

The Royal Australasian College of Medical Administrators

ABN: 39 004 688 215

Financial Statements

For the Year Ended 30 June 2021

The Royal Australasian College of Medical Administrators

ABN: 39 004 688 215

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The Royal Australasian College of Medical Administrators

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Directors' Report

30 June 2021

Your directors present their report on the College for the financial year ended 30 June 2021.

General information

Information on directors

The names of each person who has been a director during the year and to the date of this report are:

Prof Alan Sandford

Dr Iwona Stolarek

Prof Gillian Biscoe

Prof Erwin Loh

Dr Mellissa Naidoo

A/Prof Pooshan Navathé

Dr Helen Parsons

A/Prof Luis Prado

A/Prof Vinay Rane

Ms Kiri Rikihana

Dr Samantha Simpson - Term ended 12/10/2020

Dr Allison Turnock - Term commenced 12/10/2020

Directors who have completed their terms, been elected or appointed during the financial year have been identified.

Operating results and review of operations for the year

The profit of the College after providing for income tax amounted to \$ 755,319 (2020: \$ 50,088).

This profit was a result of the delivery of the online Leadership for Clinicians program with higher than expected participants which resulted in the College operating a small operating surplus, supplemented with Government COVID19 support packages.

Dividends paid or recommended

In accordance with its Constitution, the College is prohibited from declaring any form of dividend in favour of its members.

Significant Changes in State of Affairs

The principal activities of the College during the financial year were Medical Administration Education

No significant change in the nature of these activities occurred during the year.

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Directors' Report

30 June 2021

Events after the reporting date

No matters or circumstances have arisen since the end of the financial year which significantly affect the operations of the College, the results of those operations or the state of affairs of the College in future financial years.

Likely developments in the operations of the College and the expected results of those operations in future financial years have not been included in the report as the inclusion of such information is likely to result in unreasonable prejudice to the College.

Environmental issues

The College's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

Meetings of directors

During the financial year, 4 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Prof Alan Sandford	4	4
Dr Iwona Stolarek	4	4
Prof Gillian Biscoe	4	4
Prof Erwin Loh	4	4
Dr Mellissa Naidoo	4	3
A/Prof Pooshan Navathé	4	4
Dr Helen Parsons	4	4
A/Prof Luis Prado	4	4
A/Prof Vinay Rane	4	3
Ms Kiri Rikihana	4	3
Dr Samantha Simpson	1	1
Dr Allison Turnock	3	3

Indemnification and insurance of officers and auditors

No indemnities have been given or insurance paid, during or since the end of the financial year, for any person who is or has been an auditor of the College. During the financial year the College has paid premiums to insure the directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of a director of the College, other than conduct involving wilful breach of duty in relation to the College.

No person has applied for leave of 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 party to any such proceedings during the year.

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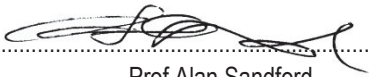
Directors' Report

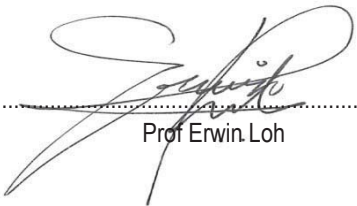
30 June 2021

Auditor's independence declaration

The lead auditor's independence declaration for the year ended 30 June 2021 has been received and can be found on page 30 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

Director: 
Prof Alan Sandford

Director: 
Prof Erwin Loh

Dated this 8th day of September 2021

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Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2021

	Note	2021 \$	2020 \$
Income	5	8,525,403	7,035,461
Employee benefits expense		(2,850,391)	(2,147,747)
Depreciation		(110,599)	(98,434)
Governance expenses		(8,908)	(69,675)
Faculty support		(24,903)	(53,312)
Training and education		(301,409)	(495,354)
Annual conference		(108,349)	(346,623)
Marketing and promotions		(31,806)	(14,045)
Office supplies		(30,476)	(33,076)
Professional services		(213,032)	(167,435)
Occupancy expenses		(45,312)	(47,675)
IT expense		(88,189)	(103,372)
STP Project expense		(3,725,747)	(3,230,372)
Doubtful debts expense		(21,254)	-
Loss on Sale of Non-current asset		-	(2,691)
Other operating expenses		(209,709)	(175,562)
Surplus for the year		755,319	50,088
Other comprehensive income			
Other comprehensive income for the year		-	-
Total comprehensive income for the year		755,319	50,088

The accompanying notes form part of these financial statements.

