QUEENSLAND EMERGENCY MEDICINE RESEARCH FOUNDATION

ABN 37 814 620 674

Financial Statements for the year ended

30 June 2014

Queensland Emergency Medicine Research Foundation

ABN 37 814 620 674

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Queensland Emergency Medicine Research Foundation

ABN 37 814 620 674

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

FOR YEAR ENDED 30 JUNE 2014

	Note	2014	2013
REVENUE		**$**	**$**
Revenue	2	2,512,527	2,503,051
LESS EXPENSES			
Consulting fees		221,286	324,871
Depreciation	3	8,653	3,379
Electricity		5,925	5,097
Employee expense	3	742,342	235,184
Honorariums		12,870	9,000
Insurance		15,918	12,896
Legal fees		21,732	15,805
Maintenance and Minor Assets		38,838	8,602
Printing and Stationery		20,321	16,037
Research grant expense		1,305,344	1,182,812
Rent	3	121,889	79,666
Telephone, Internet and Website		16,873	28,639
Travel and Accommodation		21,056	12,192
Other expenses		56,441	48,391
TOTAL EXPENSES		**2,609,488**	**1,982,571**
SURPLUS(DEFICIT) BEFORE INCOME TAX		**(96,961)**	**520,480**
Income tax expense	1a	-	-
SURPLUS FOR THE YEAR AFTER INCOME TAX		**(96,961)**	**520,480**
Other comprehensive income for the year		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**(96,961)**	**520,480**
Surplus attributable to the Members of the Foundation		**(96,961)**	**520,480**
Total Comprehensive Income Attributable to the Members of the Foundation		**(96,961)**	**520,480**

The accompanying notes form part of these financial statements.

Queensland Emergency Medicine Research Foundation

ABN 37 814 620 674

STATEMENT OF FINANCIAL POSITION
FOR YEAR ENDED 30 JUNE 2014

	Note	2014	2013
		$	$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	10,640,126	1,358,066
Trade and other receivables	5	89,444	181,063
Other assets	6	18,557	14,835
Financial assets	7	790,901	10,290,901
TOTAL CURRENT ASSETS		**11,539,028**	**11,844,865**
NON-CURRENT ASSETS			
Trade and other receivables	5	355,621	-
Property, plant and equipment	8	37,712	3,924
TOTAL NON-CURRENT ASSETS		**393,333**	**3,924**
TOTAL ASSETS		**11,932,361**	**11,848,789**
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	430,873	254,067
TOTAL CURRENT LIABILITIES		**430,873**	**254,067**
NON CURRENT LIABILITIES			
Provision	10	3,727	-
TOTAL NON CURRENT LIABILITIES		**3,727**	**-**
TOTAL LIABILITIES		**434,600**	**254,067**
NET ASSETS		**11,497,761**	**11,594,722**
EQUITY			
Settlement sum		10	10
Retained surplus	18	11,497,751	11,594,712
TOTAL EQUITY		**11,497,761**	**11,594,722**

The accompanying notes form part of these financial statements.

Queensland Emergency Medicine Research Foundation

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STATEMENT OF CHANGES IN EQUITY
FOR YEAR ENDED 30 JUNE 2014

	Retained Surplus	Settlement Sum	Total
	$	$	$
Balance at 30 June 2012	**11,074,232**	**10**	**11,074,242**
Surplus attributable to the members of the Foundation for the year	520,480	-	520,480
Other comprehensive income for the year	-	-	-
Balance at 30 June 2013	**11,594,712**	**10**	**11,594,722**
Surplus(Deficit) attributable to the members of the Foundation for the year	(96,961)	-	(96,961)
Other comprehensive income for the year	-	-	-
Balance at 30 June 2014	**11,497,751**	**10**	**11,497,761**

The accompanying notes form part of these financial statements.

Queensland Emergency Medicine Research Foundation

ABN 37 814 620 674

STATEMENT OF CASH FLOWS
FOR YEAR ENDED 30 JUNE 2014

	Note	2014	2013
		$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from research grants		2,200,000	2,200,000
Receipt from customers		123,834	8,000
Payments to suppliers and employees		(2,711,209)	(2,151,787)
Interest received		567,497	531,505
Net cash provided by operating activities	**14a**	**180,122**	**587,718**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		(42,441)	(1,742)
Proceeds from disposal of investments		9,500,000	-
Payments for loans issued		(355,621)	-
Purchase of investments		-	(250,000)
Net cash used in investing activities		**9,101,938**	**(251,742)**
Net increase/ (decrease) in cash held		9,282,060	335,976
Cash at beginning of financial period		1,358,066	1,022,090
Cash at end of financial period	**4**	**10,640,126**	**1,358,066**

The accompanying notes form part of these financial statements.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements cover the economic entity Queensland Emergency Medicine Research Foundation (QEMRF) as an individual entity. QEMRF is a trust, established by deed dated 23 October 2007, and is domiciled in Australia.

