Australasian College
for Emergency Medicine

ACEM Financial Report

For the year ended 30 June 2020

Contents

Australasian College for Emergency Medicine

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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 2020.

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 John Bonning (President-Elect from 18 November 2018; President from 17 November 2019)	BHB, MBChB, FACEM	10	10
Dr Rebecca Day (Board Member from 26 August 2019)	MBBS, FACEM	9	8
Mr Anthony Evans	BBus, Dip Ed, FCPA, FCIS, FAICD	10	9
Ms Jacqui Gibson-Roos (Community Representative Member from 26 August 2019)	BEd, MEd, GAICD	9	8
Mr Michael Gorton	AM, FRACS (Hon), BComm, LLB, FANZCA (Hon), FAICD	10	9
Dr Barry Gunn	MBBS, FACEM, Dip Av Med	10	10
Dr Simon Judkins (President from 19 November 2017; Immediate Past President from 17 November 2019 until 21 October 2020)	MBBS, FACEM	10	10
Associate Professor Gabriel Lau (Board Member from 18 November 2018)	MBBS, FACEM	10	10
Dr Yusuf Nagree (Board Member until 17 November 2019)	MBBS, FACEM, GradDip CompSci, MBA	2	0
Associate Professor Didier Palmer (Board Member from 19 November 2017)	AM, MBBS, FACEM 10	10	10
Associate Professor Melinda Truesdale (Board Member from 26 August 2019	MBBS, FACEM, AFACAsM GradDipHtlthServMgt GradDipHlthMedLaw MACLM AFRACMA GAICD ACCAM PPL AMA	9	9
Dr Swaroop Valluri (Trainee Member from 18 November 2018)	MBBS	10	9

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 loss of the College for the year ending 30 June 2020 was $1,599,199 (2019 deficit $276,438).

The College's net assets were $22,249,637 as at 30 June 2020 (2019 – $$17,294,798).

The financial year results have been prepared on an accrual accounting basis.

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 "More Doctors for Emergency Departments" 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 2019 – 2021 to enable it to respond effectively to challenges and opportunities within emergency medicine and the wider health sector:

1. **Education**: focus on quality improvement, facilitate and support the education, training and continuing professional development of emergency medicine professionals.
2. **Member Support and wellbeing**: represent and support members in a manner that enables longevity of emergency medicine professionals and sustainability of the wider emergency medicine workforce.
3. **Equity through Advocacy**: Through advice and proactive advocacy, influence key decision makers to achieve improved access and outcomes for people who have need to use emergency departments.
4. **Research**: Ensure high quality data analysis, evaluation and research informs and support our activities, and will work to strengthen the culture, profile, skills base and capacity of emergency medicine research.
5. **Standards**: set, monitor and maintain standards for the provision of quality emergency medicine care in Australia and New Zealand, and foster increased participation, commitment and provision of expertise by members and trainees in emergency medicine related patient safety activities.
6. **Organisation Sustainability and Awareness**: Ensure that its obligations as a leading contemporary organisation in its sector are well understood and consolidate the Governance and management arrangements and process necessary to enable this.

Dividends

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

Likely Developments

The Directors believe that the College will return to positive financial position in FY 20-21. 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 $147,200 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

There is one proceeding to which the College is a party of and is currently with the High Court. The proceedings relate to an accusation of discrimination with respect to trainee examinations. It is the opinion of the College legal advisers that the proceeding has little prospect of success. As at 30 June 2020, it has been too early to anticipate the outcome of the matter.

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 2020, the total amount that members of the company are liable to contribute if the company is wound up is $32,450 (2019: $28,480).

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2020 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.