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Statement of Financial Position

As At 30 June 2021

	Note	2021 \$	2020 \$	Restated 2019 \$
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	7	9,573,039	11,826,648	6,239,915
Trade and other receivables	8	735,967	603,915	1,028,044
Other financial assets	9	4,067,879	302,847	3,623,996
Non-current assets held for sale		-	-	641,246
TOTAL CURRENT ASSETS		14,376,885	12,733,410	11,533,201
NON-CURRENT ASSETS				
Property, plant and equipment	10	1,618,391	1,630,880	1,786,842
Intangible assets	11	164,876	177,077	-
TOTAL NON-CURRENT ASSETS		1,783,267	1,807,957	1,786,842
TOTAL ASSETS		16,160,152	14,541,367	13,320,043
LIABILITIES				
CURRENT LIABILITIES				
Trade and other payables	12	310,934	489,431	285,850
Employee benefits	13	235,780	136,425	80,157
Other financial liabilities	14	7,946,525	7,065,443	6,154,056
TOTAL CURRENT LIABILITIES		8,493,239	7,691,299	6,520,063
NON-CURRENT LIABILITIES				
Employee benefits	13	61,526	-	-
TOTAL NON-CURRENT LIABILITIES		61,526	-	-
TOTAL LIABILITIES		8,554,765	7,691,299	6,520,063
NET ASSETS		7,605,387	6,850,068	6,799,980
EQUITY				
Reserves		345,476	367,420	370,215
Retained surplus		7,259,911	6,482,648	6,429,765
TOTAL EQUITY		7,605,387	6,850,068	6,799,980

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity

For the Year Ended 30 June 2021

2021

	Retained Surplus	State Funds	Bernard Nicholson Prize Fund	Sir Raphael Cilento Oration Fund	NSW Administration Course & Education Fund	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2020	6,482,648	296,297	32,988	12,086	26,049	6,850,068
Surplus for the year	755,319	-	-	-	-	755,319
Transfer to reserve	21,944	(21,944)	-	-	-	-
Balance at 30 June 2021	7,259,911	274,353	32,988	12,086	26,049	7,605,387

2020

	Retained Surplus	State Funds	Bernard Nicholson Prize Fund	Sir Raphael Cilento Oration Fund	NSW Administration Course & Education Fund	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2019	7,138,900	-	32,988	12,086	26,049	7,210,023
Retrospective restatement	(709,135)	299,092	-	-	-	(410,043)
Balance at 1 July 2019 restated	6,429,765	299,092	32,988	12,086	26,049	6,799,980
Surplus for the year	50,088	-	-	-	-	50,088
Transfers to reserves	2,795	(2,795)	-	-	-	-
Balance at 30 June 2020	6,482,648	296,297	32,988	12,086	26,049	6,850,068

The accompanying notes form part of these financial statements.

