

# Financial Statements

for the year ended 30 June 2011

# Financial Statements

For the year ended 30 June 2010

## Director's Report

The Directors submit the following report for the year ended 30 June 2011 made in accordance with a resolution of the Board of Directors.

## Directors

The names of the Directors of Australian College of Rural and Remote Medicine Limited in office at any time during the year or since the end of the year:

*Associate Professor Dennis Pashen*

*Dr Patrick Giddings*

*Associate Professor Ruth Stewart*

*Associate Professor Elizabeth Chalmers (term expired 24 October 2010)*

*Dr Aniello Iannuzzi (term expired 24 October 2010)*

*Dr Michael Eaton*

*Dr John Russell (resigned 12 April 2011)*

*Dr Jeffrey Ayton*

*Dr Tim Kelly*

*Dr Lachlan McIver (term expired 24 October 2010)*

*Dr Graham Morris*

*Dr David Campbell*

*Associate Professor Lucie Walters*

*Dr Thomas Doolan*

*Dr Peter Arvier*

*Dr Samuel Goodwin (appointed 24 October 2010)*

*Dr Charles Evill (appointed 24 October 2010)*

*Dr Tim Metcalf (appointed 24 October 2010)*

## Principal activities, objectives & strategies

The principal strategies of ACRRM during the year were to promote the interests of rural and remote doctors through the delivery of high quality specialist education and training, research, policy and advocacy.

There were no significant change in the nature of the activities during the year. The company's financial accounts have been prepared in accordance with Australian Accounting Standards.

In order to meet the long term objectives of the College, the company will strive to:

- Be recognised as the leading voice for best practice in rural and remote medicine in Australia
- Proactively support students, members and Fellows with quality education, training and resources
- Engage with and bring value to the full range of medical and rural health profession.

The companies short term objectives is to focus on growth within existing target markets for the next 12 months to maintain strong member retention.

In order to meet the short term objectives of the College, the company will continue to:

- Encourage a targeted approach to member recruitment
- Place greater emphasis on generating income sources that are independent of government
- Broaden the range of college programs and activities
- Emphasise member and staff satisfaction as a key priority

## Review and results of operations

The deficit from ordinary activities for the year ended 30 June 2011 amounted to \$278,122 (2010 deficit: \$65,669).

## Dividends and options

The company is limited by guarantee and consequently no dividends have been paid or options issued.

## Winding up provisions

Every member undertakes to contribute to the assets of the Company if it is wound up while the member is a member or within one year after it ceases to be a member, for payment of the debts and liabilities of the Company contracted before it ceased to be a member, and of the costs, charges and expenses of winding up and for the adjustment of the rights of contributories among themselves, such amount as may be required, not exceeding \$10.

## Likely future developments and expected results

ACRRM anticipates a continuation in 2011 2012 of its positive performance and growth with a focus on providing high quality medical education and training services.

It will expand its role in setting professional standards for rural and remote medicine and work with key stakeholders to support relevant training that responds to the needs of practitioners and their communities.

## Significant changes in state of affairs

There were no significant changes in the state of affairs of the company during the year.

## Information on directors

The following persons were Directors of the Australian College of Rural and Remote Medicine during this financial year. No payments (financial or otherwise) were made for their services.

### **Dr Dennis Pashen, Prof (Adjunct).**

MBBS, MPHTM, FRACGP, FACRRM

Dennis Pashen was the President of ACRRM from November 2007 to October 2009. He has previously held the office of Censor and Vice President. He is currently carrying the portfolio in ACRRM for the Post Fellowship programs including the Rural Generalist, Generalist Emergency Medicine and Rural Generalist Surgery. He is currently the Director of Medical Services for the South Burnett with Qld Health. He holds an Adjunct Professorship with the James Cook University School of Medicine and Dentistry and is on the Griffith University School of Medicine Advisory Board. Dr Pashen has a background in procedural rural practice, medical education and population health and has held a number of positions on statutory bodies, including the Northern Regional Health Authority, and held a position on the Rural Health Advisory Council to the Minister of Health in Queensland from 1997 until it ceased to exist in 2009. He was awarded the Centenary of Federation Medal in 2001 for rural medical education.

### **Dr Patrick Giddings**

MBBS, FACRRM, FRACGP, FAICD, DRANZCOG, Grad. Dip. Family Med

Dr Pat Giddings has been Treasurer of ACRRM for six years following on from two years as the Victorian Director on the Board. As Treasurer, Pat is chair of the Finance Committee. He lives in Albury NSW and is CEO of RVTS Ltd. Until 2007 he was the CEO of a regional training provider, Bogong Regional Training Network, and played a key role in the establishment of that organization. Pat's previous board appointments include the North East Victorian Division of General Practice, including three years as chair. Pat's clinical activities include part time practice at the Albury Wodonga Aboriginal Health Service, as well as Emergency Medicine and Obstetrics commitments at Albury Wodonga Health.

