Indemnification and Insurance of Directors

The College holds appropriate insurance for the Directors' liabilities.

Directors' Benefits

Michael Gorton (Director) is a Principal of Russell Kennedy. During this reporting period \$257,442 was paid to Russell Kennedy for the provision of legal services.

No other Director, since the end of the previous financial period, has received or has become entitled to receive a benefit by reason of a contract made by the College or a related corporation with a member of the Director or a firm of which a Director is a member or with a company in which a Director has a substantial financial interest.

Court Proceedings

No person has applied for leave of the court to bring proceedings on behalf of the College or intervene in any proceedings to which the College is a party for the purpose of taking responsibility on behalf of the College for all or any part of those proceedings. The College was not a party to any such proceedings during the year.


Members Liability

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 \$10 each towards meeting any outstanding obligations of the entity. At 30 June 2018, the total amount that members of the company are liable to contribute if the company is wound up is \$26,120 (2017: \$23,450).

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2018 has been received and can be found on page 4 of the financial report.

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



Director

Dated this

12th day of **September** 2018

Auditor's Independence Declaration

Under Section 60.40 of the Australian Charities and Not-for-profits Commission Act 2012 to the Directors of The Australasian College for Emergency Medicine

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2018, there have been:

- i no contraventions of the auditor independence requirements as set out in the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- ii no contraventions of any applicable code of professional conduct in relation to the audit.

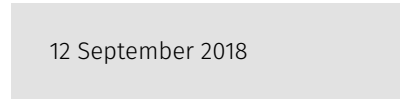
Saward Dawson Chartered Accountants



Saward Dawson



Jeffrey Tulk | Partner



Dated | Blackburn VIC

Statement of Income and Expenditure and Other Comprehensive Income

For the year ended 30 June 2018

	Note	2018 (\$)	2017 (\$)
Revenue	2	37,620,751	37,912,422
Audit, legal and consultancy expenses		(1,050,052)	(697,835)
Committee meeting expenses		(2,393,093)	(2,006,820)
Computer expenses		(469,760)	(742,243)
Depreciation and amortisation expenses	3	(1,025,854)	(873,246)
DOH direct project expenses		(21,057,913)	(23,200,118)
Employee benefits expenses		(7,775,483)	(6,877,581)
Examination expenses		(536,577)	(567,412)
Occupancy expenses		(256,821)	(164,024)
Office expenses		(964,303)	(907,741)
Publication expenses		(532,271)	(566,475)
Donations		(42,149)	(42,852)
Awards		(192,617)	(416,703)
Other expenses		(315,575)	(228,002)
Surplus for the year		1,008,283	621,370
Total comprehensive income for the year		1,008,283	621,370

The accompanying notes form part of these financial statements.

Statement of Financial Position

As at 30 June 2018

	Note	2018 (\$)	2017 (\$)
Assets			
Current assets			
Cash and cash equivalents	4	13,312,303	16,570,673
Trade and other receivables	5	3,206,525	2,482,374
Other assets	6	457,708	420,275
Financial assets	7	11,532,845	4,001,098
Total current assets		28,509,381	23,474,420
Non-current assets			
Trade and other receivables	5	2,000	2,000
Property, plant and equipment	8	7,628,522	8,015,113
Intangible assets	9	1,732,619	1,310,617
Total non-current assets		9,363,141	9,327,730
Total assets		37,872,522	32,802,150
Liabilities			
Current liabilities			
Trade and other payables	10	1,022,113	1,484,239
Other liabilities	11	14,920,079	10,549,430
Provisions	12	791,367	571,001
Total current liabilities		16,733,559	12,604,670
Non-current liabilities			
Provisions	12	84,570	151,370
Total non-current liabilities		84,570	151,370
Total liabilities		16,818,129	12,756,040
Net assets		21,054,393	20,046,110
Equity			
Reserves	13	–	32,508
Accumulated surpluses		21,054,393	20,013,602
Total equity		21,054,393	20,046,110

