EMERGENCY MEDICINE FOUNDATION LTD
ACN 128 057 170

Financial Statements for the year ended

30 June 2020

CONTENTS

Emergency Medicine Foundation Ltd
ACN 128 057 170

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020	2019
REVENUE		**$**	**$**
Revenue	**2**	2,164,481	2,213,008
LESS EXPENSES			
Corporate	**3**	581,276	536,546
Grants Infrastructure	**4**	237,146	538,162
Marketing, Public Relations and Business Development	**5**	95,672	102,095
Research and Grants	**6**	688,478	1,014,114
TOTAL EXPENSES		**1,602,572**	**2,190,917**
SURPLUS(DEFICIT) BEFORE INCOME TAX		**561,909**	**22,091**
Income tax expense	**1a**	-	-
SURPLUS(DEFICIT) FOR THE YEAR AFTER INCOME TAX		**561,909**	**22,091**
Other comprehensive income for the year		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**561,909**	**22,091**
Surplus(deficit) attributable to the members of the company		**561,909**	**22,091**
Total Comprehensive Income attributable to the members of the company		**561,909**	**22,091**

The accompanying notes form part of these financial statements.

Emergency Medicine Foundation Ltd

ACN 128 057 170

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2020

	Note	2020	2019
		$	$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	**7**	7,093,846	6,537,260
Trade and other receivables	**8**	14,752	31,118
Other assets	**9**	14,719	9,834
TOTAL CURRENT ASSETS		**7,123,317**	**6,578,212**
NON-CURRENT ASSETS			
Property, Plant & Equipment	**10**	124,430	13,029
TOTAL NON-CURRENT ASSETS		**124,430**	**13,029**
TOTAL ASSETS		**7,247,747**	**6,591,241**
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	**11**	69,008	92,050
Lease liability – office space		48,755	-
TOTAL CURRENT LIABILITIES		**117,763**	**92,050**
NON CURRENT LIABILITIES			
Provisions	**12**	17,662	14,560
Lease liability – office space		65,782	-
TOTAL NON CURRENT LIABILITIES		**83,444**	**14,560**
TOTAL LIABILITIES		**201,207**	**106,610**
NET ASSETS		**7,046,540**	**6,484,631**
EQUITY			
Retained surplus (deficit)		7,046,540	6,484,631
TOTAL EQUITY		**7,046,540**	**6,484,631**

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020

	Retained Surplus	Total
	$	$
Balance at 30 June 2018	**6,462,540**	**6,462,540**
Surplus/(Deficit) attributable to the company for the year	22,091	22,091
Other comprehensive income for the year	-	-
Balance at 30 June 2019	**6,484,631**	**6,484,631**
Surplus/(Deficit) attributable to the company for the year	561,909	561,909
Other comprehensive income for the year	-	-
Balance at 30 June 2020	**7,046,540**	**7,046,540**

The accompanying notes form part of these financial statements.

Emergency Medicine Foundation Ltd
ACN 128 057 170

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020	2019
		$	**$**
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipt from customers		2,057,143	2,257,658
Interest received		129,849	187,506
Payments to suppliers and employees		(1,573,279)	(2,404,910)
Lease repayments – Interest component		(3,770)	-
Net cash provided by operating activities	**16a**	**609,943**	**40,254**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of PPE		(7,590)	(16,104)
Net cash used in investing activities		**(7,590)**	**(16,104)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease repayments		(45,767)	-
Net cash used in financing activities		**(45,767)**	**-**
Net increase/ (decrease) in cash held		556,586	24,150
Cash at beginning of financial period		6,537,260	6,513,110
Cash at end of financial period	**7**	**7,093,846**	**6,537,260**

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements cover the economic entity Emergency Medicine Foundation Ltd (EMF) as an individual entity. EMF Ltd is a company limited by guarantee and is domiciled in Australia.

The financial statements were authorised for issue on 16th September 2020 by the directors of the company.

Basis of Preparation

Emergency Medicine Foundation Ltd applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB1053: Application of Tiers of Australian Accounting Standards.