Dr John Bonning (Director)

Dated this

17th *day of* **September** *2020*

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 2020, 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	17 September 2020
Saward Dawson	*Jeffrey Tulk | Partner*	*Dated | Blackburn VIC*

Statement of Income and Expenditure and Other Comprehensive Income

For the year ended 30 June 2020

	Note	2020 ($)	2019 ($)
Revenue	12	**39,477,532**	40,825,831
Audit, legal and consultancy expenses		**(1,164,148)**	(739,836)
Committee meeting expenses		**(2,108,458)**	(2,832,307)
Computer expenses		**(484,880)**	(377,465)
Depreciation and amortisation expenses	13	**(1,339,290)**	(1,461,499)
DOH direct project expenses		**(22,709,561)**	(23,887,898)
Employee benefits expenses		**(10,143,037)**	(8,797,883)
Examination expenses		**(440,797)**	(597,771)
Occupancy expenses		**(180,288)**	(191,159)
Lease interest expenses	15	**(386)**	-
Office expenses		**(1,019,546)**	(1,109,320)
Unrealised loss on investment		**(257,681)**	
Publication expenses		**(817,792)**	(659,723)
Donations		**-**	(617)
Awards		**(83,976)**	(125,531)
Other expenses		**(326,891)**	(321,260)
Surplus/(deficit) for the year		**(1,599,199)**	**(276,438)**
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss:			
Revaluation of property		**6,554,038**	**-**
Other comprehensive income for the year		**6,554,038**	**-**
Total comprehensive income for the year		**4,954,839**	(276,438)

The accompanying notes form part of these financial statements.

Statement of Financial Position

As at 30 June 2020

	Note	**2020 ($)**	2019 ($)
Assets			
Current assets			
Cash and cash equivalents	2	**10,500,923**	13,722,275
Trade and other receivables	3	**3,945,016**	3,701,449
Other assets	7	**738,361**	363,067
Financial assets	4	**11,952,895**	11,966,169
Total current assets		**27,137,195**	29,752,960
Non-current assets			
Trade and other receivables	3	**2,000**	2,000
Property, plant and equipment	5	**13,818,970**	7,398,152
Intangible assets	6	**1,488,091**	1,599,799
Right of use assets	15	**55,786**	–
Total non-current assets		**15,364,847**	8,999,951
Total assets		**42,502,042**	38,752,911
Liabilities			
Current liabilities			
Trade and other payables	8	**1,262,168**	996,710
Other liabilities	9	**17,573,441**	19,542,250
Provisions	10	**1,258,118**	851,725
Lease liabilities	15	**17,218**	–
Total current liabilities		**20,110,945**	21,390,685
Non-current liabilities			
Provisions	10	**102,718**	67,428
Lease liabilities	15	**38,742**	–
Total non-current liabilities		**141,460**	67,428
Total liabilities		**20,252,405**	21,458,113
Net assets		**22,249,637**	17,294,798
Equity			
Reserves		**6,554,038**	–
Accumulated surpluses		**15,695,599**	17,294,798
Total equity		**22,249,637**	17,294,798

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the year ended 30 June 2020

	Retained Earnings ($)	Asset Revaluation Reserve ($)	Total ($)
2020			
Balance at 1 July 2019	17,294,798	–	17,294,798
Revaluation gain during the year	–	6,554,038	6,554,038
Deficit for the year	(1,599,199)	–	(1,599,199)
Balance at 30 June 2020	**15,695,599**	**6,554,038**	**22,249,637**

	Retained Earnings ($)	Asset Revaluation Reserve ($)	Total ($)
2019			
Balance at 1 July 2018	21,054,393	–	21,054,393
Adjustment to recognise impact of new Accounting Standard AASB 15	(3,483,157)	–	(3,483,157)
Restated opening balance at 1 July 2018	**17,571,236**	**–**	**17,571,236**
Deficit for the year	(276,438)	–	(276,438)
Balance at 30 June 2019	**17,294,798**	**–**	**17,294,798**

