ACEM Financial Report

For the year ended 30 June 2017

Financial Report

For the year ended 30 June 2017

Contents

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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 2017.

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	BHB, MBChB, FACEM	6	5
Dr Simon Chu	MBBS, DCH, FACEM, MMEd, AMusA	6	6
Dr Anthony Cross (Immediate Past President to 20 November 2016)	MBBS, DRANZCOG, FACEM, FCICM	2	2
Mr Anthony Evans	BBus, Dip Ed, FCPA, FCIS, FAICD	6	5
Mr Michael Gorton	AM, FRACS (Hon), BComm, LLB, FANZCA (Hon), FAICD	6	4
Dr Barry Gunn	MBBS, FACEM, Dip Av Med	6	6
Professor Anthony Lawler (President from 22 November 2015)	MBBS, BMedSci, FACEM	6	6
Dr Yusuf Nagree	MBBS, FACEM, GradDip CompSci, MBA	6	6
Dr Joe-Anthony Rotella (to 20 November 2016)	MBBS, BSc, AFRACMA, MAICD	2	2
Dr Simon Judkins (President-Elect from 20 November 2016)	MBBS, FACEM	4	4
Dr Naveed Aziez (Trainee Representative from 20 November 2016)	MBBS	4	4

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 2017 was $621,370 (2016: $987,004).

The College's net assets were $20,046,110 at 30 June 2017 (2016: $19,424,740).

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 "Improving Australia's Emergency Department Workforce" project was extended to April 2018, 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.

Dividend

The College's memorandum of association prohibits the payment of a dividend.

Likely developments

The College expects to maintain its present operations.

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

During this reporting period $143,585 was paid to Russell Kennedy for the provision of legal services. Michael Gorton (Director) is a Principal of Russell Kennedy.

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 or a 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 2017, the total amount that members of the Company are liable to contribute if the Company is wound up is $23,450 (2016: $21,740).

Auditor's independence declaration

The auditor's independence declaration for the year ended 30 June 2017 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.

Anthony Lawler | Director

Dated **9 October 2017**

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 2017, 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

Dated **9 October 2017**

Jeffrey Tulk | Partner

Blackburn VIC

Statement of Income and Expenditure and Other Comprehensive Income

For the year ended 30 June 2017

	Note	**2017** **$**	2016 $
Revenue	2	**37,912,422**	38,106,274
Audit, legal and consultancy expenses		**(697,835)**	(944,332)
Committee meeting expenses		**(2,006,820)**	(1,446,995)
Computer expenses		**(742,243)**	(270,916)
Depreciation and amortisation expenses	3	**(873,246)**	(800,007)
DOH direct project expenses		**(23,200,118)**	(25,681,584)
Employee benefits expenses		**(6,877,581)**	(5,668,485)
Exam expenses		**(567,412)**	(505,142)
Occupancy expenses		**(164,024)**	(211,075)
Office expenses		**(907,741)**	(819,388)
Publication expenses		**(566,475)**	(525,990)
Donations		**(42,852)**	(166)
Awards		**(416,703)**	(47,008)
Other expenses		**(228,002)**	(198,182)
Surplus for the year		**621,370**	987,004
Total comprehensive income for the year		**621,370**	987,004

The accompanying notes form part of these financial statements.

Statement of Financial Position

As at 30 June 2017

	Note	2017 $	2016 $
Assets			
Current assets			
Cash and cash equivalents	4	**16,570,673**	14,185,987
Trade and other receivables	5	**2,482,374**	2,902,537
Other assets	6	**420,275**	396,800
Financial assets	7	**4,001,098**	9,426,576
Total current assets		**23,474,420**	26,911,900
Non-current assets			
Trade and other receivables	5	**2,000**	2,000
Property, plant and equipment	8	**8,015,113**	8,277,954
Intangible assets	9	**1,310,617**	1,223,594
Total non-current assets		**9,327,730**	9,503,548
Total assets		**32,802,150**	36,415,448
Liabilities			
Current liabilities			
Trade and other payables	10	**1,484,239**	882,647
Other liabilities	11	**10,549,430**	15,523,705
Provisions	12	**571,001**	484,470
Total current liabilities		**12,604,670**	16,890,822
Non-current liabilities			
Provisions	12	**151,370**	99,886
Total non-current liabilities		**151,370**	99,886
Total liabilities		**12,756,040**	16,990,708
Net assets		**20,046,110**	19,424,740
Equity			
Reserves	13	**32,508**	32,508
Accumulated surpluses		**20,013,602**	19,392,232
Total equity		**20,046,110**	19,424,740