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) and the *Australian Charities and Not-for-profits Commission Act 2012*. The company 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 company operates solely as a non-profit public charitable entity and accordingly is exempt from income tax under Section 50-5 of the *Income Tax Assessment Act 1997.*

b. Leases

At inception of a contract, the Company assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Company where the Company is a lessee. However, all contracts classified as short-term leases (with a remaining lease term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Company uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- Fixed lease payments less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be paid by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- Lease payments under extension options, if the lessee is reasonably certain to exericse4 the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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

b. Leases (continued)

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date, as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the Company anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

C. Financial Instruments

Initial recognition and measurement

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

Financial instruments (except for trade receivables) 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. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component

Classification and subsequent measurement

Financial liabilities

Financial liabilities are subsequently measured at:

- Amortised cost; or
- Fair value through profit or loss.

A financial liability is measured at fair value through profit or loss if the financial liability is:

- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability, that is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

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

- incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in an effective hedging relationship).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability.

If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantee contracts are initially measured at fair value (and if not designated as at fair value through profit or loss and do not arise from a transfer of a financial asset) and subsequently measured at the higher of:

- the amount of loss allowance determined in accordance to AASB 9.3.25.3; and
- the amount initially recognised less accumulative amount of income recognised in accordance with the revenue recognition policies.

Financial assets

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The Company initially designates a financial instrument as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as an "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance with the documented risk management or investment strategy and information about the groupings is documented appropriately, so the performance of the financial liability that is part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of the financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Equity instruments

At initial recognition, as long as the equity instrument is not held for trading or is not a contingent consideration recognised by an acquirer in a business combination to which AASB 3 applies, the Company made an irrevocable election to measure any subsequent changes in fair value of the equity instruments in other comprehensive income, while the dividend revenue received on underlying equity instruments investments will still be recognised in profit or loss.

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the Company's accounting policy.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

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

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Company no longer controls the asset (ie it has no practical ability to make unilateral decisions to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which the Company elected to classify under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Impairment

The Company recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables;
- contract assets (eg amount due from customers under construction contracts);
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Company uses the following approaches to impairment, as applicable under AASB 9: *Financial Instruments*:

- the general approach;
- the simplified approach;
- the purchased or originated credit impaired approach; and
- low credit risk operational simplification.

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

General approach

Under the general approach, at each reporting period, the Company assessed whether the financial instruments are credit impaired, and:

- if the credit risk of the financial instrument increased significantly since initial recognition, the Company measured the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; and
- if there was no significant increase in credit risk since initial recognition, the Company measured the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

Simplified approach

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

This approach is applicable to:

- trade receivables or contract assets that result from transactions that are within the scope of AASB 15: *Revenue from Contracts with Customers*, and which do not contain a significant financing component; and
- lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables is used taking into consideration various data to get to an expected credit loss (ie diversity of its customer base, appropriate groupings of its historical loss experience, etc).

Recognition of expected credit losses in financial statements

At each reporting date, the Company recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value with changes in fair value recognised in other comprehensive income. The amount in relation to change in credit risk is transferred from other comprehensive income to profit or loss at every reporting period.

d. Impairment of Assets

At the end of each reporting period, the company 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 company 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 Company'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 corporate bonds with terms to maturity that match the expected timing of cash flows.

f. Provisions

Provisions are recognised when the Company 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

Donations are recognised as revenue upon receipt.

Grant revenue is recognised as revenue on receipt, unless sufficiently specific performance obligations exist. In this case, the revenue is recognised when the obligations are satisfied.

Revenue from the sale of goods or delivery of services is recognised upon the transfer of the goods or the provision of the service.

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)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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

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 1C 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.

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. 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.

m. 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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

m. Property, Plant and Equipment (Cont.)

Depreciation

The depreciable amount of all fixed assets 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. Leasehold improvements and Right of Use assets 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 and fittings	10 -33%
Computer Equipment	33%
Leasehold improvement	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise.

n. Critical Accounting Estimates and Judgments

The Directors of the 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 Company.

Key estimates — Impairment

The company assesses impairment at each reporting date by evaluating conditions specific to the company 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.