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the year ended 30 June 2020

	Note	2020 ($)	2019 ($)
Cash flows from operating activities			
Receipts from Fellows and trainees		**15,771,342**	15,713,151
Receipts from DOH project funding		**22,875,085**	27,548,564
Receipts from investments		**251,219**	195,729
Payments to suppliers and employees (including DOH project payments)		**(41,798,157)**	(42,628,241)
Interest income		**173,742**	252,806
Other income		**869,218**	545,992
Net cash used in operating activities	17	**(1,857,551)**	1,628,001
Cash flows from investing activities			
Payment for property, plant and equipment		**(448,899)**	(210,962)
Purchase of investments		**(1,029,609)**	(1,271,309)
Proceeds on sale of investments		**891,777**	290,663
Redemption/(placement) of funds on term deposit		**(106,575)**	789,715
Payment for intangible assets		**(645,463)**	(816,136)
Net cash provided by/(used by) investing activities		**(1,338,769)**	(1,218,029)
Cash flows from financing activities			
Lease principal lease payments		**(25,032)**	–
Net cash used by financing activities		**(25,032)**	–
Net increase/(decrease) in cash and cash equivalents held		**(3,221,352)**	409,972
Cash and cash equivalents at beginning of year		**13,722,275**	13,312,303
Cash and cash equivalents at end of financial year	2	**10,500,923**	13,722,275

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the year ended 30 June 2020

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.

(b) 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.

(c) 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.

(d) Revenue and other income

Grant revenue

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the company expects to receive in exchange for those goods or services.

Revenue is recognised by applying a five step model as follows:

1. Identify the contract with the customer.
2. Identify the performance obligations.
3. Determine the transaction price.
4. Allocation the transaction price to the performance obligations.
5. Recognise revenue as and when control of the performance obligations is transferred.

Note 1 Summary of significant accounting policies (cont.)

Generally the timing of the payment for sale of goods or rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however, where there is a difference, it will result in the recognition of a receivable, contract assets or contract liability. None of the revenue streams of the company have any significant financing terms as there is less than 12 months between receipts of funds and satisfaction of performance obligations.

Grant revenue is recognised in profit or loss when the company satisfies its performance obligation. Depending on the contract this could be over time or at a point in time.

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

When both these conditions are satisfied, the College:

- identifies each performance obligation relating to the grant;
- recognises a contract liability for its obligations under the agreement; and
- recognises revenue as it satisfies its performance obligations.

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

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

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

The Australasian College for Emergency Medicine has received Australian Government funding under the "Specialist Training Program: Health Workforce Program" initiative. Revenue is recognised when the performance obligations within each contract is fulfilled.

Subscriptions, exam fees and annual training fees

Revenue from membership subscriptions and exam fees are recognised at the point in time the member is require to pay the subscription fee or exam fee.

Annual training fees are recognised on a straight line basis over the course.

Application and entrance registration fees

Application fees are recognised on a straight line basis over the average number of years of active FACEM membership. This has been determined as 25 years.

Entrance registration fees are recognised on a straight line basis over the average time taken by a trainee to complete the FACEM Training Program. This has been determined as 7 years.

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.

Other income

Donations and bequests are recognised as revenue when received.

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

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

(e) 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.

(f) Property, plant and equipment

Property

Freehold land and buildings are measured at fair value 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.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the statement of income and expenditure and other comprehensive income.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

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%
Plant & Equipment Leased to External Parties	10%
Plant and Equipment	2 – 50%
Computer Equipment	20 – 67%
Anatomy Models	10%

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.

(g) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable)

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- amortised cost
- fair value through profit or loss (FVPL)

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

These are measured at amortised cost using the effective interest method.

Financial assets at fair value through profit or loss (FVPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply.

Classification and measurement of financial liabilities

The company's financial liabilities include trade and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the company designated a financial liability at fair value through profit or loss. Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

Impairment of financial assets

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

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

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

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

(h) 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.

(i) 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.

(j) 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.

(k) 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.

(l) Leases

In the comparative period

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.

In the current period

For current year

At inception of a contract, the Company assesses whether a lease exists i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Company has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

At the lease commencement, the Company recognises a right of use asset and associated lease liability for the lease term. The lease term includes extension periods where the Company believes it is reasonably certain that the option will be exercised.

The right of use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right of use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Company's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Company's assessment of lease term.

Where the lease liability is remeasured, the right of use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right of use asset has been reduced to zero.

(m) Comparative Figures

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

(n) 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.

Key judgements Performance Obligations under AASB 15

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

Further to this, the average membership life of 25 years was determined for FACEM Membership and 7 years as the average time taken to complete the FACEM Training Programs. These were the key estimates used to determine the Application and Entrance Fee income for the financial year. Amounts outlined in Note 9 as Application fees and entrance registration fees in advance have been included in accordance with the requirements of AASB 15.