### **Associate Professor Ruth Stewart**

MBBS, DRANZCOG, FACRRM

Associate Professor Ruth Stewart was elected Women in Rural Practice (WIRP) Director for the second time in December 2009, having served previously as the Vice President and Victorian Director on the ACRRM Board.

She represents ACRRM on a number of other external committees including the National Evidence Based Antenatal Guideline Expert Advisory Committee. She is Director of Clinical Studies, Integrated Model of Medical Education in Rural Settings with the Deakin University School of Medicine (Deakin IMMERSe).

### **Associate Professor Elizabeth Chalmers (term expired 24 October 2010)**

MBChB, MPH, FAFPHM, FACHAM, FACRRM

Associate Professor Elizabeth Chalmers was elected Northern Territory Director in December 2009. Elizabeth had previously held the position of Academic Director on the ACRRM Board. She is the College nominee to Board of General Practice Education and Training (GPET) and is the Chair of the Northern Territory Post Graduate Medical Education Council.

### **Dr Aniello Iannuzzi (term expired 24 October 2010)**

BA, MBBS, MMed Sci, FACRRM, FRACGP

Dr Aniello Iannuzzi was appointed the New South Wales Director on the ACRRM Board on 19 November 2006. He is a rural doctor in private practice at the Warrumbungle Medical Centre, Coonabarabran, and also a Visiting Medical Officer at the Coonabarabran District Hospital and Cessnock District Hospital.

### **Dr Michael Eaton**

MBBS, DRANZCOG, FACRRM

Dr Michael Eaton is the current Western Australia Director on the ACRRM Board. He has a strong association with ACRRM's education, training, and student programs and is a procedural practitioner and rural medical educator. He is also the current Vice President of the RDA WA. From 1986 to 2006 he was the Founder-Manager of Australind Medical Clinic, a RRMA 5 GP and obstetric practice. He now continues to live and work in rural and remote WA. He is also a Medical Director of Rural Health West.

### **Dr John Russell (resigned 12 April 2011)**

MBBS, FACRRM

Dr John Russell was appointed the Victorian Director on the ACRRM Board in 2009, however resigned from this position when he moved to Broken Hill in early 2011 where he took up the position of Director, Clinical Medicine Stream, Broken Hill UDRH, Sydney University. He has an extensive background in rural general practice in Australia and England up until the year 2001, when he began the role of Director of the Emergency Department at Mildura Base Hospital. In 2002 he was appointed as the Director of the Mildura Regional Clinical School, Monash University. He has been involved in the Management Committee of the new 5 Year Monash undergraduate curriculum and was a Board member for Beyond Medical Education and the Mallee Health Care Network. Upon leaving Mildura to move to Broken Hill Dr John Russell resigned his position with the Mallee Health Care Network.

### **Dr Jeffrey Ayton**

MBBS, MPH&TM, FRACGP, FACRRM, FACTM, AFFTM, DRANZCOG, DA (UK)

Dr Jeff Ayton was appointed President of the ACRRM Board in October 2009. He holds current ACRRM board membership for General Practice Training Tasmania. He commenced with the Australian Antarctic Division as Chief Medical Officer in 2002 with responsibility for the Australian Antarctic program medical support and human biology and medicine research. He is current Australian delegate to Scientific Committee of Antarctic Research Life Sciences Scientific Group and deputy chief officer of the SCAR Life Science Expert Group of Human Biology and Medicine. In 1992, Jeff wintered at Casey Station, Antarctica, as a remote area general practitioner. He has subsequently gained varied experience in other rural and remote medical practices as a procedural general practitioner obstetrician/anaesthetist including Lorne, Victoria, Norfolk Island, South Pacific, and remote mine sites in Papua New Guinea.

### **Dr Tim Kelly**

MBBS, DRANZCOG (Adv), Grad Dip Mus Med, FACRRM, FRACGP

Dr Tim Kelly is currently the South Australian Director on the ACRRM Board. He is a procedural rural GP based in Crystal Brook in South Australia's Mid North. Through his clinical work he is involved in medical education at all levels, students, PGPPP and registrars. He has also been employed by Adelaide to Outback GP Training Program since 2003 in several roles and is currently Rural Medical Education Coordinator and ACRRM Medical Advisor to the RTP. He is interested in evolving models of primary care and innovative delivery of training and support to rural and remote clinicians.

