Australasian College for Emergency Medicine

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ACEM Financial Report

For the year ended 30 June 2019

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 2019.

Directors

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

Name	Qualification	Board Meetings Eligible to Attend	Board Meetings Attended
Dr Naveed Aziez (Trainee Representative until 18 November 2018)	MBBS	2	2
Dr John Bonning (National Member until 18 November 2018; President-Elect from 18 November 2018)	BHB, MBChB, FACEM	6	6
Dr Simon Chu (Board Member until 18 November 2018)	MBBS, DCH, FACEM, MMEd, AMusA	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	5
Dr Simon Judkins (President-Elect from 20 November 2016; President from 19 November 2017)	MBBS, FACEM	6	6
Professor Anthony Lawler (President from 22 November 2015; Immediate Past President from 19 November 2017 until 18 November 2018)	MBBS, BMedSci, FACEM	2	2
Dr Yusuf Nagree	MBBS, FACEM, GradDip CompSci, MBA	6	5
Dr Didier Palmer	MBBS, FACEM	6	5
Associate Professor Gabriel Lou (Board member from 18 November 2018)	MBBS, FACEM	4	4
Dr Swaroop Valluri (Trainee Representative from 18 November 2018)	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 loss of the College for the year ending 30 June 2019 was $276,438 (2018 surplus $1,008,283).

The College's net assets were $17,294,798 at 30 June 2019 (2018 - $21,054,393).

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 supports 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 a positive financial position in the 2019-2020 financial year. 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 $125,567 was paid to Russell Kennedy for the provision of legal services.

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

Court Proceedings

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

Members Liability

The Company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of $10 each towards meeting any outstanding obligations of the entity. At 30 June 2019, the total amount that members of the company are liable to contribute if the company is wound up is $28,480 (2018: $26,120).

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2019 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 Simon Judkins (Director)

Dated this

22nd *day of* **October** *2019*

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 2019, 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	22 October 2019
Saward Dawson	*Jeffrey Tulk | Partner*	*Dated | Blackburn VIC*

Statement of Income and Expenditure and Other Comprehensive Income

For the year ended 30 June 2019

	Note	**2019 ($)**	2018 ($)
Revenue	2	**40,825,831**	37,620,751
Audit, legal and consultancy expenses		**(739,836)**	(1,050,052)
Committee meeting expenses		**(2,832,307)**	(2,393,093)
Computer expenses		**(377,465)**	(469,760)
Depreciation and amortisation expenses	3	**(1,461,499)**	(1,025,854)
DOH direct project expenses		**(23,887,898)**	(21,057,913)
Employee benefits expenses		**(8,797,883)**	(7,775,483)
Examination expenses		**(597,771)**	(536,577)
Occupancy expenses		**(191,159)**	(256,821)
Office expenses		**(1,109,320)**	(964,303)
Publication expenses		**(659,723)**	(532,271)
Donations		**(617)**	(42,149)
Awards		**(125,531)**	(192,617)
Other expenses		**(321,260)**	(315,575)
Surplus/(deficit) for the year		**(276,438)**	1,008,283
Other comprehensive income for the year		**–**	–
Total comprehensive income for the year		**(276,438)**	1,008,283

The accompanying notes form part of these financial statements.

Statement of Financial Position

As at 30 June 2019

	Note	2019 ($)	2018 ($)
Assets			
Current assets			
Cash and cash equivalents	4	**13,722,275**	13,312,303
Trade and other receivables	5	**3,701,449**	3,206,525
Other assets	6	**363,067**	457,708
Other financial assets	7	**11,966,169**	11,532,845
Total current assets		**29,752,960**	28,509,381
Non-current assets			
Trade and other receivables	5	**2,000**	2,000
Property, plant and equipment	8	**7,398,152**	7,628,522
Intangible assets	9	**1,599,799**	1,732,619
Total non-current assets		**8,999,951**	9,363,141
Total assets		**38,752,911**	37,872,522
Liabilities			
Current liabilities			
Trade and other payables	10	**996,710**	1,022,113
Other liabilities	11	**19,542,250**	14,920,079
Provisions	12	**851,725**	791,367
Total current liabilities		**21,390,685**	16,733,559
Non-current liabilities			
Provisions	12	**67,428**	84,570
Total non-current liabilities		**67,428**	84,570
Total liabilities		**21,458,113**	16,818,129
Net assets		**17,294,798**	21,054,393
Equity			
Accumulated surpluses		**17,294,798**	21,054,393
Total equity		**17,294,798**	21,054,393