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the year ended 30 June 2018

	Accumulated surpluses (\$)	Specific reserve (\$)	Total (\$)
2018			
Balance at 1 July 2017	20,013,602	32,508	20,046,110
Surplus for the year	1,008,283	–	1,008,283
Transfer to/(from) reserve	32,508	(32,508)	–
Balance at 30 June 2018	21,054,393	–	21,054,393
2017			
Balance at 1 July 2016	19,392,232	32,508	19,424,740
Surplus for the year	621,370	–	621,370
Balance at 30 June 2017	20,013,602	32,508	20,046,110

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the year ended 30 June 2018

	Note	2018 (\$)	2017 (\$)
Cash flows from operating activities			
Receipts from Fellows and trainees		13,691,316	13,056,128
Receipts from DOH project funding		29,139,715	21,556,655
Receipts from investments		60,708	34,573
Payments to suppliers and employees (including DOH project payments)		(39,166,508)	(38,599,185)
Interest income		280,078	309,304
Other income		1,169,356	1,165,277
Net cash used in operating activities	15	5,174,665	(2,477,248)
Cash flows from investing activities			
Payment for property, plant and equipment		(82,135)	(129,329)
Proceeds from sale of property, plant and equipment		260	–
Purchase of investments		(3,304,749)	(1,432,841)
Proceeds on sale of investments		162,526	–
Redemption/(placement) of funds on term deposit		(4,253,007)	6,893,542
Payment for intangible assets		(955,930)	(469,438)
Net cash provided by/(used by) investing activities		(8,433,035)	4,861,934
Net increase/(decrease) in cash and cash equivalents held		(3,258,370)	2,384,686
Cash and cash equivalents at beginning of year		16,570,673	14,185,987
Cash and cash equivalents at end of financial year	4	13,312,303	16,570,673

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the year ended 30 June 2018

Note 1 Summary of significant accounting policies

1a Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB), Australian Charities and Not-for-profits Commission Act 2012, and Australian Charities and Not-for-profits Commission Regulation 2013. The Company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements, except for 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.

The financial statements were authorised for issue on the same date as the signing of the Directors' Declaration by the Board of Governance.

1b Property, plant and equipment

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

Property

Freehold land and buildings are measured at cost less depreciation and impairment losses. The carrying amounts of all assets are reviewed annually by the Directors to ensure that they are not in excess of their recoverable amounts.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses. Cost includes expenditure that is directly attributable to the asset.

Depreciation

Buildings (excluding freehold land) are depreciated on a straight-line basis over the asset's useful life to the Company commencing from the time the asset is held ready for use. All other assets are depreciated on a diminishing values basis over the asset's useful life to the Company commencing from the time the asset is held ready for use.

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

Class of fixed asset	Depreciation rate
Buildings	2.5%
Fit-outs	10%
Plant and Equipment	2 – 50%
Computer Equipment	20 – 67%
Anatomy Models	10%

Note 1 Summary of significant accounting policies (cont.)

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

Each asset class's carrying amount is written down immediately to its recoverable amount if the class'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 Statement of Income and Expenditure and Other Comprehensive Income.

1c Financial instruments

Initial recognition and measurement

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument. This is the equivalent to the date that the Company commits itself to either the purchase or sale of the asset.

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

i Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to be realised within twelve months after the end of the reporting period, which will be classified as current assets. If during the period the Company sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investments category would be tainted and reclassified as available-for-sale.

ii Financial assets at fair value through profit and loss

Financial assets are classified at 'fair value through profit and loss' when they are held for trading for the purpose of short-term profit taking, or where they are derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

Impairment of financial assets

At the end of each reporting period, the Company assesses whether there is objective evidence that a financial asset has been impaired. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

1d Impairment of non-financial assets

At the end of each reporting period, the Company assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard. Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

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

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the Company would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

1e Intangibles

Software

Software is initially recorded at cost. Software has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It has an estimated useful life of five years. It is assessed annually for impairment.

1f 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 which are convertible to a known amount of cash and subject to an insignificant risk of change in value.

1g Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting year. 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 outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

Contributions are made by the Company to employee superannuation funds and are recorded as expenses when incurred.

1h 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.

1i Income tax

No provision for income tax has been raised as the Company is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*. The Australasian College for Emergency Medicine is a charitable entity registered with the Australian Charities and Not-for-profits Commission.