### **Dr Lachlan McIver (term expired 24 October 2010)**

MBBS MPHMT JCC (Anaes) FACRRM

Dr Lachlan McIver was appointed ACRRM Registrar Director in August 2009 and is Chair of the ACRRM Registrar Committee - a diverse team of exciting and multi-skilled procedural clinicians currently working towards gaining their FACRRM specialist qualifications. He completed his medical degree at Monash University in Melbourne in 2005 and since then has worked in Perth, the Kimberley region of north-west WA, Central Australia and Cape York. He is currently employed as a Senior Medical Officer at Thursday Island Hospital in the Torres Strait.

### **Dr Graham Morris**

BM, BS, FACRRM, FRACGP, Dip. RACOG

Dr Graham Morris was appointed RDAA Representative on the ACRRM Board in July 2009 and is currently practicing at Kadina Medical Associates and Wallaroo Hospital. He is the immediate past president of RDA SA, and Treasurer for RDAA.

### **Dr David Campbell**

MBBS, DRANZCOG, DCH, FACRRM, FRACGP

Dr David Campbell is the Vice President of ACRRM, being President from October 2005 to October 2007. He has served for ten years on the ACRRM Board, first as the Victorian Director, then Vice President, then President. He has practised as a rural doctor in Lakes Entrance, Victoria since 1983 and is a foundation member and Fellow of ACRRM. He is currently Director of the East Gippsland Regional Clinical School and Associate Professor, Rural Community-Based Medical Education, with Monash University. He is a member of the Committee of Management of Rural Doctors' Association of Victoria. Dr Campbell has been a Director of Gippsland Education and Training for General Practice since its inception, and recently joined the Board of Southern GP Training (SGPT) in Victoria, following the amalgamation with the Greater Green Triangle Regional Training Provider. He has special interests in medical education and emergency medicine, and is an instructor with Advanced Paediatric Life Support Australia, as well as principal author and instructor with the "Rural Emergency Skills Training" course in Australia.

### **Associate Professor Lucie Walters**

PhD, MBBS, FACRRM, DCH, DipRACOG, FRACGP

Associate Professor Lucie Walters was appointed Academic Director on the ACRRM Board in December 2009. Lucie is currently Associate Professor in Rural Medical Education at Flinders University and also works as a GP Obstetrician at Mount Gambier Hospital. Lucie's key areas of interest are community based medical education, implementation research in rural areas and social determinants of health.

### **Dr Thomas Doolan**

MBBS, FACRRM, FRACGP

Dr Doolan was appointed Queensland Director of the ACRRM Board in December 2009. He was the Chairman of the RDAA Taskforce for the Establishment of ACRRM and has been the College's Honorary Director of Education since its inception in 1997. He has been practicing rural medicine in Kilcoy since 1979. He was a foundation Director of the Board of General Practice Education and Training from 2001-2007 and has extensive experience in medical education and training, including with the Cunningham Centre in Toowoomba, the University of Queensland and RACGP. He was a Foundation Director of the Aboriginal and Islander Community Health Service Brisbane 1972-75 and the Southern Rural Queensland Division of General Practice 1992-93. He was a member of the organizing committee and chaired the clinical stream for the world's first International Conference on Rural Medicine in Shanghai in 1996. He was also a member of the organizing committee and chaired the Aboriginal Health stream for Australia's first National Rural Health Conference in Toowoomba in 1991.

**Dr Peter Arvier**

B.Sc., MBBS, FACRRM

Peter Arvier was appointed to the position of Tasmanian Director in April 2010. He has extensive experience in medical education and training with the University of Tasmania as well as with other organisations including ACRRM. During his medical career, he worked mainly in rural and regional hospitals across Australia before settling in Tasmania in 1990 to pursue a career in emergency medicine. In 2005, he moved to Canada with his family to work and pursue clinical and research interests in rural emergency medicine and complete a research Masters degree through the University of Tasmania Department of Rural Health. On returning to Australia, he took up the position of Associate Head of the UTas Rural Clinical School as well as continuing to work part time in the emergency departments of the North West Regional and Mersey Hospitals. His research interests centre mainly around rural medical workforce issues – in particular the transition from undergraduate to postgraduate training.

**Dr Charles Evill (appointed 24 October 2010)**

MBBS, BSc, MSc, FACRRM

Dr Charles Evill is a rural medical practitioner from northern NSW. He has practiced in several states in urban, rural and remote settings. He is currently in practice in Alstonville and Evans Head as well as providing relieving emergency services in peripheral hospitals in the area.