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the year ended 30 June 2019

	Retained Earnings ($)	Financial Assets Reserve ($)	**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
Surplus/(deficit) for the year	(276,438)	–	(276,438)
Balance at 30 June 2019	**17,294,798**	**–**	**17,294,798**

	Retained Earnings ($)	Financial Assets Reserve ($)	**Total ($)**
2018			
Balance at 1 July 2017	20,013,602	32,508	20,046,110
Surplus for the year	1,008,283	–	1,008,283
Transfer to/(from) reserve	32,508	(32,508)	–
Balance at 30 June 2018	**21,054,393**	**–**	**21,054,393**

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the year ended 30 June 2019

	Note	2019 ($)	2018 ($)
Cash flows from operating activities			
Receipts from Fellows and trainees		**15,713,151**	13,691,316
Receipts from DOH project funding		**27,548,564**	29,139,715
Receipts from investments		**195,729**	60,708
Payments to suppliers and employees (including DOH project payments)		**(42,628,241)**	(39,166,508)
Interest income		**252,806**	280,078
Other income		**545,992**	1,169,356
Net cash used in operating activities	15	**1,628,001**	5,174,665
Cash flows from investing activities			
Payment for property, plant and equipment		**(210,962)**	(82,135)
Proceeds from sale of property, plant and equipment		**-**	260
Purchase of investments		**(1,271,309)**	(3,304,749)
Proceeds on sale of investments		**290,663**	162,526
Redemption/(placement) of funds on term deposit		**789,715**	(4,253,007)
Payment for intangible assets		**(816,136)**	(955,930)
Net cash provided by/(used by) investing activities		**(1,218,029)**	(8,433,035)
Net increase/(decrease) in cash and cash equivalents held		**409,972**	(3,258,370)
Cash and cash equivalents at beginning of year		**13,312,303**	16,570,673
Cash and cash equivalents at end of financial year	4	**13,722,275**	13,312,303

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the year ended 30 June 2019

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 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.

1c 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.

1d Revenue and other income

The Company has chosen to early adopt AASB 15: Revenue from Contracts with Customers using the cumulative effective method and therefore the comparative information has not been restated and continues to be presented under AASB 118: Revenue and AASB 111: Construction Contracts. The details of accounting policies under AASB 118 and AASB 111 are disclosed separately if they are different from those under AASB 15, and the impact of changes is disclosed below.

In the comparative period

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

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

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

Donations and bequests are recognised as revenue when received.

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

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

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

In the current period

Grant revenue

Non-reciprocal 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.

Generally the recognition of grant revenue is in line with costs incurred. There have been no significant change in the recognition of grant revenue under AASB 15.

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

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.

There have been no significant change in the recognition of this revenue under AASB 15.

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.

The impact of this change in accounting policy on this revenue in the current year is not material.

According to AASB 15, the impact of this change in accounting policy is an adjustment of $3,483,157 from opening retained earnings to unearned revenue and therefore reducing the overall net assets.

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.

1e Goods and service 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.

1f 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%
Plant and 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.

1g 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.

1h Intangibiles

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.

1i Imparement 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

1j 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.

1k 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.

1l 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.

1m Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year. Certain comparative figures have been restated as a result of the changes discussed in Note 1b.

1n 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.

1o Adoption of new and revised accounting standards

Initial application of AASB 9: Financial Instruments

The Company has adopted AASB 9 with a date of initial application of 1 July 2018. As a result, the Company has changed its financial instruments accounting policies as detailed in this note.

The application of AASB 9 has not significantly changed the recognition of Financial Instruments with no retrospective adjustments required.

Early adoption of AASB 15: Revenue from Contracts with Customers and AASB 1058: Income of Not-for-Profit Entities

The Company has chosen to early adopt AASB 15 and 1058 for the financial year beginning 1 July 2018 using the cumulative effective method and therefore the comparative information has not been restated and continues to be presented under AASB 118: Revenue and AASB 111: Construction Contracts. The details of accounting policies under AASB 118 and AASB 111 are disclosed separately if they are different from those under AASB 15, and the impact of changes is disclosed in Note 1b.

1p 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 sets out their assessment of the pronouncements that are relevant to the Company and applicable in future reporting periods.