1j Leases

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

Note 1 Summary of significant accounting policies (cont.)

1k 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 Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

Cash flows are presented in the Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

1l Revenue and other income

Grant revenue

Grant revenue is recognised in the Statement of Income and Expenditure and Other Comprehensive Income when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the Company and the amount of the grant can be measured reliably. If conditions are attached to the grant which must be satisfied or the funds are returned to the grant provider, 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.

The Australasian College for Emergency Medicine has received Australian Government funding under the “Specialist Training Program: Health Workforce Program” initiative.

Interest revenue

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

Subscriptions, exam fees, annual training fees and entrance registration fees

Revenue from exam fees and entrance registration fees have been recognised on an accrual basis. This revenue is recognised when the service has been provided. The provision of membership subscriptions and annual training fees are recognised on a straight line basis over the financial year.

1m 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 judgements – provision for impairment of receivables

The value of the provision for impairment of receivables is estimated by considering the ageing of receivables, communication with the debtors and prior history.

Key judgements – depreciation rates

The useful lives of property, plant and equipment and intangible assets have been estimated based on Directors' assessment, the nature of the asset and prior history.

1n New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Company has decided not to early adopt these Standards. The following table summarises those future requirements, and their impact on the Company where the standard is relevant:

Standard name	Applicable for annual reporting periods beginning on	Summary	Impact
AASB 15 Revenue from Contracts with Customers	1 Jan 2019	The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer.	<p>The changes in revenue recognition requirements in AASB 15 may result in changes to the timing and amount of revenue recorded in the financial statements. The Standard will also require additional disclosures on service revenue and contract modifications.</p> <p>The Directors of the College have assessed the impact of the new standard and have determined that it will have minimal impact on College finances.</p>
AASB 1058 Income for Not-for-Profit Entities	1 Jan 2019	AASB 1058 deals with the situation where consideration to acquire an asset is significantly less than the fair value of the asset principally to enable an entity to further its objective.	The changes include the replacement of the “reciprocal and non-reciprocal transactions’ assessment with the “enforceability and performance obligations” contained in AASB 15. Not-for-profits will defer income where the purpose of a donation or grant is enforceable and sufficiently specific and will more often align revenue recognition with the relevant expenses.
AASB 16 Leases	1 Jan 2019	Operating leases will be required to be recognised on the balance sheet as liabilities. Under the new standard, any lease or rental agreements other than those of less than 12 months or for ‘small ticket’ items like computers will now be recorded as liabilities.	<p>Not only will a lease liability and a right to use asset be created, impacting the balance sheet ratios and other measures, a larger proportion of total expenses in relation to the lease will be recognised in the earlier years and a lower proportion in the later years of the arrangement thereby impacting reported profitability.</p> <p>The Directors of the College have assessed the impact of the new standard and have determined that it will have minimal impact on College finances.</p>
AASB 9 Financial Instruments	1 Jan 2018	The key changes include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.	<p>The assessment has identified that the financial impact of available for sale (AFS) assets will now be reported through other comprehensive income (OCI) and no longer recycled to the profit and loss.</p> <p>While the preliminary assessment has not identified any material impact arising from AASB 9, it will continue to be monitored and assessed.</p>

Notes to the Financial Statements
Note 2 Revenue and other income

	Note	2018 (\$)	2017 (\$)
Revenue			
Fellowship fees		4,841,424	3,819,087
Advertising revenue		249,942	237,460
Exam fees		3,623,158	2,998,694
Trainee fees		3,968,018	2,700,965
Other subscription fees		868,998	819,382
CPD fees (non-fellows)		48,753	98,690
DOH project income		22,588,610	25,867,442
Other projects income		18,838	44,713
Conference surplus		461,575	383,027
Total revenue		36,669,316	36,969,460
Other income			
Investment distribution		135,492	34,573
Bank interest	2a	265,719	274,428
Unrealised gain on investment portfolio		136,517	35,223
Other income		413,707	598,738
Total other income		951,435	942,962
Total revenue and other income		37,620,751	37,912,422

2a Interest revenue from bank accounts

Interest revenue consists of interest earned from the Company's bank accounts. Interest revenue earned on the DOH bank accounts is considered to be project funding and is deferred to be spent in accordance with the requirements of the funding agreement terms