Key judgments — Provision for impairment of receivables

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

There were no impaired receivables at 30 June 2020.

o. New and Amended Accounting Policies Adopted by the Company

The Company has adopted the following accounting Standards during the year:

- AASB 15 Revenue from Contracts with Customers
- AASB 1058 Income of Not-for-Profit Entities
- AASB 16 Leases

The application of AASB 15 and AASB 1058 has not resulted in any changes to the Company's revenue recognition.

AASB 16 has resulted in changes to how the company recognises leases. Previously, all leases were classified as operating leases and expensed when the lease payments were made. Now, leases are treated, as disclosed in Note 1(b).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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

o. New and Amended Accounting Policies Adopted by the Company (Cont.)

The Company had a lease in existence at the date of transition to AASB 16 (1 July 2019) for the office space. The Company has applied the modified retrospective approach in applying this Standard, which means that an adjustment is made at the date of transition to apply the Standard, and comparative figures have not restated.

The Company has also applied a transition option available within the Standard that allows the lease liability and right-of-use asset to be equal at date of transition. This resulted in a right-of-use asset and a lease liability being recognised at 1 July 2019 of $160,304.

NOTE 2: REVENUE

	Note	2020	2019
Operating Revenue		**$**	**$**
Donations received	2a	-	2,500
Grants received	2b	2,041,966	2,022,500
Interest		122,515	187,188
Sponsorships and ticket sales	2c	-	820
		2,164,481	**2,213,008**

a **Donations received** – amounts donated to the company by individual donors to support emergency medicine research.

b **Grants received** – for investment into emergency medicine research in Queensland and received from Queensland Health in line with the current funding agreement which expired on 30 June 2020. In addition $22,500 received from Wide Bay Hospital and Health Service in 2019 to fund one of the Research Support Network's focuses in that HHS. The Federal Government's COVID-19 stimulus payments amounted to $41,966 during the 2019/20 financial year.

c **Sponsorships and ticket sales** – in 2019 related to a research workshop run to support new and novice researchers in emergency medicine, similar training forums were not able to be run in the 2019/20 financial year.

Emergency Medicine Foundation Ltd

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 3: CORPORATE EXPENSES

	Note	2020	2019
		$	$
Accounting and Audit		6,688	5,518
Bank Fees		12,507	11,444
Interest Charges – Leases		3,770	-
Communication and Information Technology		20,495	38,804
Depreciation		56,493	5,081
Electricity		4,867	6,175
Employee Expense		404,373	288,449
Insurance		16,637	12,029
Legal fees		3,762	9,030
Maintenance and Minor Assets		1,934	12,280
Printing and Stationery		4,038	8,530
Rent and Staff Parking		9,536	102,428
Subscriptions and Memberships		2,448	6,333
Travel and Conference		11,728	6,126
Other Expenses		22,000	24,319
		581,276	**536,546**

NOTE 4: GRANTS INFRASTRUCTURE EXPENSES

Database	18,182	18,182
Educational series	-	795
Employee Expense - Administration	190,082	205,831
Employee Expense – Research Support Network	5,253	193,247
Evaluation	-	120,811
Honorariums	9,158	13,211
Legal Fees	-	1,380
Other Expenses	6,122	10,381
Research Support Network Grant	8,350	(25,676)
	237,147	**538,162**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 5: MARKETING, PUBLIC RELATIONS AND BUSINESS DEVELOPMENT EXPENSES

	Note	2020 $	2019 $
Employee Expense		79,901	82,173
Printing and Stationery		11,385	11,170
Promotion		4,386	8,752
		95,672	**102,095**

NOTE 6: OTHER

a. Auditors' remuneration:

	2020	2019
— auditing or reviewing the financial statements	**6,650**	**6,500**

b. Research and Grants:

	2020	2019
As a result of disruptions caused by the pandemic during the financial year, payments were affected by delays in preparation and receipt of paperwork, including executed contracts and progress reports which trigger each payment event. Outstanding commitments in relation to grants are recognised at note 20, many of them will be made in the 2021 financial year.	**688,478**	**1,014,114**

NOTE 7: CASH AND CASH EQUIVALENTS

	Note	2020	2019
Cash at bank		131,258	174,672
Short-term bank deposits – at call		6,962,588	6,362,588
	19	**7,093,846**	**6,537,260**

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:

	2020	2019
Cash at bank	131,258	174,672
Short-term bank deposits – at call	6,962,588	6,362,588
	7,093,846	**6,537,260**

NOTE 8: TRADE AND OTHER RECEIVABLES

	Note	2020	2019
		$	$
CURRENT			
GST Receivable		9,782	3,637
Trade Debtors		-	15,177
Accrued interest		4,970	12,304
	19	**14,752**	**31,118**

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 for expected lifetime credit losses.