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the year ended 30 June 2017

2017

	Accumulated surpluses $	Specific reserve $	**Total $**
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**

2016

	Accumulated surpluses $	Specific reserve $	**Total $**
Balance at 1 July 2015	18,405,228	32,508	18,437,736
Surplus for the year	987,004	–	987,004
Balance at 30 June 2016	**19,392,232**	**32,508**	**19,424,740**

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the year ended 30 June 2017

	Note	**2017 $**	2016 $
Cash flows from operating activities:			
Receipts from Fellows and trainees		**13,056,128**	9,269,054
Receipts from DOH project funding		**21,556,655**	26,886,011
Receipts from investments		**34,573**	2,723
Payments to suppliers and employees (including DOH project payments)		**(38,599,185)**	(39,823,669)
Interest income		**309,304**	322,647
Other income		**1,165,277**	1,242,345
Net cash used in operating activities	15	**(2,477,248)**	(2,100,889)
Cash flows from investing activities:			
Payment for property, plant and equipment		**(129,329)**	(206,663)
Purchase of investments		**(1,432,841)**	–
Redemption/(placement) of funds on term deposit		**6,893,542**	(1,609,584)
Payment for intangible assets		**(469,438)**	(442,923)
Net cash provided by/(used by) investing activities		**4,861,934**	(2,259,170)
Net increase/(decrease) in cash and cash equivalents held		**2,384,686**	(4,360,059)
Cash and cash equivalents at beginning of year		**14,185,987**	18,546,046
Cash and cash equivalents at end of financial year	4	**16,570,673**	14,185,987

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the year ended 30 June 2017

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%

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.

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 “Improving Australia's Emergency Department Workforce Project” initiative and VicHealth “Enough is Enough: Emergency Department Clinicians Action on Reducing Alcohol Harm” project.

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, trainee annual registration fees and entrance fees

Revenue from subscriptions, exam fees, and entrance fees have been recognised on an accrual basis. This revenue is recognised when the service has been provided. The provision of membership subscriptions and trainee annual registration 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.	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. The Directors of the College have not yet assessed the impact of the new standard.
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.	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. The Directors of the College have not yet assessed the impact of the new standard.
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.	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. While the preliminary assessment has not identified any material impact arising from AASB 9, it will continue to be monitored and assessed.

Note 2 | Revenue and other income

	Note	**2017** **$**	2016 $
Revenue			
Fellowship fees		**3,819,087**	3,378,072
Advertising revenue		**237,460**	270,297
Exam fees		**2,998,694**	2,490,312
Trainee fees		**2,700,965**	2,336,006
Other subscription fees		**819,382**	657,695
CPD fees (non-fellows)		**98,690**	79,832
DOH project income		**25,867,442**	27,496,418
Other projects income		**44,713**	300,365
Conference surplus		**383,027**	183,669
Total revenue		**36,969,460**	37,192,666
Other income			
Investment distribution		**34,573**	2,723
Bank interest	2a	**274,428**	322,647
Unrealised gain on investment portfolio		**35,223**	–
Other income		**598,738**	588,238
Total other income		**942,962**	913,608
Total revenue and other income		**37,912,422**	38,106,274

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

	2017 $	2016 $
Asset utilisation costs		
Depreciation of property, plant and equipment	**490,832**	506,480
Amortisation of website costs	**382,414**	293,527
Loss on sale of asset	**1,158**	–
Finance costs		
Finance costs	**123,213**	103,819