Note 3 Asset utilisation and finance costs

	2018 (\$)	2017 (\$)
Asset utilisation costs		
Depreciation of property, plant and equipment	491,926	490,832
Amortisation of intangibles	533,928	382,414
Loss on sale of asset	741	1,158
Finance costs		
Finance costs	151,996	123,213

Note 4 Cash and cash equivalents

	2018 (\$)	2017 (\$)
Cash on hand	372	300
Cash at bank	779,832	990,522
Short-term bank deposits	12,532,099	15,579,851
Total cash and cash equivalents	13,312,303	16,570,673

Notes to the Financial Statements
Note 5 Trade and other receivables

	Note	2018 (\$)	2017 (\$)
Current			
Trade receivables		3,142,580	2,403,584
Provision for impairment	5a	–	(1,210)
Annual conference seed funding		63,945	80,000
Total current trade and other receivables		3,206,525	2,482,374
Non-current			
Cab charge bond		2,000	2,000
Total non-current trade and other receivables		2,000	2,000

5a Provision for impairment of receivables

Movement in provision for impairment of receivables is as follows:

	2018 (\$)	2017 (\$)
Balance at beginning of the year	(1,210)	(4,536)
Charge for the year	–	(2,367)
Written off	1,210	5,693
Balance at end of the year	–	(1,210)

Note 6 Other assets

	2018 (\$)	2017 (\$)
Prepayments	323,158	346,150
Accrued income	134,550	74,125
Total other assets	457,708	420,275

Note 7 Financial assets

	2018 (\$)	2017 (\$)
Current		
Held-to-maturity financial assets		
Term deposit	6,786,042	2,533,034
Listed investments		
Financial assets at fair value through profit or loss	4,746,803	1,468,064
Total financial assets	11,532,845	4,001,098

Notes to the Financial Statements
Note 8 Property, plant and equipment

	2018 (\$)	2017 (\$)
Land and buildings		
Freehold land		
At cost	1,435,741	1,435,741
Building		
At cost	8,195,481	8,195,481
Accumulated depreciation	(2,629,509)	(2,241,811)
Total buildings	5,565,972	5,953,670
Total land and buildings	7,001,713	7,389,411
Plant and equipment		
Equipment		
At cost	766,381	755,137
Accumulated depreciation	(536,612)	(483,512)
Total equipment	229,769	271,625
Computer equipment		
At cost	371,025	302,882
Accumulated depreciation	(292,778)	(249,638)
Total computer equipment	78,247	53,244
Anatomy models		
At cost	61,928	61,927
Accumulated depreciation	(44,988)	(43,106)
Total anatomy models	16,940	18,821
Art works		
At cost	320,865	295,426
Accumulated depreciation	(19,012)	(13,414)
Total art works	301,853	282,012
Total plant and equipment	626,809	625,702
Total property, plant and equipment	7,628,522	8,015,113

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:

	Land and Buildings (\$)	Plant and Equipment (\$)	Computer Equipment (\$)	Anatomy Models (\$)	Art Works (\$)	Total (\$)
Balance at the beginning of year	7,389,411	271,625	53,244	18,821	282,012	8,015,113
Additions	–	11,755	69,141	–	25,439	106,335
Depreciation expense	(387,698)	(53,610)	(43,138)	(1,882)	(5,598)	(491,926)
Disposal of fixed asset	–	–	(1,000)	–	–	(1,000)
Balance at 30 June 2018	7,001,713	229,770	78,247	16,939	301,853	7,628,522

Notes to the Financial Statements
Note 9 Intangible assets

	2018 (\$)	2017 (\$)
Website		
Cost	404,371	304,680
Accumulated amortisation and impairment	(286,422)	(247,648)
Total website	117,949	57,032
Exams database		
Cost	168,720	168,720
Accumulated amortisation and impairment	(107,134)	(73,390)
Total exams database	61,586	95,330
Trainee recruitment management system		
Cost	136,246	–
Accumulated amortisation and impairment	(10,050)	–
Total trainee recruitment management system	126,196	–
Member and training portal		
Cost	2,340,937	1,870,944
Accumulated amortisation and impairment	(1,128,878)	(712,689)
Total member and training portal	1,212,059	1,158,255
EMC EMD modules		
Cost	250,000	–
Accumulated amortisation and impairment	(35,171)	–
Total EMC EMD modules	214,829	–
Total intangibles	1,732,619	1,310,617