NOTE 9: OTHER ASSETS

	2020	2019
CURRENT		
Prepayments	14,519	9,634
Bond	200	200
	14,719	**9,834**

NOTE 10: PROPERTY, PLANT AND EQUIPMENT

	2020	2019
Office Furniture and Fittings at cost	5,738	5,738
Less accumulated depreciation	(4,400)	(3,489)
	1,338	**2,249**
Computer equipment at cost	26,537	18,947
Less accumulated depreciation	(18,793)	(15,549)
	7,744	**3,398**
Leasehold improvements at cost	18,916	18,916
Less accumulated amortisation	(14,548)	(11,534)
	4,368	**7,382**
Right of Use Assets at cost	160,304	-
Less accumulated depreciation	(49,324)	-
	110,980	**-**
Total property, plant and equipment	**124,430**	**13,029**

NOTE 10: 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

	Right of Use Assets	Leasehold Improvements	Office Furniture and Fittings	Computer Equipment	Total
	$	$	$	$	$
Carrying amount at 30 June 2018	**-**	**492**	**229**	**1,285**	**2,006**
Additions at cost	-	9,042	2,705	4,357	16,104
Disposals	-	-	-	-	-
Depreciation expense	-	(2,152)	(685)	(2,244)	(5,081)
Carrying amount at 30 June 2019	**-**	**7,382**	**2,249**	**3,398**	**13,029**
Additions at cost	160,304	-	-	7,590	167,894
Disposals	-	-	-	-	-
Depreciation expense	(49,324)	(3,014)	(911)	(3,244)	(56,493)
Carrying amount at 30 June 2020	**110,980**	**4,368**	**1,338**	**7,744**	**124,430**

NOTE 11: TRADE AND OTHER PAYABLES

	Note	2020	2019
		$	$
CURRENT			
Trade payable		1,202	31,321
Other payables		31,708	32,907
Annual leave accrual		36,098	27,822
	11a	**69,008**	**92,050**

NOTE 11: TRADE AND OTHER PAYABLES (CONT.)

		Note	2020 $	2019 $
a.	**Financial liabilities at amortised cost classified as trade and other payables**			
	Trade and other payables			
	— Total current		69,008	92,050
	— Total non-current		-	-
	Less: Annual leave entitlements		(36,098)	(27,822)
	Financial liabilities as trade and other payables	**19**	**32,910**	**64,228**

NOTE 12: PROVISIONS

	2020 $	2019 $
NON CURRENT		
Long Service Leave	17,662	14,560
	17,662	**14,560**

NOTE 13: CONTINGENT LIABILITIES

The company has provided a Bank Guarantee for the amount of $22,488 (2019: $22,488) as security for lease of office premises at Lang Parade Milton. The Bank Guarantee is backed by a term deposit held for that amount with the Commonwealth Bank. There were no other contingent liabilities at 30 June 2020.

NOTE 14: EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

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

NOTE 15: LEASING AND OTHER COMMITMENTS

a. Grant Commitments

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

When the deliverables and milestones have been satisfactorily achieved the company will recognise a liability for any of the grants payable.

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

The company's expectations of the timing of the payment of the remaining grant commitments is as follows:

Grants Payable

	Note	2020	2019
		$	$
— not later than 12 months		1,195,655	986,777
— later than 12 months but not later than 5 years		114,513	81,000
		1,310,168	**1,067,777**

NOTE 16: CASH FLOW INFORMATION

		2020	2019
a.	**Reconciliation of Cash Flow from Operations with Surplus After Income Tax**	**$**	**$**
	Net Surplus/(Deficit) after income tax	561,909	22,091
	Depreciation	56,493	5,081
	Changes in assets and liabilities:		
	Decrease/(Increase) in trade and other receivables	16,366	37,961
	Decrease/(Increase) other assets	(4,885)	21,142
	Increase/(decrease) in trade and other payables	(23,042)	(54,533)
	Increase/(decrease) in provisions	3,102	8,512
	Net cash provided by operating activities	**609,943**	**40,254**

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 17: 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 company.

