



ANNUAL REPORT  
2018-2019

## Table of contents

03	Board of Directors
04	Strategic Plan 2015 -2020

### **EXECUTIVE REPORTS**

06	President's Report
10	Board of Directors Annual Self Evaluation 2018
11	CEO's Report
14	Finance Report

### **FINANCIAL STATEMENTS**

20	Directors' Report
23	Statement of Profit and Loss and Other Comprehensive Income
24	Statement of Financial Position
25	Statement of Changes in Equity
26	Statement of Cash Flows
27	Notes to the Financial Statements
42	Directors' Declaration
43	Auditors Independence Declaration
47	Independent Audit Report

## Board of Directors



**Terri Barrett**  
President



**Jackie Kitschke**  
Vice President



**Rebekah Bowman**  
Director



**Teresa Walsh**  
Director



**Carolyn Hastie**  
Director



**Vince Kelly**  
Director



**Natasha Donnelly**  
Director



**Zoe Bradfield**  
Director



**Ian Wilson**  
Director

# Strategic Plan 2015-2022

**Our Vision: Enabling strong and confident midwives**

**Our Mission: To position and profile midwifery as the primary professional care through advocacy, CPD and support**

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## Strategic Priorities

### Enhance

the recognition, value and visibility of midwives

### Support

midwives to provide high quality care

### Strengthen

the position of the ACM as the voice for Australian midwives

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## Activities

Advocate for midwives

Promote value and visibility of midwives

Inform public about role of midwives

Acknowledge midwives

Influence midwifery standards

Provide quality CPD activities

Expand midwives' professional resources

Support midwives to work in midwifery continuity of care

Support development of models of midwifery care

Implement marketing and communications strategy

Represent more midwives through increased membership

Support members' needs and professional interests

Develop strategic partnerships

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With the appointment of our new CEO, Luke Williamson, ACM has commenced the process to revise and set our strategic plan.

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n for quality maternity



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## Ensure

the ACM is effective, responsive and viable

## Drive

reform and innovation in Australian maternity services

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Increase and diversify revenue base

Ensure effective systems and processes, governance and policies

Provide supportive and professional service to members

Contribute to the evidence base that powers reform and innovation

Promote normal birth and midwifery continuity of care

Advocate one to one care in labour as the gold standard

Lobby for community-based, primary-level maternity services

Advocate for Birthing on Country for Indigenous women and increase Indigenous workforce

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Revised 21 July 2018

## President's Report



I am delighted to present the Annual Report on behalf of the Australian College of Midwives (ACM) Board of Directors. I would like to acknowledge the expertise of the Board, Council, Chief Executive Officer and ACM team and thank them for their support over the past year.

Board members over the last 12 months have been:

- Jackie Kitschke, SA (Vice President)
- Rebekah Bowman, ACT (Director and Chair of ACM Council)
- Teresa Walsh, QLD (Midwife Director)
- Carolyn Hastie, NT (Midwife Director)
- Vince Kelly, ACT (Non-Executive Director)
- Natasha Donnelly, NSW (Community Director)
- Zoe Bradfield, WA (Midwife Director)
- Ian Wilson, VIC (Finance Director)

Carolyn Hastie has recently advised that she will step down from the Board after the 2019 AGM and I am delighted to advise that Allison Cummins will be appointed to this casual vacancy for the next 12 months. We are looking forward to Allison joining the Board.

Carolyn Hastie provided great leadership to the Reconciliation Action Plan (RAP) Working Group during her tenure and I know she will be very proud that the ACM RAP has been launched this week. I would like to thank Carolyn for her commitment to this very important work.

At this AGM one Midwife Director will step down – Jackie Kitschke will finish her second term as a Midwifery Director and I would like to acknowledge the enormous contribution Jackie has made during her time with the Board. Jackie was instrumental in the unification process and has provided strong governance and oversight of the ACM finances as initially Treasurer, and subsequently as Chair of the Finance, Audit and Risk Committee.

Jackie has also provided great support as ACM Vice-President. She has provided a willing ear and wise words when I have needed them. More than this Jackie has been a constant advocate for the membership, reminding the Board why we are here and bringing the voice of the midwife working in the hospital setting to the Board table. Jackie was recognised as a Fellow of ACM in 2018. She will be greatly missed on the Board and I want to thank her for her commitment and contribution to ACM.