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Statement of Cash Flows

For the Year Ended 30 June 2021

	2021	2020
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from members	3,848,186	4,249,902
Government grants, conferences, sponsorship and other receipts	5,878,123	3,657,426
Interest received	8,517	53,497
Payments to suppliers and employees	(8,167,478)	(6,624,402)
Net cash provided by/(used in) operating activities	16 <u>1,567,348</u>	<u>1,336,423</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of plant and equipment	-	1,046,532
Proceeds from sale of investment	-	3,320,302
Purchase of property, plant and equipment	(89,496)	(116,524)
Purchase of investments	(3,731,461)	-
Net cash provided by/(used in) investing activities	<u>(3,820,957)</u>	<u>4,250,310</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net cash provided by/(used in) financing activities	<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents held	(2,253,609)	5,586,733
Cash and cash equivalents at beginning of year	11,826,648	6,239,915
Cash and cash equivalents at end of financial year	7 <u><u>9,573,039</u></u>	<u><u>11,826,648</u></u>

The accompanying notes form part of these financial statements.

The Royal Australasian College of Medical Administrators

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Notes to the Financial Statements

For the Year Ended 30 June 2021

The financial statements cover The Royal Australasian College of Medical Administrators as an individual entity. The Royal Australasian College of Medical Administrators is a company limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of The Royal Australasian College of Medical Administrators is Australian dollars.

The financial statements were authorised for issue on the same date as the signing of the Directors' Declaration by the Board of Directors.

Comparative Amounts

Comparatives are consistent with prior years, unless otherwise stated.

Retrospective Restatement

Adjustments to comparative figures have been detailed in Note 4.

1 Basis of Preparation

These general purpose financial statements have been prepared in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board. The Entity is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

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.

2 Summary of Significant Accounting Policies

(a) Income Tax

No provision for income tax has been raised as the College is exempt from income tax under Div. 50 of the *Income Tax Assessment Act 1997*.

The College is a charitable entity registered with the Australian Charities and Not-for-profits Commission.

(b) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (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 in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows included in receipts from customers or payments to suppliers.

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Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(c) Revenue and other income

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

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

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

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

The revenue recognition policies for the principal revenue streams of the College are:

Operating Grants, Donations and Bequests

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

When both these conditions are satisfied, the College:

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

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

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

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

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Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(c) Revenue and other income

Rendering of services

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be measured reliably. If this is the case then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period. If the outcome cannot be reliably measured then revenue is recognised to the extent of expenses recognised that are recoverable

Dividend revenue

Dividends are recognised when the right to receive payment is established.

Interest revenue

Interest revenue is recognised using the effective interest rate method.

Advancement fees

Advancement to Associate Fellowship and Advancement to Fellowship fees are recognised on a straight line basis over the average number of years of active membership. This has been determined as 6 and 25 years respectively.

The comparative figures have been restated to reflect this accounting policy.

Training enrolment fees

Training enrolment fees are recognised on a straight line basis over the average number of years of a Candidate. This has been determined as 4 years.

The comparative figures have been restated to reflect this accounting policy.

Other fees

Other fees are recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the College expects to receive in exchange for those goods or services.

STP Income

STP Income is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the College expects to receive in exchange for those goods or services.

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Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(c) Revenue and other income

Other income

Other revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the College expects to receive in exchange for those goods or services.

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

(d) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(e) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

Land and buildings

Freehold land and buildings are measured on the cost basis less depreciation and impairment losses. Costs include expenditure that is directly attributable to the asset.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses. Cost includes expenditure that is directly attributable to the asset.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the College, commencing when the asset is ready for use. The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Buildings	2.5%
Plant and Equipment	10 - 50%
Gowns	10%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

When an asset is disposed, the gain or loss is calculated by comparing proceeds received with its carrying amount and is taken to profit and loss.

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Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(f) Intangible assets

Website and Software

Website and software is recorded at cost. It has a finite life and is carried at cost less accumulated amortisation and any impairment losses. Website and software has an estimated useful life of eight years. It is assessed annually for impairment.

(g) Financial instruments

Financial instruments are recognised initially on the date that the College becomes party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the College commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the College classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL

Financial assets are not reclassified subsequent to their initial recognition unless the College changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The College's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

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Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(g) Financial instruments

Financial assets

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL.

Net gains or losses, including any interest or dividend income are recognised in profit or loss.