(o) Adoption of new and revised accounting standards

Initial application of AASB 16: Leases

The Company has adopted AASB 16 with a date of initial application of 1 July 2019. A core change resulting from applying AASB 16 is that most leases will be recognised on the balance sheet by lessees as the standard no longer differentiates between operating and finance leases. An asset and a financial liability are recognised in accordance to this new Standard. There are, however, two exceptions allowed: short term and low value leases.

The Directors of the College have assessed the impact of the new standard and have determined that it will have a minimal impact of the College's profit and loss.

Note 2 Cash and cash equivalents

	2020 ($)	2019 ($)
Cash on hand	**300**	300
Cash at bank	**445,463**	699,887
Short-term bank deposits	**10,055,160**	13,022,088
Total cash and cash equivalents	**10,500,923**	13,722,275

Note 3 Trade and other receivables

	Note	2020 ($)	2019 ($)
Current			
Trade receivables		**3,906,297**	3,639,004
Provision for impairment	a	**–**	–
		3,906,297	3,639,004
Annual conference seed funding		**36,587**	62,445
Other receivables		**2,132**	–
Total current trade and other receivables		**3,945,016**	3,701,449
Non-current			
Other receivables		**2,000**	2,000
Total non-current trade and other receivables		**2,000**	2,000

3a Provision for impairment of receivables

Movement in provision for impairment of receivables is as follows:

	2020 ($)	2019 ($)
Balance at beginning of the year	**–**	–
Charge for the year	**–**	(3,555)
Written off	**–**	3,555
Balance at end of the year	**–**	–

Note 4 Financial assets

	2020 ($)	2019 ($)
Current		
Term deposit	**6,102,901**	5,996,327
Financial assets at fair value through profit or loss	**5,849,994**	5,969,842
Total financial assets	**11,952,895**	11,966,169

Note 5 Property, plant and equipment

	2020 ($)	2019 ($)
Land and building		
At fair value	**13,000,000**	9,664,624
Accumulated depreciation	**(45,435)**	(3,017,054)
Total land and building	**12,954,565**	6,647,571
Plant and equipment		
At cost	**828,343**	814,928
Accumulated depreciation	**(640,555)**	(588,097)
Total plant and equipment	**187,788**	226,832
Computer equipment		
At cost	**604,940**	495,217
Accumulated depreciation	**(443,430)**	(352,209)
Total computer equipment	**161,510**	143,008
Anatomy models		
At cost	**61,927**	61,927
Accumulated depreciation	**(48,211)**	(46,682)
Total anatomy models	**13,716**	15,245
Art works		
At cost	**537,955**	392,955
Art Works Accumulated Depreciation	**(36,564)**	(27,459)
Total art works	**501,391**	365,496
Total plant and equipment	**864,405**	750,581
Total property, plant and equipment	**13,818,970**	7,398,152

Valuation of Land and Building

The revaluation of freehold land and buildings at West Melbourne, Victoria, were based on the assessment of the 'fair value' as at balance date, which is equivalent to the current market valuation.

The independent valuation to support such current market valuations was undertaken by CBRE Valuations Pty Limited for the West Melbourne property on 30 April 2020. It was valued at $13,000,000.

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	6,647,571	226,832	143,008	15,245	365,496	**7,398,152**
Additions	155,776	13,414	109,723	–	145,000	**423,913**
Depreciation expense	(402,820)	(52,458)	(91,221)	(1,529)	(9,105)	**(557,133)**
Revaluation	6,554,038	–	–	–	–	**6,554,038**
Balance at 30 June 2020	**12,954,565**	**187,788**	**161,510**	**13,716**	**501,391**	**13,818,970**