The Board also farewells Vince Kelly, our first Community Director who was selected for his governance expertise. I think it is fair to say that there was some interest at the time in the decision to appoint an ex-policeman to the ACM Board. Having worked alongside Vince during his time as a Director, I can tell you that he has brought so much more than governance to the table. He has not only brought enormous wisdom and experience in dealing with complex situations but also focus, structure, balance, common sense and a whole other perspective to our meetings. He has contributed above and beyond and there are some situations where his counsel has been invaluable. I have learned much from working alongside Vince and I cannot thank him enough for his contribution. We are currently recruiting for this vacant position.

In keeping with our revised (2018) Constitution, your Board will welcome a new West-Central Midwifery Director after the 2019 AGM.

As you are all aware there has also been a change in CEO this year and I would like to take this opportunity to acknowledge the amazing contribution that our former CEO Ann Kinnear has made to ACM. Ann led us through unification but more than that, she established ACM as a national body with governance structures and processes that are exceptional. She provided strong, visionary leadership and was an unrelenting advocate for the profession of midwifery, influencing legislation and policy at a national level. She leaves behind a strong foundation for the future of ACM and the profession and on behalf of the Board and members I thank her for her work over the past eight years.

I would like to highlight just a few of the activities ACM has been working on over the last year in line with our Strategic Direction. There is obviously so much more – my regular reports in *Australian Midwifery News* have hopefully provided members with regular updates on the work ACM has been doing on your behalf.

In this Annual Report Luke Williamson, as CEO, has highlighted the operational side of the business that he, the ACM staff and the Advisory Committees have been working on over the last year. My report focuses on Board activities and our Strategic Plan 2015-2020.

### **Enhance the recognition, value and visibility of midwives**

ACM continues to advocate for midwives and midwifery at every opportunity. The CEO's report highlights many of the submissions ACM has made on behalf of midwives and the meetings and consultations we have attended as part of enhancing the recognition, value and visibility of midwives.

As part of valuing midwives, this year we held our third ACM Annual Awards celebration. It was wonderful to launch a new award this year in partnership with Nurse and Midwife Support; Excellence in Managing Workplace Culture. In light of the challenges midwives are facing on a day to day basis this importantly acknowledges the need to provide a positive, supportive work environment. I would like to acknowledge the work of Council members in this event. Each year the quality and quantity of nominations has increased and they spend a significant amount of time determining category winners and honours recipients. The evening was a wonderful opportunity to celebrate the outstanding work of midwives and is growing every year.

Our publications continue to provide members with the latest midwifery news. Additionally, the ACM team has increased their use of social media to ensure we capture midwives across the generations. In relation to our peer reviewed journal, *Women and Birth*, I would like to acknowledge the work of Caroline Homer as Editor-in-Chief and her team for their work over the past 12 months.

### **Support midwives to provide high quality care**

ACM has continued to support midwives through continuing professional development programs including conferences, seminars, workshops, webinars, Midwifery Practice Review and more. These activities would not be possible without the commitment and energy of local branch committees and the Board would like to thank those of you who volunteer your time and energy to promote and coordinate to these events which are highly valued by ACM members.

Evidence demonstrating the importance of midwifery care in optimising outcomes for mothers and babies continues to emerge. In order to provide guidance to our members, ACM has developed a number of position statements and also contributed to the work of other organisations by supporting the development of documents across all areas of midwifery practice including areas of great importance such as the prevention of stillbirths. In many instances members have responded to calls to represent ACM on working groups and as a professional body, we greatly appreciate their time and expertise.

### **Strengthen the position of ACM as the voice for Australian midwives**

We remain committed to increasing the number of Australian midwives who are members of their professional body, in the knowledge that not only will this enable us to expand the range of member services we can provide but also importantly, **will make ACM a stronger, more effective voice for the profession of midwifery**. It is with this in mind that we remain committed to maintaining our relevance to existing and potential members.

As members you have a key role to play in promoting the benefits of ACM membership to your friends and colleagues. The best recommendation comes from you and I would ask you to join with the Board in our endeavours to make ACM the best it can be.

We continue to work hard on raising awareness of midwifery and ACM. Our Liaison Midwives continue to provide a presence in hospitals across the country, ensuring that midwives are aware of local events as well as the work of ACM nationally. I would like to thank them for their efforts and encourage others interested in this role to contact ACM.

We continue to strengthen and build other strategic partnerships – NMBA, ANMAC, RANZCOG, and CATSINaM. Most recently we have agreed to work with RANZCOG and RACGP to reinvigorate the Joint Committee on Maternity Services.