The financial statements were authorised for issue on 16 September 2014 by the directors of the trustee company.

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). The trust is a not for-profit entity for financial 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 to which they apply. Material accounting policies adopted in the preparation of these financial statements are presented below. They have been consistently applied unless otherwise stated.

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

a. Income Tax

No provision for income tax has been raised as the Foundation operates solely as a non-profit public charitable foundation and accordingly is exempt from income tax under Section 50-5 of the Income Tax Assessment Act 1997.

b. Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership are classified as finance leases.

Finance leases are capitalised by recognising an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives.

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

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

c. Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the Foundation becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Foundation commits itself to either purchase or sell the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions 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

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

c. Financial Instruments (continued)

Classification and Subsequent Measurement (Cont.)

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition, less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method.*.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

(i) *Financial assets at fair value through profit or loss*

Financial assets are classified at fair value through profit of loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or 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 fair value (ie gains or losses) being recognised in profit or loss.

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains and losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) *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 Foundation's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains and losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iv) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with changes in such fair value (ie gains or losses) recognised in other comprehensive income (except for impairment losses and foreign exchange gains and losses). When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale assets are classified as non-current assets when they are expected to be sold after 12 months for the end of the reporting period. All other available-for-sale assets are classified as current assets.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

c. Financial Instruments (Cont.)

Classification and Subsequent Measurement (Cont.)

(v) *Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Impairment

At each reporting date, the Foundation assesses whether there is objective evidence that a financial instrument 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 in the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in profit or loss. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the Foundation no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability, which is extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

d. Impairment of Assets

At the end of each reporting period, the Foundation assesses whether there is any indication that an asset may be impaired. The assessment will include considering external and internal sources of information. 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 (eg in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that Standard.

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

e. Employee Benefits

Provision is made for the Foundation's liability for employee benefits arising from services rendered by employees to the end of the reporting period. 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 any vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

f. Provisions

Provisions are recognised when the Foundation has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

g. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

h. Revenue and Other Income

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

If conditions are attached to the grant which must be satisfied before it 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 Foundation 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.

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

All revenue is stated net of the amount of goods and services tax (GST)

i. Trade & Other Receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method, less any impairment losses. Refer to Note 1d for further discussion on the determination and treatment of impairment losses.

j. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

k. Comparative Figures

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

l. Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair values as indicated, less, where applicable, accumulated depreciation and impairment losses.

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Plant and equipment that have been contributed at no cost, or for nominal cost are valued and recognised at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets are depreciated on a straight line basis over the asset's useful life to the Foundation commencing from the time the asset is held ready for use. Leasehold improvements are depreciated at the lesser of the useful life or lease term, in this case the lease term.

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

Class of Fixed Asset	Depreciation Rate
Office furniture	10 -33%
Computer Equipment	33%
Leasehold improvement	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

An asset classes carrying amount is written down immediately to its recoverable amount if the asset classes 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 comprehensive income.

m. Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Foundation during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

n. Critical Accounting Estimates and Judgments

The Directors of the trustee company evaluate estimates and judgments 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 Foundation.

Key estimates — Impairment

The Foundation assesses impairment at each reporting date by evaluating conditions specific to the Foundation that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

n. Critical Accounting Estimates and Judgments (Cont)

Key judgments — Provision for impairment of receivables

At balance date the Directors of the trustee company assess receivables for impairment and make judgements in respect of the recoverability of such amounts

There were no impaired receivables at 30 June 2014.

o. Economic Dependence

The Foundation is dependent on the Department of Health for the majority of its revenue used to operate the business. At the date of this report Directors of the trustee company have no reason to believe the Department will not continue to support the Foundation.