Note 4 | Cash and cash equivalents

	2017 $	2016 $
Cash on hand	**300**	300
Cash at bank	**990,522**	565,831
Short-term bank deposits	**15,579,851**	13,619,856
Total cash and cash equivalents	**16,570,673**	14,185,987

Note 5 | Trade and other receivables

	Note	**2017 $**	2016 $
Current			
Trade receivables		**2,403,584**	2,828,471
Provision for impairment	5a	**(1,210)**	(4,536)
Annual conference seed funding		**80,000**	78,602
Total current trade and other receivables		**2,482,374**	2,902,537
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:

	2017 $	2016 $
Balance at beginning of the year	**(4,536)**	(7,078)
Charge for the year	**(2,367)**	(1,052)
Written off	**5,693**	3,594
Balance at end of the year	**(1,210)**	(4,536)

Note 6 | Other assets

	2017 $	2016 $
Prepayments	**346,150**	287,799
Accrued income	**74,125**	109,001
Total other assets	**420,275**	396,800

Note 7 | Financial assets

	2017 $	2016 $
Current		
Held-to-maturity financial assets		
Term deposit	**2,533,034**	9,426,576
Listed investments		
Financial assets at fair value through profit or loss	**1,468,064**	–
Total financial assets	**4,001,098**	9,426,576

Note 8 | Property, plant and equipment

	2017 $	2016 $
Land and buildings		
Freehold land		
At cost	**1,435,741**	1,435,741
Building		
At cost	**8,195,481**	8,117,067
Accumulated depreciation	**(2,241,811)**	(1,854,946)
Total buildings	**5,953,670**	6,262,121
Total land and buildings	**7,389,411**	7,697,862
Plant and equipment		
Equipment		
At cost	**755,137**	743,696
Accumulated depreciation	**(483,512)**	(422,977)
Total equipment	**271,625**	320,719
Computer equipment		
At cost	**302,882**	295,378
Accumulated depreciation	**(249,638)**	(239,440)
Total computer equipment	**53,244**	55,938
Anatomy models		
At cost	**61,927**	59,537
Accumulated depreciation	**(43,106)**	(41,022)
Total anatomy models	**18,821**	18,515
Art works		
At cost	**295,426**	194,286
Accumulated depreciation	**(13,414)**	(9,366)
Total art works	**282,012**	184,920
Total plant and equipment	**625,702**	580,092
Total property, plant and equipment	**8,015,113**	8,277,954

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	7,697,862	320,719	55,938	18,515	184,920	**8,277,954**
Additions	78,414	13,596	33,789	2,390	101,140	**229,329**
Depreciation expense	(386,865)	(62,252)	(35,617)	(2,084)	(4,048)	**(490,866)**
Loss on disposal of fixed asset	–	(438)	(866)	–	–	**(1,304)**
Balance at 30 June 2017	**7,389,411**	**271,625**	**53,244**	**18,821**	**282,012**	**8,015,113**

Note 9 | Intangible assets

	2017 $	2016 $
Website		
Cost	**304,680**	278,951
Accumulated amortisation and impairment	**(247,648)**	(225,391)
Total website	**57,032**	53,560
Exams database		
Cost	**168,720**	168,720
Accumulated amortisation and impairment	**(73,390)**	(39,647)
Total exams database	**95,330**	129,073
Member and training portal		
Cost	**1,870,944**	1,427,236
Accumulated amortisation and impairment	**(712,689)**	(386,275)
Total member and training portal	**1,158,255**	1,040,961
Total intangibles	**1,310,617**	1,223,594

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 $	Exams database $	Member and training portal $	Total $
Balance at the beginning of year	53,560	129,073	1,040,961	**1,223,594**
Additions	25,730	–	443,708	**469,438**
Amortisation expense	(22,258)	(33,744)	(326,413)	**(382,415)**
Balance at 30 June 2017	**57,032**	**95,329**	**1,158,256**	**1,310,617**