### **Ensure ACM is effective, responsive and viable**

ACM governance systems are well established. We continue to evaluate our effectiveness as a Board with an annual evaluation in addition to a survey completed by Directors after each meeting.

The Board, Council and members of the ACM management team recently attended a training session run by the Australian Institute of Company Directors, continuing ACM's commitment to developing the skills of the Board. This was the first step in the development of a new Strategic Plan with our current Plan expiring in 2020. We are very excited to work with our new CEO, Luke Williamson, on the new Strategic Plan and look forward to benefiting from his extensive experience and "fresh eyes" in identifying opportunities for ACM.

Our membership has been stable over the last twelve months. For the Board and the ACM team this remains a key area of focus as the number of members has a significant impact on our income and therefore our capacity to deliver member benefits and services. These benefits include our webinars, publications and discounts on e-learning, as well as other support such as scholarships.



The Board continues to challenge ACM's current performance and support the CEO to see how we can innovate and improve our services to you as members. Over the past year we have worked together to consider our relevance, branding and marketing strategy.

### **Drive reform and innovation in Australian maternity services**

Much of the work of ACM is focussed on driving reform and innovation in Australian maternity services. We remain committed to supporting all midwives regardless of their practice setting and ensuring that maternity services meet the needs of all women. This year ACM has been involved in advocating on the issue of Professional Indemnity Insurance, with a temporary extension granted to December 2020, and lobbying around the recent Medicare Review.

ACM has continued participation in the Expert Advisory Group for the development of the National Strategic Approach to Maternity Services and has been relentless in their position that midwifery care should be clearly articulated as best practice.

Another important focus for ACM has been the Birthing on Country project in partnership with CATSINaM, the University of Queensland and the University of Sydney, and the Poche Institute with additional funds from the Merck Sharp and Dohme (MSD) for Mothers Program. This project has been more than ably led by the Project Manager Cherisse Buzzacott, working in partnership with the local communities of Nowra and Waminda. This project aligns closely with our Strategic Plan and we are incredibly proud of our involvement and the work that has been achieved.

### **A final word of thanks**

This past year has been more challenging and rewarding than the last for me as your President. I have thoroughly enjoyed the opportunity to meet many of you, attend meetings on your behalf and represent you in a range of forums.

I look forward to the next 12 months with much excitement, knowing that together we can make ACM and the profession of midwifery stronger than ever.



**Terri Barrett**  
President

The Board takes time to consider its performance on members' behalf. After each Board meeting and at the end of each year, Directors complete an evaluation to assess performance, responsibilities, processes, strengths and any areas for improvements. These results are discussed at the next meeting and actions for improvements are completed.

The following is a summary of the 2018 self evaluation of the Board:

## **Board performance**

Directors are satisfied that ACM's governance structure is clearly defined and understood, that the Board contains a sufficient range of expertise to make it effective and that they focus their attention on long-term significant policy/strategic issues.

Some Directors expressed that the Board meetings are open, welcoming and accountable, however there are times when it can be challenging to separate and focus on the strategic directions of the organisation rather than midwifery. This is an area we are working on by attending a yearly training course and/or workshop with the Australian Institute of Company Directors (AICD).

## **Additional skills that would be beneficial on the Board**

The Board has acknowledged that marketing expertise would be a beneficial skill to add to the Board, along with further governance, legal and political skills. This has been partially addressed by the appointment of our new CEO (who attends Board meetings), and has been included in our selection criteria for a new Non-Executive (Community) Director.

## **Board roles and responsibilities**

Directors are satisfied of their awareness of their legal responsibilities, financial accountability obligation and protection. Directors also expressed satisfaction that the Chair/President provides effective leadership, the business risks are identified and addressed, that the Board has adopted policies enhancing its effectiveness and that the Board works effectively as a whole.

## **Board processes**

Directors are very satisfied with the method and frequency of meetings, the meeting papers and minutes, and acknowledge the amount of work required by the management team in regards to these processes.

## **Individual strengths and weaknesses**

Directors believe they contribute the following strengths to the Board: governance and professional skills; midwifery work, issues at the ground level, power dynamics in workplaces and barriers to midwifery practice; relationships and politics within the profession; and finance and risk management.

Directors identified that the main area for development is understanding the differences between operational and governance roles and responsibilities. In response, additional training was provided by AICD in July 2019.

## **Requirements for performance improvements**

Directors agree that the annual governance training/workshop, usually conducted by the Australian Institute of Company Directors (AICD), is beneficial.