AASB 16: Leases (applicable to annual reporting periods beginning on or after 1 January 2019)

The Company has chosen not to early-adopt AASB 16. 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 Revenue and other income

	Note	2019 ($)	2018 ($)
Revenue			
Fellowship fees		**4,947,441**	4,841,424
Provision of services		**262,991**	249,942
Exam fees		**3,719,556**	3,623,158
Trainee fees		**4,108,751**	3,968,018
Other subscription fees		**1,039,935**	868,998
CPD fees (non-fellows)		**7,146**	48,753
DOH project income		**24,783,416**	22,588,610
Other projects income		**17,329**	18,838
Conference surplus		**506,845**	461,575
Total revenue		**39,393,411**	36,669,316
Other income			
Investment distribution		**195,729**	135,492
Bank	2a	**252,806**	265,719
Unrealised gain on investment portfolio		**242,494**	136,517
Other income		**741,391**	413,707
Total other income		**1,432,420**	951,435
Total revenue and other income		**40,825,831**	37,620,751

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

	2019 ($)	2018 ($)
Asset utilisation costs		
Depreciation - other property, plant and equipment	**512,301**	491,926
Amortisation of intangibles	**949,198**	533,928
Loss on sale of asset	**879**	741
Finance costs		
Finance costs	**157,991**	151,996

Note 4 Cash and cash equivalents

	2019 ($)	2018 ($)
Cash on hand	**300**	372
Cash at bank	**699,887**	779,832
Short-term bank deposits	**13,022,088**	12,532,099
Total cash and cash equivalents	**13,722,275**	13,312,303

Note 5 Trade and other receivables

	Note	2019 ($)	2018 ($)
Current			
Trade receivables		**3,639,004**	3,142,580
Provision for impairment	5a	**–**	–
		3,639,004	3,142,580
Annual conference seed funding		**62,445**	63,945
Total current trade and other receivables		**3,701,449**	3,206,525
Non-current			
Other receivables		**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:

	2019 ($)	2018 ($)
Balance at beginning of the year	**–**	(1,210)
Charge for the year	**(3,555)**	(6,123)
Written off	**3,555**	7,333
Balance at end of the year	**–**	–

Note 6 Other assets

	2019 ($)	2018 ($)
Prepayments	**132,706**	323,158
Accrued income	**230,361**	134,550
Total other assets	**363,067**	457,708

Note 7 Financial assets

	2019 ($)	2018 ($)
Current		
Term deposit	**5,996,327**	6,786,042
Financial assets at fair value through profit or loss	**5,969,842**	4,746,803
Total financial assets	**11,966,169**	11,532,845

Note 8 Property, plant and equipment

	2019 ($)	2018 ($)
Land and buildings		
Freehold land		
At cost	**1,435,741**	1,435,741
Building		
At cost	**8,228,883**	8,195,481
Accumulated depreciation	**(3,017,054)**	(2,629,509)
Total buildings	**5,211,830**	5,565,972
Total land and buildings	**6,647,571**	7,001,713
Plant and equipment		
Plant and Equipment	**814,928**	766,381
Accumulated depreciation	**(588,097)**	(536,612)
Total plant and equipment	**226,832**	229,769
Computer equipment		
At cost	**495,217**	371,025
Accumulated depreciation	**(352,209)**	(292,778)
Total computer equipment	**143,008**	78,247
Anatomy models		
At cost	**61,927**	61,928
Accumulated depreciation	**(46,682)**	(44,988)
Total anatomy models	**15,245**	16,940
Art works		
At cost	**392,955**	320,865
Accumulated depreciation	**(27,459)**	(19,012)
Total art works	**365,496**	301,853
Total plant and equipment	**750,581**	626,809
Total property, plant and equipment	**7,398,152**	7,628,522

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	7,001,713	229,770	78,247	16,939	301,853	**7,628,522**
Additions	33,402	48,546	127,891	–	196,380	**406,219**
Depreciation expense	(387,545)	(51,485)	(63,130)	(1,694)	(8,447)	**(512,301)**
Revauation	–	–	–	–	(124,290)	**(124,290)**
Balance at 30 June 2019	**6,647,571**	**226,832**	**143,008**	**15,245**	**365,496**	**7,398,152**

Note 9 Intangible assets

	2019 ($)	2018 ($)
Website		
Cost	**404,371**	404,371
Accumulated amortisation and impairment	**(322,175)**	(286,422)
Total website	**82,195**	117,949
Database		
Cost	**681,495**	168,720
Accumulated amortisation and impairment	**(228,932)**	(107,134)
Total database	**452,563**	61,586
Trainee recruitment management system		
Cost	**200,237**	136,246
Accumulated amortisation and impairment	**(70,321)**	(10,050)
Total trainee recruitment management system	**129,916**	126,196
Portal enhancements		
Cost	**167,612**	–
Accumulated amortisation and impairment	**(23,710)**	–
Total portal enhancements	**143,902**	–
Member and Training Portal		
Cost	**2,340,937**	2,340,937
Accumulated amortisation and impairment	**(1,789,987)**	(1,128,878)
Total member and training portal	**550,950**	1,212,059
EMC EMD modules		
Cost	**322,000**	250,000
Accumulated amortisation and impairment	**(81,727)**	(35,171)
Total EMC EMD modules	**240,273**	214,829
Total intangibles	**1,599,799**	1,732,619