Movements in carrying amounts

Movement in the carrying amounts for each class of intangible assets between the beginning and the end of the current financial year:

	Website costs (\$)	Exams database (\$)	Member and training portal (\$)	EMC EMD Course Modules (\$)	TRMS (\$)	Total (\$)
Balance at the beginning of year	57,032	95,329	1,158,256	–	–	1,310,617
Additions	99,691	–	469,993	250,000	136,246	955,930
Amortisation expense	(38,774)	(33,743)	(416,190)	(35,171)	(10,050)	(533,928)
Balance at 30 June 2018	117,949	61,586	1,212,059	214,829	126,196	1,732,619

Note 10 Trade and other payables

	2018 (\$)	2017 (\$)
Current		
Trade payables	370,521	987,872
Accrued expenses	344,529	324,637
GST payable/(receivable)	228,283	100,708
Other payables	78,780	71,022
Total trade and other payables	1,022,113	1,484,239

Note 11 Other liabilities

		2018 (\$)	2017 (\$)
Current			
DOH funding (received in advance)	11a	8,235,484	4,320,549
Ministerial taskforce funding (received in advance)		30,861	30,861
Driving change funding (received in advance)		(13,491)	(3,173)
Subscriptions and levies in advance		6,667,225	6,201,193
Total other liabilities		14,920,079	10,549,430

11a Government funding**Specialist Training Program: Health Workforce Program**

Government Funding has been received for the “Specialist Training Program: Health Workforce Program” (DOH Project). Interest revenue earned on the bank account is considered to be project funding and is represented within funding received. Funding is recognised as income upon expenditure. This project ended during the 2018 financial year.

	2018 (\$)	To 30 June 2018 (\$)
DOH Project		
DOH funding received	12,376,658	131,225,398
DOH expenses	(12,006,837)	(126,535,028)
Balance of funding	369,821	4,690,370

Specialist Training Program: Health Workforce Program 2018–2021

During the year, a new agreement was entered into with the Department of Health for the “Specialist Training Program”. Interest revenue earned on the bank account is considered to be project funding and is represented within funding received. Funding is recognised as income upon expenditure.

	2018 (\$)
DOH funding received	14,126,886
DOH expenses	(10,581,773)
Balance of funding	3,545,113

Note 12 Provisions

	2018 (\$)	2017 (\$)
12a Analysis of total provisions		
Current		
Provision for employee benefits: annual leave	674,889	516,498
Provision for employee benefits: long service leave	116,478	54,503
Total current provisions	791,367	571,001
Non-current		
Provision for employee benefits: long service leave	84,570	151,370
Total provisions	875,937	722,371

12b Provision for long-term employee benefits

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

The current portion of 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 College does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next twelve months. However, these amounts must be classified as current liabilities since the College does not have an unconditional right to defer the settlement of these amounts in the event that employees wish to use their leave entitlement.

The non-current portion of 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 on historical data. The measurement and recognition criteria relating to employee benefits have been included in Note 1.

Note 13 Reserves

Specific reserve

The specific reserve records funds set aside for specific purposes of The Australian College for Emergency Medicine. In the previous reporting period, the College set aside funds for future ultrasound conference initiatives. This was reclassified during the current reporting period.

Notes to the Financial Statements
Note 14 Capital and leasing commitments

Operating lease commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements.