**Dr Samuel Goodwin (appointed 24 October 2010)**

MBBS

Dr Goodwin is an ACRRM registrar based in Alice Springs, NT. He has been living in the Territory for the last 6 years having completed medical school, internship and residency there. He currently works for the Royal Flying Doctors Service as part of the retrieval service for the Alice Springs Hospital and for the Central Clinic. He is actively involved in education and training, from governance of prevocational training in the territory to his own fellowship training. He is a councilor on the Northern Territory Postgraduate Medical Council and established the medical training committee at Alice Springs Hospital. He was awarded the CPMEC NT junior doctor of the year in 2009, for his contribution to medical education and training in the Territory.

He continues with higher education, currently undertaking a masters' of Public Health and Tropical Medicine at James Cook University.

**Dr Tim Metcalf (appointed 24 October 2010)**

MBBS, DipRACOG, B.Litt, FACRRM

Dr Metcalf is Director of Medical Services at Tennant Creek Hospital. A graduate of Melbourne University, he has spent his career in rural and remote Australia. He has worked in numerous locations in both emergency medicine and general practice, and has also worked for industry. He has a special interest in the arts: health interface, and sits on the Barkly Regional Arts board.

**Ms Marita Cowie**

BA (Psych), BBus (Com), MEd (T&D)

Marita Cowie was appointed Company Secretary of the College in 1998. She is also the foundation Chief Executive Officer of ACRRM. Marita has more than 15 years experience in medical education, training and company administration.

## Meetings of directors

During the 2010–2011 financial year, 8 meetings of directors were held, with attendance as follows:

Directors	Directors Meetings	
	Eligible to attend	Attended
Dr Patrick Giddings	8	7
Associate Professor Ruth Stewart	8	6
Associate Prof. Elizabeth Chalmers (term expired 24 Oct 10)	3	4
Dr Aniello Iannuzzi (term expired 24 October 2010)	3	1
Dr Michael Eaton	8	7
Dr John Russell (resigned 12 April 2011)	7	6
Dr Jeffrey Ayton	8	7
Dr Tim Kelly	8	8
Dr Lachlan McIver (term expired 24 October 2010)	3	3
Dr Graham Morris	8	3
Dr David Campbell	8	7
Associate Professor Lucie Walters	8	8
Dr Thomas Doolan	8	5
Dr Peter Arvier	8	1
Dr Samuel Goodwin (appointed 24 October 2010)	6	6
Dr Charles Evill (appointed 24 October 2010)	6	2
Dr Tim Metcalf (appointed 24 October 2010)	6	5

## Attendance of ex officio board members at meetings of directors

EX OFFICIO MEMBERS	Directors Meetings	
	Eligible to attend	Attended
Associate Professor Dennis Pashen, Immediate Past President	8	7
Dr Tom Doolan, Hon. Director of Education	8	5
Associate Professor Richard Murray, Censor	8	8
Ms Marita Cowie, Chief Executive Officer	8	8

There is one formally constituted committee of the Board being the Executive Committee. During the financial year, 4 meetings of the Executive Committee were held, with attendance as follows:

Executive committee members	Executive Meetings	
	Eligible to Attend	Attended
Dr Jeffrey Ayton, President	4	4
Dr Patrick Giddings, Treasurer	4	3
Dr David Campbell, Vice President	4	4
Ms Marita Cowie, Chief Executive Officer	4	3
Associate Professor Lucie Walters, Academic Director	4	3

The Finance Committee during the financial year had 4 meetings, with attendance as follows:

Finance committee members	Finance committee meetings	
	Eligible to attend	Attended
Dr Patrick Giddings, Treasurer, Chair	4	4
Dr Michael Eaton	4	2
Dr Elizabeth Dodd	4	4
Dr Tim Kelly	4	3
Associate Professor Lucie Walters	1	1
Dr David Campbell	4	0
Dr Tim Metcalf	3	2
Ms Marita Cowie, Chief Executive Officer	4	4

### Significant after balance date events

No matters or circumstances have arisen after the end of the financial year that have significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company, in subsequent financial years.

### Environmental regulations

There has been no matter, either during or since the end of the financial year, which in the opinion of the directors, would give rise to any conflict with the provisions of existing environmental regulation.

### Indemnification of officers

During or since the financial year the company has paid premiums to insure each of the directors and officers against liabilities for the costs and expenses incurred by them in defending any legal proceedings arising from a wrongful act while acting in their capacity of officer of the company. The policy prevents the company from disclosing premiums paid.

### Proceedings on behalf of the company

No proceedings have been entered into on behalf of the company.