Note 10 | Trade and other payables

	2017 $	2016 $
Current		
Trade payables	**987,872**	467,402
Accrued expenses	**324,637**	252,660
GST payable/(receivable)	**100,708**	162,585
Other payables	**71,022**	–
Total trade and other payables	**1,484,239**	882,647

Note 11 | Other liabilities

	Note	2017 $	2016 $
Current			
DOH funding (received in advance)	11a	**4,320,549**	10,577,038
Ministerial taskforce funding (received in advance)		**30,861**	30,861
Driving change funding (received in advance)		**(3,173)**	–
VicHealth funding (received in advance)		**–**	7,407
Subscriptions and levies in advance		**6,201,193**	4,908,399
Total other liabilities		**10,549,430**	15,523,705

11a Government funding

Government Funding has been received for the “Improving Australia's Emergency Department Workforce Project” (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.

	2017 $	To 30 June 2017 $
DOH Project		
DOH funding received	**19,610,953**	118,848,740
DOH expenses	**(25,867,442)**	(114,528,191)
Balance of funding	**(6,256,489)**	4,320,549

Note 12 | Provisions

12a Analysis of total provisions

	2017 $	2016 $
Current		
Provision for employee benefits: annual leave	**516,498**	421,160
Provision for employee benefits: long service leave	**54,503**	63,310
Total current provisions	**571,001**	484,470
Non-current		
Provision for employee benefits: long service leave	**151,370**	99,886
Total provisions	**722,371**	584,356

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.

Note 14 | Capital and leasing commitments

Operating lease commitments

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

	2017 **$**	2016 $
No later than 1 year	**38,136**	38,136
Between 1 year and 5 years	**57,204**	93,094
Total capital and leasing commitments	**95,340**	131,230

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

	2017 **$**	2016 $
Surplus for the year	**621,370**	987,004
Non-cash flows in surplus:		
Depreciation	**490,832**	506,480
Provision for doubtful debt	**(3,325)**	(2,542)
Amortisation of intangibles	**382,414**	293,527
Gain on disposal of non-current asset	**1,339**	–
Unrealised gain on fair value through profit and loss financial assets	**(35,223)**	–
Donation of art work	**(100,000)**	–
Changes in assets and liabilities:		
(Increase)/decrease in trade and other receivables	**458,364**	(777,507)
(Increase)/decrease in other assets	**(58,351)**	(156,888)
Increase/(decrease) in creditors, accruals and GST	**601,592**	(724,392)
Increase/(decrease) in unexpired grants and income in advance	**(4,974,275)**	(2,477,425)
Increase/(decrease) in provisions	**138,015**	250,854
Cashflow outflow from operations	**(2,477,248)**	(2,100,889)

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:

	2017 **$**	2016 $
Key management personnel remuneration	**1,072,917**	912,013

Key management personnel includes the Chief Executive Officer and four divisional Executive Directors. There were a number of staff changes to senior management during this financial year. This figure includes termination payments for three 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 interest rate risk. The College's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, leases, and reciprocal grant funding received.

The College invested in a JB Were investment portfolio during the year which was valued at $1,842,357 as at 30 June 2017. 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:

	2017 $	2016 $
Financial assets		
Cash and cash equivalents	**16,570,673**	14,185,221
Trade and other receivables	**2,484,374**	2,904,537
Held-to-maturity investments	**2,533,034**	9,426,576
Listed investments	**1,468,064**	–
Total financial assets	**23,056,145**	26,516,334
Financial liabilities		
Financial liabilities at amortised cost:		
Trade and other payables	**1,484,239**	882,647
Total financial liabilities	**1,484,239**	882,647

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 2017 financial year, the College contributed a total of $40,000 (2016: $58,561) towards the cost of administration.

A total of $143,585 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 2017 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.

Anthony Lawler | Director

Dated **9 October 2017**

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 2017, 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 2017 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 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

Dated **9 October 2017**

Blackburn VIC

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