Note 6 Intangible assets

	2020 ($)	2019 ($)
Website		
Cost	**449,017**	404,371
Accumulated amortisation and impairment	**(351,943)**	(322,175)
Total website	**97,074**	82,195
Database		
Cost	**841,198**	681,495
Accumulated amortisation and impairment	**(443,218)**	(228,932)
Total database	**397,980**	452,563
Trainee recruitment management system		
Cost	**369,144**	200,237
Accumulated amortisation and impairment	**(163,328)**	(70,321)
Total trainee recruitment management system	**205,816**	129,916
Portal Enhancements		
Cost	**408,636**	167,612
Accumulated amortisation and impairment	**(124,202)**	(23,710)
Total Portal Enhancements	**284,434**	143,902
Member and Training Portal		
Cost	**2,371,899**	2,340,937
Accumulated amortisation and impairment	**(2,061,199)**	(1,789,987)
Total Member and Training Portal	**310,700**	550,950
EMC EMD modules		
Cost	**322,000**	322,000
Accumulated amortisation and impairment	**(129,913)**	(81,727)
Total EMC EMD modules	**192,087**	240,273
Total intangibles	**1,488,091**	1,599,799

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 ($)	Database ($)	TRMS ($)	Portal Enhancements ($)	Member and Training Portal ($)	EMC EMD Modules ($)	**Total ($)**
Balance at the beginning of year	82,195	452,563	129,916	143,902	550,950	240,273	**1,599,799**
Additions	44,647	159,923	168,907	241,024	30,962	–	**645,463**
Amortisation expense	(29,768)	(214,286)	(93,007)	(100,492)	(271,212)	(48,186)	**(756,951)**
Disposals	–	(220)	–	–	–	–	**(220)**
Balance at 30 June 2020	**97,074**	**397,980**	**205,816**	**284,434**	**310,700**	**192,087**	**1,488,091**

Note 7 Other assets

	2020 ($)	2019 ($)
Prepayments	**330,915**	132,706
Accrued income	**407,446**	230,361
Total other assets	**738,361**	363,067

Note 8 Trade and other payables

	2020 ($)	2019 ($)
Current		
Trade payables	**980,035**	721,842
Accrued expenses	**120,611**	94,277
GST payable/(receivable)	**161,522**	180,590
Total trade and other payables	**1,262,168**	996,710

Note 9 Other liabilities

		2020 ($)	2019 ($)
Current			
DOH funding (received in advance)	a	**4,573,810**	8,446,350
Ministerial taskforce funding (received in advance)		**–**	61,825
Driving change funding (received in advance)		**980,663**	45,819
Subscriptions and levies in advance		**7,881,140**	7,386,879
Application fees and entrance registration fees in advance		**4,137,828**	3,601,377
Total other liabilities		**17,573,441**	19,542,250

9a Government funding

Specialist Training Program: Health Workforce Program 2018 – 2021

In 2018, 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 over time based on expenditure incurred.

Opening balance	**8,446,350**	8,235,484
DOH funding received	**19,974,427**	24,997,453
DOH expenses	**(23,846,967)**	(24,786,587)
Balance of funding	**4,573,810**	8,446,350

Note 10 Provisions

	2020 ($)	2019 ($)
10a Analysis of total provisions		
Current		
Provision for employee benefits: annual leave	**1,093,586**	749,049
Provision for employee benefits: long service leave	**164,532**	102,676
Total current provisions	**1,258,118**	851,725
Non-current		
Provision for employee benefits: long service leave	**102,718**	67,428
Total provisions	**1,360,836**	919,153

10b 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 11 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 totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

	2020 ($)	2019 ($)
Financial assets		
Cash and cash equivalents	**10,500,923**	13,722,275
Trade and other receivables	**3,947,016**	3,703,449
Financial assets	**11,952,895**	11,966,169
Total financial assets	**26,400,834**	29,391,893
Financial liabilities		
Financial liabilities at amortised cost:		
Trade and other payables	**1,262,168**	996,710
Total financial liabilities	**1,262,168**	996,710