It was with great pleasure and humility that I became CEO of ACM with the retirement of our previous and long-term CEO, Ann Kinnear, in June 2019.

Ann Kinnear has been an outstanding leader of ACM and advocate for the midwifery profession, including leading ACM through the unification to become a united and effective body championing the profession. Through the transition, I became quickly aware of the experienced and skilled team she had assembled to work on behalf of our members.

In July I had the privilege of attending my first ACM Annual Awards event in Melbourne, where I was able to see the joy and satisfaction that comes from your dedication to the profession, on display.

Below I outline some of the many, many things that ACM is doing on behalf our members.

## Profession building

In the past year, ACM has worked hard to help develop the profession through numerous submissions to government and regulators, involvement in national conversations of relevance to midwifery, and by advising on policy and guidelines. Just a sample of which includes:

### ◊ We have developed numerous submissions to government and regulators, including:

- Review of the Australian and New Zealand Standard Research Classification
- Medicare Benefits Schedule Taskforce – Participating Midwifery Reference Group Report
- National Diabetes Services Scheme Enhancement Project
- Food Standards Australia New Zealand – P1050 Pregnancy warning labels
- Nursing and Midwifery Board of Australia (NMBA) – Midwifery Accreditation Standards Draft Consultation paper
- National Rural Health Alliance – Midwifery Factsheet
- Department of Health - Educating the nurse of the future

### ◊ We have participated in the national conversation on key topics, including:

- Whooping cough – Parents' choice and postnatal depression
- Fetal movements study
- Caesarean viewing parties
- Midwife-led care

### ◊ We have advised on policy and clinical guidelines

- The Centre of Research Excellence in Stillbirth – across numerous expert working groups
- The Perinatal Society of Australia and New Zealand and The Centre of Research Excellence in Stillbirth – consulting on DFM guidelines
- Australian Commission of Safety and Quality in Health Care – Severe Perineal Tears Clinical Care Standard (Expert Working Group)
- NMBA – Stakeholder session RE: mandatory reporting
- QLD Health Rural Maternity Taskforce
- National Immunisation Committee
- National Children's Digital Health Collaborative – CDHR Clinical Informatics Endorsement Data
- National Blood Authority – Anti D Expert Reference Group

### ◊ We have participated in numerous working groups and taskforces, including:

- QLD Health Rural Maternity Taskforce
- National Immunisation Committee
- National Children's Digital Health Collaborative – CDHR Clinical Informatics Endorsement Data
- National Blood Authority – Anti D Expert Reference Group

### Learning

In addition to the well-established learning offerings, significant work has progressed on a new leadership course for midwives and we have recently been engaged by Queensland Health to develop an online training course for midwives related to managing domestic violence.

### Events

Supporting branches and providing national events are an enormous part of ACM's core business. During this financial year, ACM has supported many events from "Life as a new graduate" (a discussion about becoming a midwifery student hosted by the Australian Catholic University), through to our Annual Awards (in Melbourne) and the National Conference held in Perth in October 2018. It is wonderful, as the new CEO, to see such vibrancy in our events program and the rich engagement of members in our profession building activities. I especially would like to thank our state and territory branch volunteers and our hard working ACM events team for their work throughout the year!

### Membership

Since joining ACM in June 2019, I have had over 70 conversations with members of all types: students and recent graduates, midwives working in hospitals and continuity of care models, former midwives now working in health policy, academic midwives focused on teaching and research, and numerous chief midwives around the country. These conversations are helping me consider how to better focus ACM's advocacy efforts and to structure our member benefits package. Thank you all so much for your time.

ACM membership remains around 4,500 and it is pleasing to see the success we have had with the strong uptake of our graduate membership category.

We have also, as promised, progressed significantly with our IT system improvements that are so important for improving member's experience and ease when using our website, renewing membership and engaging in digital learning. We are now just months away from the re-launch.

### Partnerships

ACM is involved in two major partnerships:

- 1. Birthing on Country (BoC) -** ACM received a grant from Merck Sharpe Dohme (MSD) for a three-year project to facilitate discussions and collaboration around the development and implementation of Birthing on Country programs. ACM has partnered with the Congress of Aboriginal and Torres Strait Islander Midwives, University of Queensland and University of Sydney to progress this work. Cherisse Buzzacott was employed in the position of Project Officer in August, 2017. The BoC Project has contributed resources to the implementation of culturally safe birthing spaces at two sites - Brisbane (urban) and Nowra (regional).