NOTE 2: REVENUE

	Note	2014	2013
Operating Revenue		**$**	**$**
Research grants		2,000,000	2,000,000
Interest received from financial assets		393,068	495,451
Interest received from related party		6,540	-
Consulting Services		103,537	-
Donations		4,382	2,600
Rent Received		-	5,000
Sponsorship		5,000	-
		2,512,527	**2,503,051**

NOTE 3: SURPLUS/(DEFICIT) FOR THE YEAR

a. Expenses

Depreciation:		
—Property, Plant and Equipment	8,653	3,379
Auditors' remuneration:		
—auditing or reviewing the financial statements	4,000	4,000
—accounting services provided by related practice of auditor	2,500	2,250
	6,500	6,250
Rental expense on operating leases – minimum lease payments	121,889	79,666

b. Significant Revenue and Expense

The following significant revenue and expense items are relevant in explaining the financial performance:

Employee expense	742,342	235,184

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

NOTE 3: SURPLUS/(DEFICIT) FOR THE YEAR

b. Significant Revenue and Expenses (Cont)

Included in employee expense for 2014 are the salary , wage and superannuation costs as well as recruitment costs for all staff employed to work within the Foundation in a corporate capacity or in fulfilling a program delivery function. The cost of employees working in the trustee company in corporate, marketing, public relations and fundraising capacities are also included. Some of the costs associated with their employment have been recharged to the trustee company and appear as income in the Statement of Profit and Loss and Other Comprehensive Income.

NOTE 4: CASH AND CASH EQUIVALENTS

	Note	2014	2013
		$	$
Cash at bank		132,345	51,764
Short-term bank deposits – at call		10,507,781	1,306,302
	17	**10,640,126**	**1,358,066**

The effective interest rate on short-term bank deposits – at call was 3.8% (2013: 4.6%).

Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

Cash at bank		132,345	51,764
Short-term bank deposits – at call		10,507,781	1,306,302
		10,640,126	**1,358,066**

NOTE 5: TRADE AND OTHER RECEIVABLES

CURRENT			
Grants receivable		76,270	-
Accrued Interest		13,174	181,063
	5b	**89,444**	**181,063**
NON CURRENT			
Loan receivable – Related party	16b	355,621	-
	5b	**355,621**	-

a. Provision for Impairment of Receivables

Current receivables are generally on 30-day terms. These receivables are assessed for recoverability and a provision for impairment is recognised when there is objective evidence that an individual trade receivable is impaired.

b. Financial assets classified as loans and receivable

Trade and other receivable			
- Total current		89,444	181,063
- Total non current		355,621	-
Total financial assets classified as loans and receivables	17	**445,065**	**181,063**

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

NOTE 6: OTHER ASSETS

	Note	2014	2013
		$	$
CURRENT			
Prepayments		18,557	14,835
		18,557	**14,835**

NOTE 7: FINANCIAL ASSETS

	Note	2014	2013
CURRENT			
Held to maturity financial assets	7a	790,901	10,290,901
		790,901	**10,290,901**

a. **Held to maturity investments comprise:**

	Note	2014	2013
- Fixed interest deposits with financial institutions	17	**790,901**	**10,290,901**

NOTE 8: PROPERTY, PLANT AND EQUIPMENT

	2014	2013
Office Furniture and Fittings at cost	7,108	1,236
Less accumulated depreciation	(1,650)	(714)
	5,458	**522**
Computer equipment at cost	44,101	23,148
Less accumulated depreciation	(27,188)	(19,746)
	16,913	**3,402**
Leasehold improvements at cost	15,616	-
Less accumulated amortisation	(275)	-
	15,341	-
Total property, plant and equipment	**37,712**	**3,924**

Queensland Emergency Medicine Research Foundation

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Note 8: PROPERTY, PLANT AND EQUIPMENT (CONT)

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.

	Leasehold Improvements	Office Furniture and Fittings	Computer Equipment	Total
	$	$	$	$
Carrying amount at 30 June 2012	**-**	**863**	**4,698**	**5,561**
Additions at cost	-	-	1,742	1,742
Disposals	-	-	-	-
Depreciation expense	-	(341)	(3,038)	(3,379)
Carrying amount at 30 June 2013	**-**	**522**	**3,402**	**3,924**
Additions at cost	15,616	5,872	20,953	42,441
Disposals	-	-	-	-
Depreciation expense	(275)	(936)	(7,442)	(8,653)
Carrying amount at 30 June 2014	**15,341**	**5,458**	**16,913**	**37,712**

NOTE 9: TRADE AND OTHER PAYABLES

	Note	2014	2013
		$	$
CURRENT			
Trade payable		47,580	5,888
Other payables		22,730	17,311
GST payable		208,300	179,504
Grants payable		128,398	41,270
Annual leave accrual		23,865	10,094
	9a	**430,873**	**254,067**

a. **Financial liabilities at amortised cost classified as trade and other payables**

	Note	2014	2013
Trade and other payables			
— Total current		430,873	254,067
— Total non-current		-	-
		430,873	254,067
Less annual leave entitlements		(23,865)	(10,094)
Financial liabilities as trade and other payables	17	**407,008**	**243,973**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

NOTE 10: PROVISION

	Note	2014	2013
NON CURRENT		$	$
Long Service Leave		3,727	-
		3,727	-

NOTE 11: CONTINGENT LIABILITIES

The Foundation has provided a Bank Guarantee for the amount of $40,901 (2013: $40,901) as security for lease of office premises. The Bank Guarantee is backed by a term deposit held for that amount with the Bank of Queensland.