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



**Director**

Dated at Albury this 20th day of September, 2011

**AUSTRALIAN COLLEGE OF RURAL AND REMOTE MEDICINE LIMITED****AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF  
AUSTRALIAN COLLEGE OF RURAL AND REMOTE MEDICINE LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2011 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



Bentleys Brisbane Partnership



Stewart Douglas  
Partner

Brisbane  
20 September 2011

# Directors' Declaration

In the opinion of the Directors of the Australian College of Rural and Remote Medicine Limited:

- (a) the accompanying financial statements and notes are in accordance with the Corporations Act 2001, comply with the accounting standards and give a true and fair view of the company's financial position as at 30 June 2011 and its performance for the year ended on that date.
- (b) at the date of this declaration there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.



**Director**

Dated at Albury this 20th day of September, 2011

# Statement of Comprehensive Income

For the year ended 30 June 2011

	Notes	2011 \$	2010 \$
Revenues from Ordinary Activities	2	8,307,944	12,852,913
Expenses from Ordinary Activities	3	(8,586,066)	(12,918,582)
Surplus/(Deficit) from Ordinary Activities		(278,122)	(65,669)
Income Tax Expense		-	-
Surplus/(Deficit)		(278,122)	(65,669)
Other comprehensive income		-	-
Total comprehensive income for the year	4	(278,122)	(65,669)

The above Statement of Comprehensive Income should be read in conjunction with the attached notes

## Balance Sheet

As at 30 June 2011

	Notes	2011 \$	2010 \$
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	5	9,077,150	6,652,946
Trade and Other Receivables	6	1,503,006	1,355,416
Other Assets	7	187,617	285,437
TOTAL CURRENT ASSETS		10,767,773	8,293,799
<b>NON-CURRENT ASSETS</b>			
Intangible Assets	8	-	-
Plant and Equipment	9	124,181	103,027
TOTAL NON-CURRENT ASSETS		124,181	103,027
TOTAL ASSETS		10,891,954	8,396,826
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	10	7,713,741	4,947,201
TOTAL CURRENT LIABILITIES		7,713,741	4,947,201
<b>NON-CURRENT LIABILITIES</b>			
Long-term Provisions	11	165,030	158,320
TOTAL NON-CURRENT LIABILITIES		165,030	158,320
TOTAL LIABILITIES		7,878,771	5,105,521
<b>NET ASSETS</b>		<b>3,013,183</b>	<b>3,291,305</b>
<b>EQUITY</b>			
Retained Earnings	12	3,013,183	3,291,305
<b>TOTAL EQUITY</b>		<b>3,013,183</b>	<b>3,291,305</b>

The above Balance Sheet should be read in conjunction with the attached notes

# Statement of Cashflows

For the year ended 30 June 2011

	Notes	2011 \$	2010 \$
<b>Cash Flows from Operating Activities</b>			
Receipts from Members & Other Consultancies		4,111,075	3,113,952
Interest Received		187,433	121,056
Grants Received		6,515,938	5,828,466
Payments to Suppliers and Employees		(8,461,523)	(14,823,777)
GST Recovered/(Paid)		144,675	175,320
<b>Net Cash from Operating Activities</b>	20(i)	2,497,598	(5,584,983)
<b>Cash Flows from Investing Activities</b>			
Payments for Intangibles		-	-
Payments for Property, Plant and Equipment		(73,394)	(24,785)
<b>Net Cash Used in Investing Activities</b>		(73,394)	(24,785)
Net Increase (Decrease) in Cash held		2,424,204	(5,609,768)
Cash at the Beginning of the Financial Year		6,652,946	12,262,714
<b>Cash at the End of the Financial Year</b>	20(ii)	9,077,150	6,652,946

The above Statement of Cashflows should be read in conjunction with the attached notes

# Statement of Changes in Equity

For the year ended 30 June 2011

	Retained Earnings \$	Total \$
Balance at 1 July 2009	3,356,974	3,356,974
<i>Comprehensive Income</i>		
Net Surplus/(Deficit)	(65,669)	(65,669)
Other Comprehensive Income	-	-
Total Comprehensive Income	(65,669)	(65,669)
<b>Balance at 30 June 2010</b>	<b>3,291,305</b>	<b>3,291,305</b>
<i>Comprehensive Income</i>		
Net Surplus/(Deficit)	(278,122)	(278,122)
Other Comprehensive Income	-	-
Total Comprehensive Income	(278,122)	(278,122)
<b>Balance at 30 June 2011</b>	<b>3,013,183</b>	<b>3,013,183</b>

The above Statement of Changes in Equity should be read in conjunction with the attached notes

## 1. Summary of accounting policies

These financial statements constitute a general purpose financial report which have been drawn up in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Boards, Australian Accounting Interpretations and the Corporations Act 2001.