The College's financial assets measured at FVTPL comprise of managed funds and equity investments in the statement of financial position.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the College considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the College's historical experience and informed credit assessment and including forward looking information.

The College uses the presumption that an asset which is more than 60 days past due has seen a significant increase in credit risk.

The College uses the presumption that a financial asset is in default when the other party is unlikely to pay its credit obligations to the College in full.

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The College has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

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Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(g) Financial instruments

Financial liabilities

The College measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the College comprise trade payables, bank and other loans and lease liabilities.

(h) Impairment of non-financial assets

At the end of each reporting period the College determines whether there is an evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The College's trade and most other receivables fall into this category of financial instruments.

In some circumstances, the College renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the College does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

(j) Trade and other payables

Accounts payable and other payables represent the liabilities at the end of the reporting period for goods and services received by the College 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.

Accounts payable are recognised at their transaction price. Accounts payable are obligations on the basis of normal credit terms.

The Royal Australasian College of Medical Administrators

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Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(k) Employee benefits

Short-term employee provisions

Provision is made for the College's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries, sick leave and annual leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

Long-term employee provisions

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as part of employee provisions expense

The College's obligations for long-term employee benefits are presented as non-current employee provisions in its statement of financial position, except where the Entity does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current employee provisions.

3 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - Fair value of financial instruments

The College has certain financial assets and liabilities which are measured at fair value. Where fair value has not able to be determined based on quoted price, a valuation model has been used. The inputs to these models are observable, where possible, however these techniques involve significant estimates and therefore fair value of the instruments could be affected by changes in these assumptions and inputs.

The Royal Australasian College of Medical Administrators

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Notes to the Financial Statements

For the Year Ended 30 June 2021

3 Critical Accounting Estimates and Judgments

Key estimates - Receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

Key estimates - Depreciation

The useful lives of property, plant and equipment and intangible assets have been estimated based on Directors' assessment, the nature of the asset and prior history.

Key judgements - Performance obligations under AASB15

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

The Royal Australasian College of Medical Administrators

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Notes to the Financial Statements

For the Year Ended 30 June 2021

4 Retrospective Restatement

1. Revenue Recognition

The College adopted AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-profit Entities in the previous year. On this adoption, application fees were recognised upon receipt. On subsequent review, it has been determined that this treatment did not meet the requirements of AASB 15. As such, the prior period was updated to recognise application fees over life of a member in the current financial year.

2. State Funds

Previous State Funds were held as an asset and liability. On subsequent review, it has been determined that this did not meet the definition of a liability and as such, the prior period was updated to recognise State Funds within equity as a reserve.

This change in accounting policy has been adopted retrospectively, and comparative amounts have been adjusted accordingly. As a result, the surplus for the year ended 30 June 2020 has decreased from \$96,988 (as previously reported) to \$50,088 (in the restated comparatives). Net assets has decreased from \$7,530,653 (as previously reported) to \$6,850,068 (in the restated comparatives).

The aggregate effect of the change in accounting policy on the annual financial statements for the year ended 30 June 2021 is as follows:

	Previously stated	30 June 2020 Adjustments	Restated	Previously stated	1 July 2019 Adjustments	Restated
	\$	\$	\$	\$	\$	\$
Statement of Profit or Loss and Other Comprehensive Income						
Training and application fees	1,477,990	(46,900)	1,431,090	-	-	-
Surplus for the year	96,988	(46,900)	50,088	-	-	-
Statement of Financial Position						
State Funds	296,297	(296,297)	-	299,092	(299,092)	-
Unearned fees	-	(456,943)	(456,943)	-	(410,043)	(410,043)
Funds held for State Committees	296,297	(296,297)	-	299,092	(299,092)	-
Retained surplus	7,235,888	(753,240)	6,482,648	7,138,900	(709,135)	6,429,765
State Funds Reserve	-	296,297	296,297	-	299,092	299,092

The Royal Australasian College of Medical Administrators

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Notes to the Financial Statements