	2018 (\$)	2017 (\$)
No later than 1 year	38,136	38,136
Between 1 year and 5 years	19,068	57,204
Total capital and leasing commitments	57,204	95,340

Note 15 Reconciliation of result for the year to cashflows from operating activities

	2018 (\$)	2017 (\$)
Surplus for the year	1,008,283	621,370
Non-cash flows in surplus:		
Depreciation	491,926	490,832
Provision for doubtful debt	(1,210)	(3,325)
Amortisation of intangibles	533,928	382,414
Loss on disposal of non-current asset	741	1,339
Unrealised gain on fair value through profit and loss financial assets	(136,517)	(35,223)
Donation of art work	(24,200)	(100,000)
Changes in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(783,365)	458,364
(Increase)/decrease in other assets	22,991	(58,351)
Increase/(decrease) in creditors, accruals and GST	(462,126)	601,592
Increase/(decrease) in unexpired grants and income in advance	4,370,648	(4,974,275)
Increase/(decrease) in provisions	153,566	138,015
Cashflow outflow from operations	5,174,665	(2,477,248)

Note 16 Interests of key management personnel

The total remuneration paid to key management personnel of The Australasian College for Emergency Medicine during the year is as follows:

	2018 (\$)	2017 (\$)
Key management personnel remuneration	1,082,700	1,072,917

Key management personnel includes the Chief Executive Officer and 4 divisional Executive Directors. The Board of Directors are not remunerated.

Note 17 Financial risk management

The main risks that The Australasian College for Emergency Medicine is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of equity investments price risk and interest rate risk. The College's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, equity and managed funds investments, accounts receivable and accounts payable.

The College's JB Were investment portfolio (including held to maturity investments) was valued at \$5,772,089 as at 30 June 2018. At the end of each reporting period, the Company assesses whether there is objective evidence of impairment as part of its financial risk management.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	2018 (\$)	2017 (\$)
Financial assets		
Cash and cash equivalents	13,316,401	16,570,673
Trade and other receivables	3,208,525	2,484,374
Held-to-maturity investments	6,786,042	2,533,034
Listed investments	4,808,938	1,468,064
Total financial assets	28,119,906	23,056,145
Financial liabilities		
Financial liabilities at amortised cost:		
Trade and other payables	1,022,113	1,484,239
Total financial liabilities	1,022,113	1,484,239

Notes to the Financial Statements
Note 18 Related party transactions

The Australasian College for Emergency Medicine has agreed to fund the secretariat costs for the International Federation for Emergency Medicine. In the 2018 financial year, the College contributed a total of \$40,000 (2017: \$40,000) towards the cost of administration.

A total of \$257,442 was paid to Russell Kennedy for the provision of legal services on an arm's length basis. Michael Gorton (Director) is a Principal at Russell Kennedy.

Note 19 Company (College) details

The registered office and principal place of business of the College is:

34 Jeffcott Street
West Melbourne
Victoria 3003

Directors' Declaration

The Directors of the Company declare that:

- 1** The financial statements and notes, as set out on pages 5 to 26, 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 as at 30 June 2018 and of the performance for the year ended on that date of the entity.
- 2** In the Directors' opinion, there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

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



Simon Judkins | Director

12 September 2018

Dated

Independent Audit Report

to the members of The Australasian College for Emergency Medicine

Report on the audit of the financial report

Opinion

We have audited the financial report of The Australasian College for Emergency Medicine (the Company), which comprises the Statement of Financial Position as at 30 June 2018, the Statement of Income and Expenditure and Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and Notes to the Financial Statements, including a summary of significant accounting policies, and the Directors' Declaration.

In our opinion, the accompanying financial report of The Australasian College for Emergency Medicine has been prepared in accordance with Division 60 of the Australian Charities and Not-for-profits Commission Act 2012, including:

- i giving a true and fair view of the Company's financial position as at 30 June 2018 and of its financial performance and cash flows for the year ended on that date; and
- ii complying with Australian Accounting Standards – Reduced Disclosure Requirements (including Australian Accounting Interpretations) and Division 60 of 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 auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Responsibilities of Directors for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have 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 Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Company.
- Conclude on the appropriateness of the Company's 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 those charged with governance regarding, among other matter, 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.

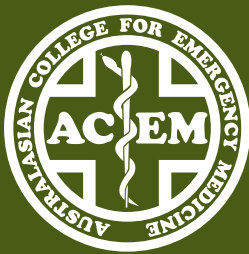
Saward Dawson Chartered Accountants



Jeffrey Tulk | Partner

12 September 2018

Dated | Blackburn VIC



Australasian College for Emergency Medicine
ABN 76 009 090 715

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