Strategic work commenced around legislation changes of licensing private health facilities to build a standalone Aboriginal birthing centre in NSW and QLD, and insurance for midwives employed

by Aboriginal Community Controlled Health Organisations to be covered for births. In addition, the ACM BoC Project Officer was appointed to contribute to the Building on Our Strengths (BOOSt) Partnership Grant through the University of Queensland. A one-off grant was provided to Waminda, an Aboriginal women's health and wellbeing service in Nowra, for the employment of a project officer to continue the work on the ground. It is hoped the Birthing on Country model will be adaptable to other sites once the research outcomes have been published.

Our grant funding to manage the BoC project is coming to an end early in FY19/20. We are currently in discussions with the federal Department of Health and with the ministers of Health and for Indigenous Australians regarding the future of our involvement.

- 2. A further project with Rotary is underway** - the ACM Rotary Papua New Guinea (PNG) Buddy program is being undertaken in collaboration with the Rotary clubs of Morialta (South Australia) and Port Moresby (PNG). Rotary is funding this project over three years where midwives from PNG and Australia will be partnered for mentoring and leadership development.

ACM can only do all of these things due to the extraordinary contributions from the many people (more than 300) who work for ACM on a voluntary basis. This ranges from our Directors, the ACM Council, the Branch committees and members around the country; many of whom are involved in multiple ways. Then there are the wonderful ACM staff who work so hard for the members. You all deserve a big round of applause for your commitment, efforts and professionalism. Well done!

### **The future is in your hands**

The focus on midwifery and maternity services is changing with the September 2017 passing of the National Law to recognise midwifery as a distinct profession to nursing, and more recently with the planning for the National Strategic Approach to Maternity Services.

As such, ACM is changing our focus too. In the future we will more overtly support and advocate for the ongoing professionalisation of midwifery through the involvement of midwives in skills development, formal learning, research, ethical compliance, quality assurance, and (most importantly) through a rich engagement and involvement of all midwives with their own (separate to nursing) professional society - the Australian College of Midwives. How we do this is in your hands, and I would very much welcome continued conversation with members about our future.

### **A final comment**

Finally let me say again how excited I am to have become your new CEO, and to thank members for the very warm welcome I have received. It is clear that I have taken on a challenging role, but one that brings many personal and professional opportunities to grow and contribute. I have thoroughly enjoyed the process of commencing to meet our members, attend meetings on your behalf and represent you in a range of forums. I very much look forward to the next 12 months knowing that together we can contribute to the continued professionalisation of midwifery in Australia.



**Luke Williamson**  
CEO

You have before you the audited accounts of the Australian College of Midwives Ltd (ACM) for the year ended 30 June 2019.

The financial results for 2018-19 are as follows:

- The result for the year to 30 June 2019 was a deficit of \$353,576. The result incorporates a trading deficit of \$99,924 and one-time adjustment of \$253,652 from changes in Australian accounting standards related to the period in which future committed revenues are accounted for. For the year ended 30 June 2018, ACM reported a surplus of \$2,781.
- Total revenue for 2018-19 was \$2,487,186, a decrease of \$31,209 (1%) compared to 2017-18.
- Total expenses for 2018-19 were \$2,840,762, an increase of \$325,148 (13%) compared to 2017-18.

The most significant impact on the result for 2018-19 came from the changes in accounting standards with the adoption of AASB 15. This change required a 'one off' accounting (noncash) adjustment to membership and college program income, which is explained at Note 2 on page 11 and 12 of the financial statements. Under AASB 15 the accounting of membership income changed from being accounted upon receipt to over the membership period paid for, and the accounting of program income has changed from being accounted upon receipt to match the completion of the services performed. The result before this adjustment was a trading deficit of \$99,924.

The table below shows for comparability purposes the statement of profit & loss for the year ended 30 June 2019 under both AASB 15 and the 'old' standards as if AASB 15 had not been adopted.