For the Year Ended 30 June 2021

5 Revenue and Other Income

	2021	2020
	\$	\$
Revenue		
- Membership subscriptions	1,333,994	1,251,737
- Training and application fees	2,105,867	1,431,090
- Annual conference	156,100	403,216
- Externally delivered programs	-	60,862
- Advertising and sponsorship	29,927	20,700
	<u>3,625,888</u>	<u>3,167,605</u>
- STP Project income	<u>4,227,930</u>	<u>3,233,510</u>
- Government subsidies	<u>564,350</u>	<u>108,000</u>
Investment income		
- Gains/(losses) on investments	33,571	(847)
- Interest - investment	8,517	53,497
- Dividend income	1,271	4,404
	<u>9,788</u>	<u>57,901</u>
Other Income		
- Profit on Sale of Non-current assets	3,524	411,001
- Miscellaneous income	60,352	58,291
	<u>63,876</u>	<u>469,292</u>
Total Revenue and Income	<u>8,525,403</u>	<u>7,035,461</u>
6 Auditors' Remuneration		
Remuneration of the auditor:		
- Auditing or reviewing the financial statements	<u>18,200</u>	15,350
7 Cash and Cash Equivalents		
Cash at bank	<u>9,573,039</u>	11,826,648
	<u>9,573,039</u>	<u>11,826,648</u>

The Royal Australasian College of Medical Administrators

ABN: 39 004 688 215

Notes to the Financial Statements

For the Year Ended 30 June 2021

8 Trade and Other Receivables

	2021	2020
	\$	\$
CURRENT		
Trade receivables	763,333	526,065
Other debtors	38,888	122,850
Provision for impairment	<u>(66,254)</u>	<u>(45,000)</u>
	<u>735,967</u>	<u>603,915</u>

The College does not have any material credit risk exposure to any single receivable or group of receivables. The main source of credit risk to the College is considered to relate to the class of assets described as "trade and other receivables".

The following table details the College's trade and other receivables exposure to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled, within the terms and conditions agreed between the College and the customer or counter party to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there is objective evidence indicating that the debt may not be fully repaid to the College. The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

	< 30 days overdue	< 90 days overdue	> 90 days overdue	Total
30 June 2021				
Trade and term receivables	205,893	507,984	49,456	763,333

	< 30 days overdue	< 90 days overdue	> 90 days overdue	Total
30 June 2020				
Trade and term receivables	26,709	358,366	140,990	526,065

Movement in provision for doubtful debts is as follows:

	2021	2020
	\$	\$
Balance at beginning of the year	45,000	45,000
Bad debts for the year	35,250	37,394
Amounts written off	<u>(13,996)</u>	<u>(37,394)</u>
Balance at end of the year	<u>66,254</u>	<u>45,000</u>

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The College writes off a trade receivable when there is information indicating that the debtor is in default and there is no realistic prospect of recovery.

The Royal Australasian College of Medical Administrators

ABN: 39 004 688 215

Notes to the Financial Statements

For the Year Ended 30 June 2021

9 Other Financial Assets

Financial assets at fair value through profit or loss

	2021	2020
	\$	\$
CURRENT		
Shares	41,407	32,247
Managed funds	2,026,472	-
Term Deposits	(a) 2,000,000	270,600
	<u>4,067,879</u>	<u>302,847</u>

(a) Term deposits

Term deposits are held for terms of 6 - 12 months and at various interest rates.