Remuneration paid to the key management personnel of the company during the period 1 July 2019 to 30 June 2020 was as follows.

	Short-term Benefits	Post- employment Benefits	Other Long-term Benefits	Total
2020	**$**	**$**	**$**	**$**
Total compensation	287,128	26,858	-	313,986
2019				
Total compensation	191,988	18,053	-	210,041

NOTE 18: RELATED PARTY TRANSACTIONS

During the financial year honorarium payments totalling $578 (2019: $1,656) were made to Dr Peter Isdale, a Board Director (retired September 2019), as chair of the Research Evaluation Panel meetings for grant round 31.

NOTE 19: FINANCIAL RISK MANAGEMENT

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

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:

	Note	2020	2019
Financial assets		**$**	**$**
Cash and cash equivalents	**7**	7,093,846	6,537,260
Trade and other receivables	**8**	14,752	31,118
		7,108,596	**6,568,378**
Financial liabilities			
Trade and other payables (excluding employee benefits)	**11a**	32,910	64,228
		32,910	**64,228**

Financial Risk Management Policies

The Directors' overall risk management strategy seeks to assist the company 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 recommendations to the Board of Directors of the company on a regular basis. These include the credit risk policies and future cash flow requirements.

NOTE 20: CAPITAL MANAGEMENT AND RESERVE

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

The company has established a policy to ensure sufficient capital to settle all of its liabilities and unpaid grant commitments so that in the event that grant funding is not made available from Queensland Health in future years, these reserves will fund the grant commitments and operations of the company.

The table following demonstrates the reserve available at the end of the financial year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 20: CAPITAL MANAGEMENT AND RESERVE (CONT)

	Note	2020	2019
		$	$
Assets available			
Cash and cash equivalents	**7**	7,093,846	6,537,260
Trade and other receivables	**8**	14,752	31,118
		7,108,598	**6,568,378**
Liabilities and commitments			
Trade and other payables	**11**	69,008	92,050
Provisions	**12**	17,662	14,560
Lease liabilities (2019: commitments)		114,537	100,136
Unpaid grant commitments	**15a**	1,310,168	1,067,777
		1,511,375	**1,274,523**
RESERVE AVAILABLE		**5,597,223**	**5,293,855**

NOTE 21: COMPANY DETAILS

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

Suite 1b, 19 Lang Parade

Milton QLD 4064

DIRECTORS' DECLARATION

The Directors of the company declare that:

1. The financial statements and notes, as set out on pages 3 to 25, 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 of the company as at 30 June 2020 and of the performance for the year ended on that date.

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

Dr Kim Hansen
Chair

Dated this 16th day of September 2020

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF EMERGENCY MEDICINE FOUNDATION LTD

Bentleys
THINKING AHEAD

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Emergency Medicine Foundation Ltd (the "Company"), which comprises the statement of financial position as at 30 June 2020 and the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the director's declaration.

In our opinion the financial report of the Company is in accordance with Division 60 of the *Australian Charities and Not-for-Profit Commission Act 2012*, including:

(i) giving a true and fair view of the Company's financial position as at 30 June 2020 and of its performance for the year then ended; and
(ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-Profits Commission Regulations 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 ethical requirements of the Australian 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 the Directors for the Financial Report

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Australian Charities and Non-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 ability of the Company 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 has no realistic alternative but to do so.

The directors are responsible for overseeing the company's financial reporting process.

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 the 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 this financial report.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF EMERGENCY MEDICINE FOUNDATION LTD
(Continued)

Bentleys
THINKING AHEAD

Auditor's Responsibilities for the Audit of the Financial Report (Continued)
As part of an audit in accordance with 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 directors.
- Conclude on the appropriateness of the directors' 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 matters, 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.

Bentleys.

Bentleys Brisbane (Audit) Pty Ltd
Chartered Accountants

Ashley Carle
Director
Brisbane,
21 September 2020