	AASB 15 balance per Statement of Profit or Loss	Remea- surement	Balance prior to adoption of AASB 15
<b>Summary of Statement of Profit &amp; Loss</b>			
<b>Income</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Income (excluding membership and programs)	1,285,665	-	1,285,665
Membership income	800,878	148,105	948,983
Program income	400,643	105,547	506,19
<b>Total Income</b>	<b>2,487,186</b>	<b>253,652</b>	<b>2,740,838</b>
<b>Expenses</b>	<b>(2,840,762)</b>	<b>-</b>	<b>(2,840,762)</b>
<b>Result for the year</b>	<b>(353,576)</b>	<b>253,652</b>	<b>(99,924)</b>

The trading deficit for 2018-19 was due to a combination of factors, including:

- A fall in membership revenue of 8%.
- A fall in merchandise income of 21%.
- A fall in program income for MPR of 52% and BFHI of 64%. The latter was a result of the accounting adjustment.
- A delay in achieving partnership targets set for the year, which impacted the budget negatively by \$79,000.

While a deficit was seen for 2018-19, ACM remains in a strong position with \$3.5M in assets; over \$1.6M of this being cash. Improvement in ACM's financial position is expected for 2019-20 through membership and partnership activities.

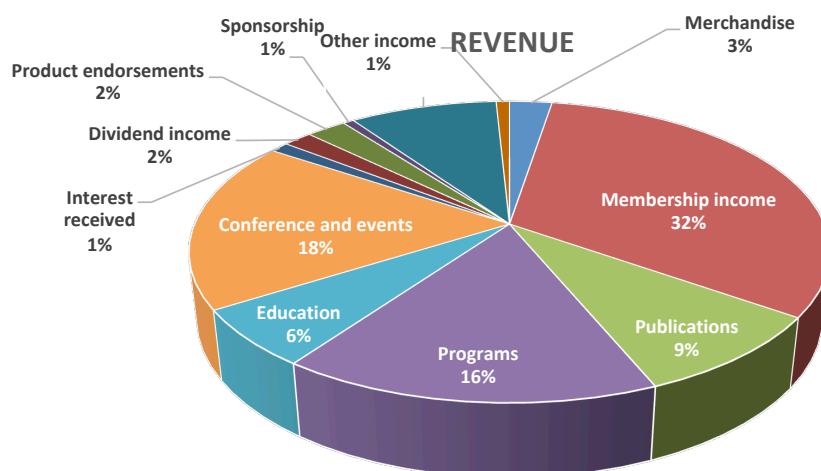
<b>FINANCIAL POSITION AT 30 JUNE</b>	<b>2019</b>	<b>2018</b>
<b>Assets</b>	<b>\$</b>	<b>\$</b>
Current assets	2,422,690	2,768,149
Non-current assets	1,127,033	930,180
<b>Total assets</b>	<b>3,549,723</b>	<b>3,698,329</b>
<b>Liabilities</b>		
Current liabilities	1,214,731	1,994,423
<b>Total liabilities</b>	<b>1,214,730</b>	<b>1,994,423</b>
<b>Net assets</b>	<b>2,334,993</b>	<b>1,703,906</b>
<b>Equity</b>		
Reserves	56,323	42,239
Retained earnings	2,278,670	1,661,667
<b>Total Equity</b>	<b>2,334,993</b>	<b>1,703,906</b>

## Revenue

Overall revenue has fallen by 1% on 2017-18 figures. We saw improvement on the prior year's figures for programs overall, with a 5% increase; education with a 53% increase; conferences with a 20% increase; investment with an 83% increase; Branch income with a 45% increase; and other income with a 155% increase. While sponsorship income shows improvement on the prior year the annual target was not achieved. The decline in membership revenue, outside of the accounting adjustment, was 8% compared to the prior year. Merchandise sales were also down, with a 21% decrease in revenue.

<b>REVENUE</b>	<b>2019</b>	<b>2018</b>	<b>DIFFERENCE</b>	
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>%</b>
Merchandise	63,669	80,864	-17,195	-21%
Membership income	800,878	1,032,165	-231,287	-22%
Publications	223,261	221,535	1,726	1%
Programs	401,476	381,998	19,478	5%
Education	153,009	99,772	53,237	53%
Conference and events	456,736	381,204	75,532	20%
Interest received	27,747	26,411	1,336	5%
Dividend income	43,316	12,326	30,990	251%
Product endorsements	60,000	60,000	0	0%
Sponsorship	16,260	0	16,260	100%
Branch income	220,844	151,960	68,884	45%
Other income	19,990	7,835	12,155	155%
<b>Total Operating Revenue</b>	<b>2,487,186</b>	<b>2,456,070</b>	<b>31,116</b>	<b>1%</b>
MMPOA Income	0	62,325	-62,325	-100%
<b>Total Revenue</b>	<b>2,487,186</b>	<b>2,518,395</b>	<b>-31,209</b>	<b>-1%</b>

The pie chart below shows where ACM revenue comes from, with membership being the main income source at 32% (down from 41% the prior year); followed by events at 18%; programs at 16%; publications and branch activities at 9% each; education at 6%; and the remaining 10% coming from merchandise (3%), product endorsement (2%), sponsorship (1%), investment (3%), and other income (1%).