There were no other contingent liabilities at 30 June 2014.

NOTE 12: EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

There were no post balance date events affecting the financial statements of the Foundation.

NOTE 13: LEASING AND OTHER COMMITMENTS

a. **Operating Lease Commitments**

Cancellable operating leases contracted for but not capitalised in the financial statements		
Payable — minimum lease payments		
— not later than 12 months	85,048	82,714
— later than 12 months but not later than 5 years	73,379	157,657
Minimum lease payments	**158,427**	**240,371**

The operating lease commitment consists of a property lease and equipment rental agreements which are non-cancellable operating leases contracted for but not capitalised in the financial statements with a 5 year terms and an option to renew for another 3 years at the end of the term.

b. **Grant Commitments**

The Foundation has entered into contracts with various hospitals and research institutions for the provision of grant funding.

The amounts payable under the grant agreement are recognised as a commitment, rather than a liability, as the Foundation does not have a present obligation to settle the commitment until the grant recipients have provided to the Foundation the pre-determined deliverables or completed the pre-determined milestones and the Foundation is satisfied with the deliverables and milestones.

When the deliverables and milestones have been satisfactorily achieved the Foundation will recognise a liability for the grant payable.

It is the Foundation's policy to ensure that sufficient funds are maintained within its cash reserves to fund the balance of the grant commitments.

The Foundations expectations of the timing of the payment of the remaining grant commitments is as follows:

Grants Payable		
— not later than 12 months	2,865,433	1,733,641
— later than 12 months but not later than 5 years	2,129,342	695,266
— greater than 5 years	-	-
	4,994,775	**2,428,907**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

NOTE 14: CASH FLOW INFORMATION

	2014	2013
	$	$
a. Reconciliation of Cash Flow from Operations with Surplus/(Deficit) After Income Tax		
Net Surplus after income tax	(96,961)	520,480
Non-cash flows in surplus		
Depreciation	8,653	3,379
Changes in assets and liabilities:		
Decrease/(Increase) in trade and other receivables	91,619	36,054
Decrease/(Increase) other assets	(3,722)	(1,272)
Increase/(decrease) in trade and other payables	176,806	29,077
Increase/(decrease) in provision	3,727	-
Net cash provided by operating activities	**180,122**	**587,718**

b. Credit Facilities

There were no credit facilities in place at balance date

c. Non cash financing and investing Activities

There were no non cash financing and investing activities during the year

NOTE 15: KEY MANAGEMENT PERSONNEL COMPENSATION

Key management personnel are the directors and other officers that have the authority and responsibility for planning, directing and controlling the activities of the Foundation. The totals of remuneration paid to the key management personnel of the Foundation during the year are as follows.

	Short-term Benefits	Post-employment Benefits	Other Long-term Benefits	Total
2014	$	$	$	$
Total compensation	246,443	22,262	-	**268,705**
2013				
Total compensation	220,874	5,735	-	**226,609**

NOTE 16: RELATED PARTY TRANSACTIONS

Emergency Medicine Foundation Ltd (formerly Queensland Emergency Medicine Research Foundation Ltd) acts as the trustee of QEMRF.

The Directors of the trustee company in office during the financial year were:

Dr David Rosengren
Dr Michael Sinnott (Retired 12/11/13)
Dr Stephen Priestley (Retired 12/11/13)
Mr Jason Currie (Retired 12/5/14)
Ms Jane Schmitt
Dr David Taylor
Prof Anthony Brown
Mr Cameron Smith
Ms Susanne Le Boutillier (Appointed 4/6/14)
Dr Sally McCarthy (Appointed 12/11/13)
Ms Karen Murphy (Retired 1/7/13)

a) During the year the Foundation awarded grants to various Administering Institutions for research. Directors of the trustee company in conjunction with their Administering Institution are eligible to receive these research grants. The directors of the trustee company are not involved in the process of reviewing grant applications. Grants awarded are paid directly to the director's Administering Institution. The Administering Institution is responsible for reporting the progress of the research grant, back to the Foundation. None of the Directors have a financial interest in their Administering Institution. During the year Dr Michael Sinnott in conjunction with his Administering Institution were awarded grants to the value of $90,000 (2013: $38,000). Dr David Rosengren acting as Associate Investigator and his Administering Institution were awarded a grant to the value of $96,000 (2013: $0).

b) Loan to Emergency Medicine Foundation Ltd (trustee company) – a credit facility of $500,000 has been provided to the trustee company by the Foundation to fund the expansion of its operations. A formal agreement has been established and interest is charged on this facility. As at 30 June 2014 $355,621 was utilised, with $144,379 remaining unutilised.

c) Rent paid to Emergency Medicine Foundation Ltd - $37,022 – paid to the trustee company in relation to premises at 2/15 Lang Parade Milton leased by the trustee company and representing an apportionment of rent attributable to work conducted by QEMRF.