The financial report of Australian College of Rural and Remote Medicine Limited ("the College") complies with all Australian equivalents to International Financial Reporting Standards (AeIFRS) in their entirety.

A statement of compliance with International Financial Reporting Standards cannot be made due to the Company applying the not-for-profit sector specific requirements contained in the AeIFRS.

### Basis of Preparation

The statements are prepared on the accrual basis of accounting using the historical cost assumption and, except where stated, do not take into account changing money values nor current valuations of non current assets and their impact on operating results.

The accounting policies below have been consistently applied to all years presented.

### Income Tax

The entity is exempt from income tax under provisions of the Income Tax Assessment Act.

### Property, Plant and Equipment

Property, plant and equipment are brought to account at cost, less, where applicable, any accumulated depreciation.

Depreciation is calculated on the Diminishing Value Method so as to write the assets off over their estimated useful lives. The average depreciation rate for office equipment ranges between 20 and 40%. New assets are depreciated from the date of commissioning.

### Revenue Recognition

- (a) Grant revenue is recognised in the statement of comprehensive income when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

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

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

- (b) Interest Revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.
- (c) Subscriptions are recognised on an accrual basis proportionate to when the service is provided.

### Employee Benefits

The following liabilities arising in respect of employee entitlements are measured at the amount expected to be paid when the liability is settled:

- wages and salaries, annual leave and sick leave regardless whether they are expected to be settled within twelve months of balance date.
- other employee entitlements which are expected to be settled within twelve months of balance date.

Long service leave liabilities are determined after taking into consideration years of service, current level of wages and salaries and past experience regarding staff departures.

### Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

### Intangible Assets

The cost of creating a website has been capitalised under the conditions set out in Australian Accounting Interpretations. The expense is being amortised over a period of three years and any further expenses incurred for maintenance will be expensed to the Statement of Comprehensive Income.

### Receivables

Trade receivables represent the principal amounts outstanding at balance date, are non interest bearing and are usually settled within 30 days.

### Payables

Payables represent the principal amounts outstanding at balance date, are non interest bearing and are usually settled within 30 days.

### Net Fair Value

The net fair value of all financial assets and liabilities are represented by their book value unless otherwise stated.

### New Accounting Standards for Application in Future Periods

There is a number of Australian Accounting Standards that have been issued or amended and which are applicable to the company but are not yet effective and have not been adopted in preparation of the financial statements at reporting date. Having considered each of the new reporting requirements, but without detailing same herein, the company does not anticipate early adoption of any of such requirements and does not expect them to have any material effect on its financial statements.

## 2. Revenues from ordinary activities

	2011	2010
	\$	\$
Operating Revenue		
Rendering of Services	3,465,932	3,060,593
Grant Income	4,516,293	9,637,691
Sponsorship	127,945	20,909
Sundry Income	10,341	12,664
Non Operating Revenue		
Interest	187,433	121,056
	8,307,944	12,852,913

### 3. Expenses from ordinary activities

	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
<i>Classification of Expenses by Function:</i>		
College Services & Admin Expenses	4,009,390	3,241,974
Publication & Communication Services	60,383	38,918
John Flynn Scholarship Scheme Grant Expenses	2,851,343	2,696,783
GP Procedural Grant Expenses	238,032	243,032
PGPPP Grant Expenses	-	5,222,657
Mental Health Grant Expenses	-	97,422
MSOAP Grant Expenses	432,869	341,018
Autism Grant Expenses	72,756	200
Specialist Pathway Grant Expenses	-	103,468
Competent Pathway Grant Expenses	-	86,342
Work Based Assessment Grant Expenses	78,425	-
GP Anaesthetic Grant Expenses	115,188	-
Advanced Life Support Grant Expenses	43,703	-
Bonded Student Support Grant Expenses	683,977	846,768
	<u>8,586,066</u>	<u>12,918,582</u>
<i>Other Expenses</i>		
Employee Benefits Expense	2,187,482	1,829,422
Amortisation and Depreciation Expense	51,238	62,722

### 4. Surplus/(deficit) from ordinary activities

	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
<i>Surplus/(Deficit) from Ordinary Activities includes:</i>		
Net (Gain)/Loss from sale of Plant and Equipment	1,002	930
Net Expense resulting in movements in provisions:		
Depreciation	51,238	42,131
Amortisation	-	20,591
Rental expense from operating leases	278,216	264,968

## 5. Cash and cash equivalents

	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
Cash on Hand	100	100
Cash at Bank	3,662,583	1,688,108
Cash on Deposit	5,414,467	4,964,738
	<u>9,077,150</u>	<u>6,652,946</u>

## 6. Trade and other receivables

	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
Trade Receivable	1,503,006	1,355,416
	<u>1,503,006</u>	<u>1,355,416</u>