While a key area for growth in the budget for 2019-20 is under membership, there will also be a focus on diversifying income streams to reduce the reliance on membership revenue. Education, partnership, and services will be targeted for growth under this plan.

## Expenditure

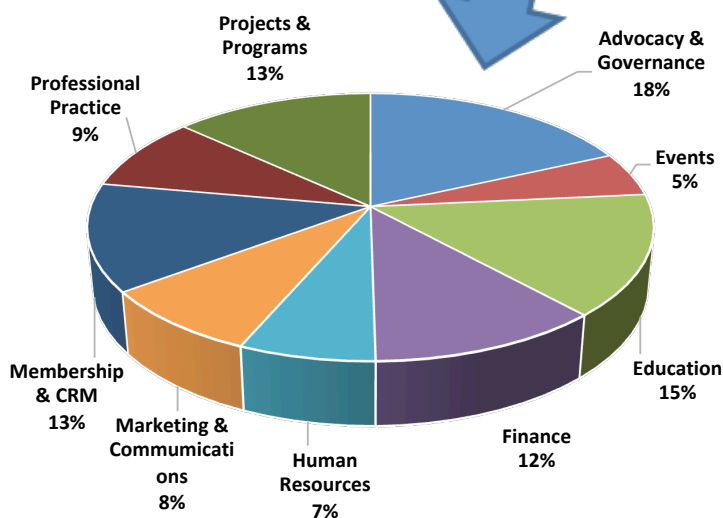
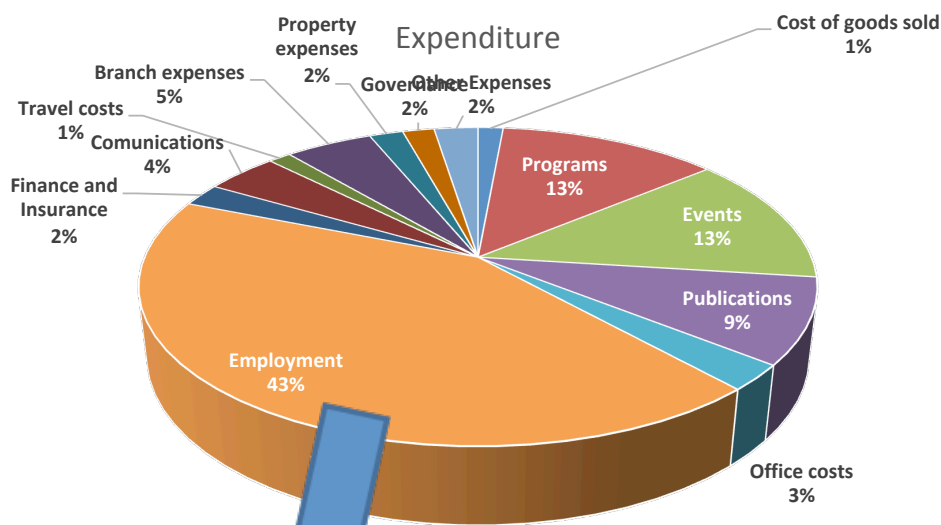
Expenditure for 2018-19 shows a 13% increase on the prior year. The major contributors to this result include increased expenditure for programs (39%), events (52%), national office costs (14%), branch activities (9%), and governance (11%).

EXPENDITURE	2019	2018	DIFFERENCE	
	\$	\$	\$	%
Cost of goods sold	40,640	56,469	-15,829	-28%
College programs	355,887	256,754	99,133	39%
Conferences and events	370,505	243,328	127,177	52%
Publications	246,572	236,689	9,883	4%
Education	9,326	12,610	-3,284	-26%
National office expenses	1,509,587	1,322,004	187,583	14%
Branch expenses	141,150	129,732	11,418	9%
Property expenses	54,517	52,522	1,995	4%
College governance	51,019	45,945	5,074	11%
Scholarships	0	5,000	-5,000	-100%
Depreciation and amortisation	36,347	79,765	-43,418	-54%
Memberships	19,378	19,401	-23	0%
Impairment of financial assets	5,834	55,395	-49,561	-89%
<b>Total Expenses</b>	<b>2,840,762</b>	<b>2,515,614</b>	<b>325,148</b>	<b>13%</b>



A decrease in expenditure was seen for cost of goods sold with a 28% decrease; education with a 26% decrease; depreciation with a 54% decrease; and impairment of financial assets with an 89% decrease. Impairment of financial assets relates to a provision for doubtful debts in 2018 and an impairment on the loan to Advanced Continuums in 2019. No applications were received this year for the National or Indigenous Midwifery Scholarships.