10 Property, plant and equipment

LAND AND BUILDINGS

Freehold land

At cost

460,000

460,000

Total land

460,000

460,000

Buildings

At cost

1,088,903

1,088,903

Accumulated depreciation

(54,446)

(27,223)

Total buildings

1,034,457

1,061,680

Total land and buildings

1,494,457

1,521,680

Plant and Equipment

Office equipment

At cost

253,690

191,021

Accumulated depreciation

(135,465)

(88,771)

Total office equipment

118,225

102,250

Gowns

At cost

12,415

12,415

Accumulated depreciation

(6,706)

(5,465)

Total gowns

5,709

6,950

Total property, plant and equipment

1,618,391

1,630,880

The Royal Australasian College of Medical Administrators

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Notes to the Financial Statements

For the Year Ended 30 June 2021

10 Property, plant and equipment

Movements in carrying amounts of property, plant and equipment

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	Buildings	Plant and Equipment	Gowns	Total
	\$	\$	\$	\$	\$
Year ended 30 June 2021					
Balance at the beginning of year	460,000	1,061,680	102,250	6,950	1,630,880
Additions	-	-	70,325	-	70,325
Disposals	-	-	(3,587)	-	(3,587)
Depreciation expense	-	(27,223)	(50,763)	(1,241)	(79,227)
Balance at the end of the year	460,000	1,034,457	118,225	5,709	1,618,391
Year ended 30 June 2020					
Balance at the beginning of year	460,000	1,730,149	55,766	4,921	2,250,836
Additions	-	-	86,582	3,164	89,746
Disposals	-	(635,531)	(2,691)	-	(638,222)
Depreciation expense	-	(32,938)	(37,407)	(1,135)	(71,480)
Balance at the end of the year	460,000	1,061,680	102,250	6,950	1,630,880

11 Intangible Assets

	2021	2020
	\$	\$
Website and Software		
Cost	252,590	233,419
Accumulated amortisation and impairment	(87,714)	(56,342)
Total Website and Software	164,876	177,077
Total Intangible assets	164,876	177,077

The Royal Australasian College of Medical Administrators

ABN: 39 004 688 215

Notes to the Financial Statements

For the Year Ended 30 June 2021

11 Intangible Assets

Movements in carrying amounts of intangible assets

	Website and Software \$
Year ended 30 June 2021	
Balance at the beginning of the year	177,077
Additions	19,171
Amortisation	<u>(31,372)</u>
Closing value at the end of the year	<u>164,876</u>
Year ended 30 June 2020	
Balance at the beginning of the year	177,253
Additions	26,778
Amortisation	<u>(26,954)</u>
Closing value at 30 June 2020	<u>177,077</u>

12 Trade and Other Payables

	2021 \$	2020 \$
CURRENT		
Trade payables	127,997	236,642
GST payable	34,519	155,849
Other payables	<u>148,418</u>	<u>96,940</u>
Total trade and other payables	<u>310,934</u>	<u>489,431</u>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The Royal Australasian College of Medical Administrators

ABN: 39 004 688 215

Notes to the Financial Statements

For the Year Ended 30 June 2021

13 Employee Benefits

	2021	2020
	\$	\$
CURRENT		
Annual leave	220,704	124,299
Long service leave	15,076	12,126
	<u>235,780</u>	<u>136,425</u>
NON-CURRENT		
Long service leave	61,526	-
	<u>61,526</u>	<u>-</u>

Employee provisions represent amounts accrued for annual leave and long service leave.

The current portion for 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 Entity does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Entity does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for 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.

14 Other Financial Liabilities

CURRENT		
Unearned Subscription Income	1,328,598	1,321,525
Unearned Workshop Income	1,435,755	432,158
Unearned STP grant income	4,756,229	4,854,817
Unearned Fees	425,943	456,943
	<u>7,946,525</u>	<u>7,065,443</u>

The Royal Australasian College of Medical Administrators

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Notes to the Financial Statements

For the Year Ended 30 June 2021

15 Financial Risk Management

The Entity's financial instruments consist mainly of deposits with banks, local money market instruments, short-term and long-term investments and accounts receivable and payables.