   Consulting and Contractor fees - $103,537 – received from the trustee company representing the recharge of costs associated with employment of personnel utilised for services provided to the company.

NOTE 17: FINANCIAL RISK MANAGEMENT

The Foundation's financial instruments consist mainly of deposits with banks and accounts receivable and payable.

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:

	Note	2014	2013
Financial assets		$	$
Cash and cash equivalents	4	10,640,126	1,358,066
Trade and other receivables	5	445,065	181,063
Held to maturity investments – Deposits with financial institutions	7a	790,901	10,290,901
		11,876,092	**11,830,030**
Financial liabilities			
Trade and other payables (Excluding employee benefits)	9a	407,008	243,973
		407,008	**243,973**

NOTE 17: FINANCIAL RISK MANAGEMENT (CONT)

The Directors' overall risk management strategy seeks to assist the Foundation in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies are assessed, approved and reviewed by the Finance, Risk and Audit Committee which makes recommendation to the Board of Directors of the trustee company on a regular basis. These include the credit risk policies and future cash flow requirements.

NOTE 18: CAPITAL MANAGEMENT AND CORPUS

Management controls the capital of the Foundation in order to maintain a good debt to equity ratio and ensure that the Foundation can fund its operations and continue as a going concern.

The Foundation has established a policy to ensure that at all times it maintains a corpus of approximately $5,800,000 after it has settled all of its liabilities and unpaid grant commitments. In the event that grant funding is not made available from Queensland Health in future years, this corpus will then be made available to fund the operations of the Foundation for an additional two years.

The table below demonstrates the corpus available at the end of the financial year.

	Note	2014	2013
		$	$
Assets available			
Cash and cash equivalents	4	10,640,126	1,358,066
Trade receivables	5	445,065	181,063
Held to maturity investments – Deposits with financial institutions	7a	790,901	10,290,901
		11,876,092	**11,830,030**
Liabilities and commitments			
Trade and other payables	9	430,873	254,067
Operating lease commitments	13	158,427	240,371
Unpaid grant commitments	13	4,994,775	2,428,907
		5,584,075	**2,923,345**
CORPUS AVAILABLE		**6,292,017**	**8,906,685**

NOTE 19: FOUNDATION DETAILS

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

2/15 Lang Parade,

Milton Qld 4064

Queensland Emergency Medicine Research Foundation

ABN 37 814 620 674

DECLARATION BY DIRECTORS OF THE TRUSTEE COMPANY

The Directors of the trustee company declare that:

1. The financial statements and notes, as set out on pages 3 to 19 present fairly the Foundation's financial position as at 30 June 2014 and its performance for the year ended on that date in accordance with Australian Accounting Standards – Reduced Disclosure Requirements; and

2. In the Directors' opinion there are reasonable grounds to believe that the Foundation 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 Directors of the trustee company.

Dr David Rosengren

Chair

Dated this 16th day of September 2014

Queensland Emergency Medicine Research Foundation

ABN 37 814 620 674

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF QUEENSLAND EMERGENCY MEDICINE RESEARCH FOUNDATION

Report on the financial statements

We have audited the accompanying financial statements of Queensland Emergency Medicine Research Foundation (the Foundation), which comprises the statement of financial position as at 30 June 2014 and the statement of comprehensive income, statement of changes in equity, statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the Directors of the Trustee Company's (the trustee's) declaration.

Trustee's responsibility for the financial statements

The trustee of the Foundation is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the trust deed and for such internal control as the directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the trustee, as well as evaluating the overall presentation of the financial statements.

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

Independence

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

Auditor's Opinion

In our opinion the financial statements present fairly, in all material respects, the financial position of Queensland Emergency Medicine Research Foundation as of 30 June 2014, and its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the trust deed.

Priestleys

PRIESTLEYS

Chartered Accountants

Liability limited by a scheme approved under Professional Standards Legislation

B G HILEY

Partner

Signed at Brisbane this 22nd day of September 2014