Included in the above, are aggregate amounts receivable from the following related parties:

Directors (other than loans to directors)	<u>-</u>	<u>4,196</u>
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## 7. Other assets

	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
Prepayments	187,617	214,229
Accrued Income	-	71,208
	<u>187,617</u>	<u>285,437</u>

## 8. Intangible assets

	2011	2010
	\$	\$
Website Development (at cost)	699,364	699,364
Accumulated Amortisation	(699,364)	(699,364)
	-	-

## 9. Plant and equipment

	2011	2010
	\$	\$
Office Equipment (at cost)	455,355	402,967
Accumulated Depreciation	(331,174)	(299,940)
	124,181	103,027

### Movement Schedule

Opening Balance	103,027	121,303
Additions	73,394	24,785
Disposals at Written Down Value	(1,002)	(930)
Depreciation Expense	(51,238)	(42,131)
<b>Closing Balance</b>	124,181	103,027

## 10. Trade and other payables

	2011	2010
	\$	\$
<b>(i) Current</b>		
Trade and Sundry Creditors	217,993	316,846
Unearned Income	6,682,680	4,099,196
Accruals	102,651	48,962
Employee Benefits	312,395	181,720
GST Payable	277,620	199,868
Long service leave	120,402	100,609
	7,713,741	4,947,201
Included in unearned income, are amounts from directors:	11,564	7,648

## 11. Provisions

	2011	2010
	\$	\$
<b>Non-Current</b>		
Employee Benefits	14,380	7,670
Provision for "Make Good"	150,650	150,650
	165,030	158,320

## 12. Retained earnings

	2011	2010
	\$	\$
Retained Earnings at the beginning of year	3,291,305	3,356,974
Net Surplus/(Deficit)	(278,122)	(65,669)
Retained Earnings at the end of year	3,013,183	3,291,305

## 13. Auditor's remuneration

	2011	2010
	\$	\$
Audit and review of Financial Statements	7,275	8,500
Other Project Audit Services	4,775	6,200
	12,050	14,700

## 14. Commitments for expenditure

	2011	2010
	\$	\$
Non-cancellable operating lease for lease of premises		
Commitments not provided for:		
No later than 1 year	292,127	278,217
Later than 1 year but no later than 5 years	-	292,127
	292,127	570,344

## 15. Members' guarantee

The company is limited by guarantee. If the company is wound up, the Articles of Association state that each member is required to contribute a maximum of \$10 each towards meeting any obligations of the company.

## 16. Corporate information

Australian College of Rural and Remote Medicine Limited is an Australian company incorporated and domiciled in Australia. Its principal activities are the provision of medical education and training services. The principal place of business and registered office of the Australian College of Rural and Remote Medicine Limited is Level 4, 410 Queen Street, Brisbane, Queensland. There are 48 employees (2010: 42) at the end of the reporting period.

## 17. Segment information

The company's sole business segment is the provision of medical, education and training services to rural and remote areas in Australia.

## 18. Economic dependency

The project operations of the Australian College of Rural and Remote Medicine are dependent upon ongoing funding, which, to date, has been predominantly through agreements with the Department of Health and Ageing.

## 19. Related party transactions

The directors of the company pay membership fees under normal terms and conditions. They are not remunerated by the company. The names of persons who held office during the year are as follows:

### 2011

A/Professor Dennis Pashen  
 Dr Patrick Giddings  
 A/Professor Ruth Stewart  
 Dr Lachlan McIver (term expired 24/10/10)  
 Dr Samuel Goodwin (appointed 24/10/10)  
 Dr David Campbell  
 A/Professor Elizabeth Chalmers (term expired 24/10/10)  
 Dr Michael Eaton  
 Dr Aniello Iannuzzi (term expired 24/10/10)  
 Associate Professor Lucie Walters  
 Dr John Russell (resigned 12/04/11)  
 Dr Charles Evill (appointed 24/10/10)  
 Dr Thomas Doolan  
 Dr Graham Morris  
 Dr Jeffrey Ayton  
 Dr Tim Kelly  
 Dr Peter Arvier  
 Dr Tim Metcalf (appointed 24/10/10)

### 2010

A/Professor Dennis Pashen  
 Dr Patrick Giddings  
 A/Professor Ruth Stewart  
 Dr Lachlan McIver (appointed 14/08/09)  
 Dr Jonathan Outridge (resigned 08/12/09)  
 Dr David Campbell (appointed 08/12/09)  
 A/Professor Elizabeth Chalmers  
 Dr Michael Eaton  
 Dr Aniello Iannuzzi  
 A/Professor Lucie Walters (appointed 08/12/09)  
 Dr John Russell  
 Dr John Robson (resigned 21/07/09)  
 Dr Thomas Doolan (appointed 08/12/09)  
 Dr Graham Morris (appointed 21/07/09)  
 Dr Jeffrey Ayton  
 Dr Tim Kelly  
 Dr Peter Arvier (appointed 13/04/10)