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 ($)**
Intangible assets, net	117,949	61,586	126,196	–	1,212,059	214,829	**1,732,619**
Additions	–	512,775	63,992	167,613	–	72,000	**816,380**
Amortisation expense	(35,753)	(121,797)	(60,272)	(23,711)	(661,109)	(46,556)	**(949,198)**
Balance at 30 June 2019	**82,195**	**452,563**	**129,916**	**143,902**	**550,950**	**240,273**	**1,599,799**

Note 10 Trade and other payables

	2019 ($)	2018 ($)
Current		
Trade payables	**721,842**	370,521
Accrued expenses	**94,277**	344,529
GST payable/(receivable)	**180,590**	228,283
Other payables	**-**	78,780
Total trade and other payables	**996,710**	1,022,113

Note 11 Other liabilities

	Note	2019 ($)	2018 ($)
Current			
DOH funding (received in advance)	11a	**8,446,350**	8,235,484
Ministerial taskforce funding (received in advance)		**61,825**	30,861
Driving change funding (received in advance)		**45,819**	(13,491)
Subscriptions and levies in advance		**7,386,879**	6,667,225
Application fees and entrance registration fees in advance	1d	**3,601,377**	-
Total other liabilities		**19,542,250**	14,920,079

11a Government funding

Specialist Training Program: Health Workforce Program 2018–2021

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

	2019 ($)	2018 ($)
Opening balance	**8,235,484**	4,690,370
DOH funding received	**24,997,453**	14,126,886
DOH expenses	**(24,786,587)**	(10,581,772)
Balance of funding	**8,446,350**	8,235,484

Note 12 Provisions

	2019 ($)	2018 ($)
12a Analysis of total provisions		
Current		
Provision for employee benefits: annual leave	**749,049**	674,889
Provision for employee benefits: long service leave	**102,676**	116,478
Total current provisions	**851,725**	791,367
Non-current		
Provision for employee benefits: long service leave	**67,428**	84,570
Total provisions	**919,153**	875,937

12b Provision for long-term employee benefits

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

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

The non-current portion of this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits have been included in Note 1.

Note 13 Reserves

Specific reserve

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

Note 14 Capital and leasing commitments

Operating lease commitments

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

	2019 ($)	2018 ($)
No later than 1 year	80,871	38,136
Between 1 year and 5 years	48,662	19,068
Total capital and leasing commitments	129,533	57,204

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

	2019 ($)	2018 ($)
Profit for the year	(276,438)	1,008,28
Non-cash flows in surplus		
Depreciation	512,301	491,926
Provision for doubtful debt	-	(1,210)
Amortisation of intangibles	949,198	533,928
Loss on disposal of non-current asset	879	741
Unrealised gain on fair value through profit and loss financial assets	(242,393)	(136,517)
Donation of art works	(196,380)	(24,200)
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables	(494,924)	(783,365)
(Increase)/decrease in valuation of art works	124,290	-
(Increase)/decrease in other assets	94,641	22,991
Increase/(decrease) in creditors, accruals and GST	(25,403)	(462,126)
Increase/(decrease) in unexpired grants and income in advance	1,139,014	4,370,648
Increase/(decrease) in provisions	43,216	153,566
Cashflow outflow from operations	1,628,001	5,174,665

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:

	2019 ($)	2018 ($)
Key management personnel remuneration	**1,196,907**	1,082,700

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

Note 17 Financial risk management

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

The 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

	2019 ($)	2018 ($)
Financial assets		
Cash and cash equivalents	**13,722,275**	13,312,303
Trade and other receivables	**3,703,449**	3,208,525
Financial Assets	**11,966,169**	11,532,845
Total financial assets	**29,391,893**	28,053,673
Financial liabilities		
Financial liabilities at amortised cost:		
Trade and other payables	**996,710**	1,022,113
Total financial liabilities	**996,710**	1,022,113

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 2019 financial year, the College contributed a total of $0 (2018: $40,000) towards the cost of administration.

A total of $125,568 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 28, 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 2019 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.

	22 October 2019
Simon Judkins | 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 2019, 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 2019 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

22 October 2019

Dated | Blackburn VIC

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