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

	2021	2020
	\$	\$
Financial assets		
Cash at bank	9,573,039	11,826,648
Trade and other receivables	735,967	603,915
Other financial assets	4,067,879	302,847
Total financial assets	<u>14,376,885</u>	<u>12,733,410</u>
Financial liabilities		
Trade and other payables	310,934	489,431
Total financial liabilities	<u>310,934</u>	<u>489,431</u>

Objectives, policies and processes

The Board of Directors have overall responsibility for the establishment of the College's financial risk management framework. This includes the development of policies covering specific areas such as foreign exchange risk, interest rate risk, liquidity risk, credit risk and price risk.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the College's activities.

The day-to-day risk management is carried out by the College's Finance and Audit Committee under policies and objectives which have been approved by the Board of Directors. The Chief Executive Officer has been delegated the authority for designing and implementing processes which follow the objectives and policies. This includes monitoring the levels of exposure to interest rate and foreign exchange rate risk and assessment of market forecasts for interest rate and foreign exchange movements.

The Board of Directors receives monthly reports which provide details of the effectiveness of the processes and policies in place.

Mitigation strategies for specific risks faced are described below:

Liquidity risk

Liquidity risk arises from the College's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the College will encounter difficulty in meeting its financial obligations as they fall due. The College manages this risk by monitoring forecast cash flows.

The Royal Australasian College of Medical Administrators

ABN: 39 004 688 215

Notes to the Financial Statements

For the Year Ended 30 June 2021

15 Financial Risk Management

Liquidity risk

At the reporting date, these reports indicate that the College expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances.

Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the College.

Credit risk is further mitigated as a significant amount of revenue is received from Government grants in accordance with funding agreements which ensure regular funding for the period of the grant.

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying amount and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

Accounts receivable and other debtors that are neither past due nor impaired are considered to be of high credit quality. Aggregates of such amounts are detailed in Note 10.

The College has no significant concentrations of credit risk exposure to any single counterparty or entity of counterparties.

Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or fair value of fixed rate financial instruments.

The financial instruments that expose the College to interest rate risk are limited to listed are limited to listed shares, fixed interest securities, and cash on hand.

The College also manages interest rate risk by ensuring that, whenever possible, payables are paid within any pre-agreed credit terms.

The Royal Australasian College of Medical Administrators

ABN: 39 004 688 215

Notes to the Financial Statements

For the Year Ended 30 June 2021

16 Cash Flow Information

	2021	2020
	\$	\$
Surplus for the year	755,319	50,088
Non-cash flows in profit:		
- depreciation and amortisation	110,599	98,434
- net (gain)/loss on disposal of property, plant and equipment	3,587	(408,311)
- provision for doubtful debts	21,254	-
- fair value movements on investments	(33,571)	847
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(153,306)	424,129
- increase/(decrease) in trade and other payables	(178,497)	203,577
- increase/(decrease) in employee benefits	160,881	56,270
- increase/(decrease) in trade and other payables & other liabilities	881,082	911,389
Cash flows from operations	<u>1,567,348</u>	<u>1,336,423</u>

17 Reserves

State Funds

NSW State funds	90,135	92,864
Queensland State funds	54,154	55,625
Victoria State funds	81,338	99,575
Western Australia State funds	20,031	19,961
Northern Territory State funds	1,009	1,009
New Zealand State funds	24,474	24,062
South Australia State funds	3,212	3,201
	<u>274,353</u>	<u>296,297</u>

The State Funds reserves are the residual balances of funds held to be used for the purposes of the respective states.

18 Key Management Personnel Remuneration

The totals of remuneration paid to the key management personnel of The Royal Australasian College of Medical Administrators during the year are as follows:

Short-term employee benefits	631,944	621,520
Long-term benefits	91,754	61,876
Total	<u>723,698</u>	<u>683,396</u>

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other persons unless otherwise stated.

The Royal Australasian College of Medical Administrators

ABN: 39 004 688 215

Notes to the Financial Statements

For the Year Ended 30 June 2021

19 Contingencies

In the opinion of the Directors, the College did not have any contingencies at 30 June 2021 (30 June 2020: None).