## 20. Notes to the Statement of Cashflows

### i) Reconciliation of Surplus/ (Deficit) from Ordinary Activities after Income Tax to Net Cash Provided by Operating Activities

	2011	2010
	\$	\$
Surplus/(Deficit) from ordinary activities after income tax	(278,122)	(65,669)
Depreciation	51,238	42,131
Amortisation	-	20,591
Loss/(Gain) on Disposal of Assets	1,002	930
(Increase)/Decrease in Trade Debtors	(147,590)	(303,878)
(Increase)/Decrease in Non-Trade Debtors	-	-
(Increase)/Decrease in Prepayments	26,612	39,741
(Increase)/Decrease in Accrued Income	71,208	(71,208)
Increase/(Decrease) in Unearned Income	2,583,484	(3,414,954)
Increase in Trade Creditors and Accruals	(45,164)	(1,939,842)
Increase/(Decrease) in Provisions	157,178	111,889
GST Clearing	77,752	(4,714)
Net Cash Provided by Operating Activities	2,497,598	(5,584,983)

For the purposes of the Statement of Cashflows, cash includes cash on hand and in banks and investments in money markets, net of bank overdrafts.

### ii) Reconciliation of Cash

	2011	2010
	\$	\$
Cash on Hand	100	100
Cash at Bank	3,662,583	1,688,108
Cash on Deposit	5,414,467	4,964,738
	9,077,150	6,652,946

### iii) Cash

Cash balances and short-term deposits are stated at their principal amounts are held at call, subject to fixed and variable interest rates. Interest is recognized when earned.

## 21. Events after the balance sheet date

- a) The financial report was authorised for issue on 20th September 2011 by the board of directors.

## 22. Financial instruments

### Financial Risk Management Policies

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

The Company does not have any derivative instruments at 30 June 2011.

#### i) Treasury Risk Management

A finance committee meet on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

The committee's overall risk management strategy seeks to assist the Company in meeting its financial targets whilst minimizing potential adverse effects on financial performance.

The finance committee operates under policies approved by the board of directors. Risk management policies are approved and reviewed by the Board on a regular basis. These include credit risk policies and future cash flow requirements.

#### ii) Financial Risk Exposures and Management

The main risks the Company is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

### Interest rate risk

As the company is funded mainly through government grants, the Company does not require loans and consequently is not exposed to interest rate risk.

No assets or liabilities of the company bear interest except for cash and cash equivalents. The interest rate (market) risk regarding these assets is monitored by the directors to ensure the best possible financial returns. At 30 June 2011 the weighted average effective interest rate in relation to cash and cash equivalents was 1.2% (2010 – 1.2%) with the interest rate being entirely represented by floating rates. In terms of interest rate sensitivity analysis, a 2% increase/decrease in interest rates would cause the net profit before tax and equity of the company to increase/decrease by \$103,000 annually assuming all other variables remain constant.

### Foreign currency risk

The company is not exposed to fluctuations in foreign currencies.

### Liquidity risk

The company manages liquidity risk by monitoring forecast cash flows and ensuring that spending remains within approved project budgets for which funds are received in advance.

### Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognized financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

There are no amounts of collateral held as security at 30 June 2011.

Credit risk arises from exposures to customers as well as deposits with financial institutions. The Company is not exposed to any significant credit risk because it does not trade, and its receivables are from providers of grant funding. Consequently, the finance committee does not monitor credit risk.

Whilst 91% of the total debtors are concentrated in one debtor, being the Department of Health and Ageing, the company considers credit risk to be negligible.

**AUSTRALIAN COLLEGE OF RURAL AND REMOTE MEDICINE LIMITED****INDEPENDENT AUDITOR'S REPORT****To the members of Australian College of Rural and Remote Medicine Limited**

We have audited the accompanying financial report of Australian College of Rural and Remote Medicine Limited, which comprises the balance sheet as at 30 June 2011 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

*Directors' Responsibility for the Financial Report*

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

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

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

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

*Independence*


In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

*Auditor's Opinion*

In our opinion, the financial report of Australian College of Rural and Remote Medicine Limited is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the company's financial position as at 30 June 2011 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.

  
Bentleys Brisbane Partnership

  
Stewart Douglas  
Partner

Brisbane  
20 September 2011