Note 12 Revenue and other income

	Note	2020 ($)	2019 ($)
Revenue			
Fellowship fees		**5,343,055**	4,947,441
Provision of services		**270,476**	262,991
Exam fees		**2,883,353**	3,719,556
Trainee fees		**4,564,315**	4,108,751
Other subscription fees		**895,111**	1,039,935
CPD fees (non-fellows)		**6,317**	7,146
DOH project income		**23,846,967**	24,783,416
Other projects income		**16,134**	17,329
Conference surplus		**296,248**	506,845
Total revenue		**38,121,976**	39,393,411
Other income			
Investment distribution		**251,219**	195,729
Interest Income	a	**173,742**	252,806
Unrealised gain on investment portfolio		**68,658**	242,494
Government stimulus income		**392,000**	–
Other income		**469,937**	741,391
Total other income		**1,355,556**	1,432,420
Total revenue and other income		**39,477,532**	40,825,831

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 13 Asset utilisation and finance costs

	2020 ($)	2019 ($)
Asset utilisation costs		
Depreciation of property, plant and equipment	**557,133**	512,301
Amortisation of intangibles	**756,951**	949,198
Loss on sale of asset	**25,206**	879
Finance costs		
Finance costs	**164,107**	157,991

Note 14 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:

	2020 ($)	2019 ($)
Key management personnel remuneration	**969,142**	1,196,907

Key management personnel includes the Chief Executive Officer and 3 divisional Executive Directors (2019:5). The Board of Directors are not remunerated.

Note 15 Leases

The Company has applied AASB 16 using retrospective approach and periods reported are presented using the same lease accounting policies. See application at Note 1(l).

	2020 ($)	2019 ($)
Right of use assets		
Building lease	**58,812**	–
Accumulated amortisation – building lease	**(3,026)**	–
Total capital and leasing commitments	**55,786**	–

The Company leases a building located in Wellington, New Zealand. Building lease is paid on a monthly basis.

	2020 ($)	2019 ($)
Lease liability		
Current lease liability	**17,218**	–
Non current lease liability	**38,742**	–
Total lease liabilities	**55,960**	

The amounts recognised in the statement of profit or loss and other comprehensive income relating to leases where the Company is a lessee are shown below:

	2020 ($)	2019 ($)
Amortisation – Building lease	**25,206**	
Lease interest expense	**386**	
	25,592	

Note 16 Related Party Transactions

The Australasian College for Emergency Medicine has been reimbursed by the International Federation for Emergency Medicine for secretariat costs. In the 2020 financial year, the College was reimbursed a total of $120,457 (2019: $85,074) towards the cost of administration.

A total of $147,201 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 17 Reconciliation of result for the year to cashflows from operating activities

	2020 ($)	2019 ($)
Surplus/(deficit) for the year	**(1,599,199)**	(276,438)
Non-cash flows in surplus:		
Depreciation	**557,133**	512,301
Amortisation of intangibles	**756,951**	949,198
Amortisation of leased asset	**3,026**	–
Loss on disposal of non-current asset	**25,206**	879
Unrealised gain on fair value through profit and loss financial assets	**257,681**	(242,393)
Donation of art work	**(145,000)**	(196,380)
Changes in assets and liabilities:		
(Increase)/decrease in trade and other receivables	**(420,652)**	(494,924)
(Increase)/decrease in valuation of artworks	**145,000**	124,290
(Increase)/decrease in other assets	**(198,209)**	94,641
Increase/(decrease) in creditors, accruals and GST	**265,458**	(25,403)
Increase/(decrease) in unexpired grants and income in advance	**(1,946,629)**	1,139,014
Increase/(decrease) in provisions	**441,683**	43,216
Cashflow outflow from operations	**(1,857,551)**	1,628,001

Note 18 Events after the end of the reporting period

Due to the COVID 19 pandemic in 2020, the College was required to make some changes to the arrangements for staff. Although the College is unable to determine the full extent of the financial impact of this crisis on the organisation at the time of signing, the Directors do not expect a significant decline in income during the year ending 30 June 2021. On this basis, the Directors are currently satisfied that the short term implications will not adversely affect the College's ability to continue to operate as a going concern.

Except for the above, no matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the College, the results of those operations or the state of affairs of the College in future financial years.

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 27, 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 2020 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.

	17 September 2020
John Bonning | Director	*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 2020, 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 2020 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

Jeffrey Tulk | Partner

17 September 2018

Dated | Blackburn VIC

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