20 Related Parties

The College's main related parties are as follows:

Key management personnel - refer to Note 18.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members. No transactions have occurred with related parties.

21 Events Occurring After the Reporting Date

COVID-19 Impact

COVID-19 resulted in cancellation of all face-to-face events scheduled from Mid-March 2020 to 31 December 2020. This included all Fellowship Training Workshops and Leadership for Clinicians Programs.

During the first half of 2021 COVID-19 continued impact face-to face events, however, development of the Online Leadership for Clinicians program and Online exams has resulted in the College operating with a small surplus after removing the benefit of Government COVID-19 subsidies.

	\$
Surplus	755,319
Less Government COVID-19 Subsidies	<u>(589,350)</u>
Operating Surplus without Subsidies	<u>165,969</u>

The COVID-19 pandemic is continuing to impact Australian and global markets in 2021. Although the company is unable to determine the financial impact of this crisis on the entity at the time of signing, the Board does not expect a material decline in income during the year ending 30 June 2022 compared to the previous two financial years. The Directors believe that the College has sufficient reserves to sustain the organisation. On this basis, the Board are currently satisfied that the short term implications will not materially or adversely affect the College's ability to continue to operate as a going concern.

There are no other matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the operation of the College, the results of those operations or the state of affairs of the entity in future financial years.

The Royal Australasian College of Medical Administrators

ABN: 39 004 688 215

Notes to the Financial Statements

For the Year Ended 30 June 2021

22 Members' Guarantee

The College is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$20 each towards meeting any outstandings and obligations of the entity.

23 Statutory Information

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

The Royal Australasian College of Medical Administrators
Suite 1
20 Cato Street
Hawthorn East Vic 3123

The Royal Australasian College of Medical Administrators

ABN: 39 004 688 215

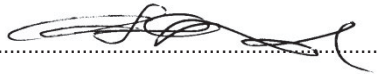
Directors' Declaration

In accordance with a resolution of the Directors of The Royal Australasian College of Medical Administrators, the directors of the College declare that, in the directors' opinion:

1. the financial statements and notes for the year ended 30 June 2021 satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and:
 - a. comply with Accounting Standard applicable to the College; and
 - b. give a true and fair view of the financial position and performance of the College as at 30 June 2021 and of its performance at the year ended on that date.
2. there are reasonable grounds to believe that the College will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with subs 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Director



Director



Dated: 08 September 2021

The Royal Australasian College of Medical Administrators

ABN: 39 004 688 215

Auditor's Independence Declaration to the Directors of The Royal Australasian College of Medical Administrators

In accordance with Subdivision 60-C of the *Australian Charities and Not-for-profits Commission Act 2012*, I am pleased to provide the following declaration of independence to the directors of The Royal Australasian College of Medical Administrators. As the audit partner for the audit of the financial report of The Royal Australasian College of Medical Administrators for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.


Saward Dawson



Jeffrey Tulk

Partner

Dated: 20 September 2021

Blackburn VIC

The Royal Australasian College of Medical Administrators

Independent Audit Report to the members of The Royal Australasian College of Medical Administrators

ABN: 39 004 688 215

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of The Royal Australasian College of Medical Administrators (the College), which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss 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 College is 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 College's financial position as at 30 June 2021 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards 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 College in accordance with the auditor independence requirements of the *ACNC Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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 College are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *ACNC 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 College'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 College or to cease operations, or have no realistic alternative but to do so.

The Royal Australasian College of Medical Administrators

Independent Audit Report to the members of The Royal Australasian College of Medical Administrators

ABN: 39 004 688 215

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 College's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the College.
- Conclude on the appropriateness of the College'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 College'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 College 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.

The Royal Australasian College of Medical Administrators

Independent Audit Report to the members of The Royal Australasian College of Medical Administrators

ABN: 39 004 688 215

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



Jeffrey Tulk

Partner

Dated: 20 September 2021

Blackburn VIC