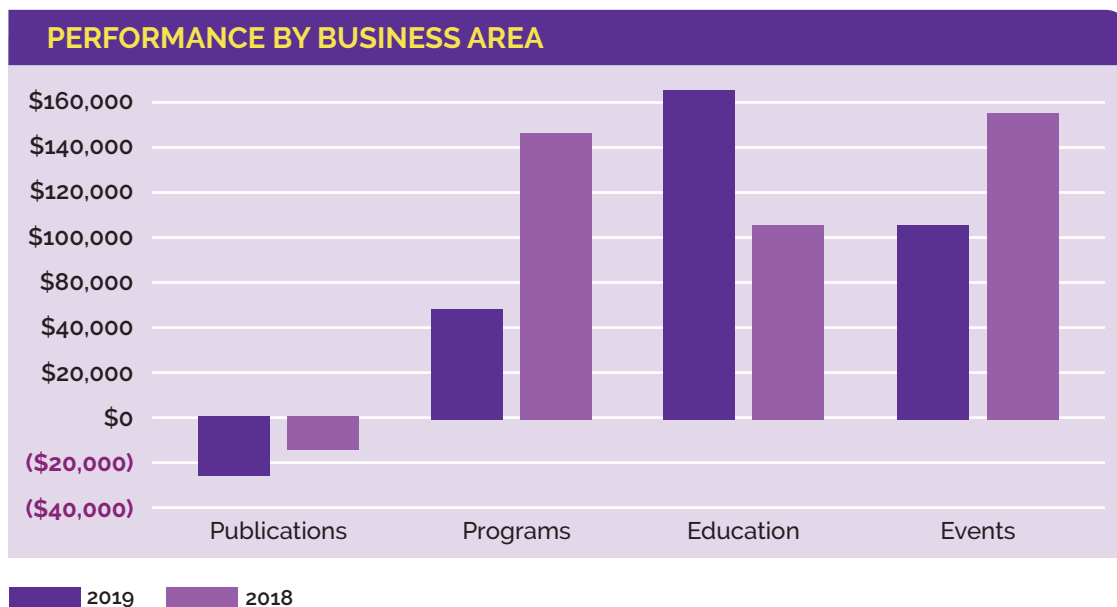
The pie chart below shows how money is spent, with the majority of the budget going towards staff costs (43%). Programs and events account for 13% of the budget each; publications account for 9%; office costs account for 3%, branch activities account for 5%; and communications account for 4%. The remaining 10% of costs come from governance (2%), finance and insurance (2%), property costs (2%), travel (1%), cost of goods sold (1%), and other expenses (2%).



The chart to the left shows the breakdown of employment costs by business area, with

- 18% devoted to advocacy and governance;
- 15% to education;
- 13% to membership and management of the Customer Relationship Management solution;
- 13% to projects and programs;
- 12% to finance;
- 9% to professional practice;
- 8% to marketing and communications;
- 7% to human resources; and
- 5% to conferences and events.

## Performance by Business Area



### ACM focus going forward

ACM will continue to review all expenditure and seek alternative income streams to reduce the reliance on membership income however membership is the main focus for the organisation and accordingly our attention will predominately remain on membership and revenue growth.

The full audited financial statements are provided on the following pages.

**ACM Finance, Audit and Risk Committee**  
**14 August 2019**

# Australian College of Midwives Ltd

ABN: 49 289 821 863

## A Company Limited by Guarantee

### Financial Statements

For the Year Ended 30 June 2019

## Table of contents

### FINANCIAL STATEMENTS

20	Directors' Report
23	Statement of Profit and Loss and Other Comprehensive Income
24	Statement of Financial Position
25	Statement of Changes in Equity
26	Statement of Cash Flows
27	Notes to the Financial Statements
42	Directors' Declaration
43	Auditors Independence Declaration
47	Independent Audit Report

## Directors' Report

30 June 2019

The directors present their report on Australian College of Midwives Ltd for the financial year ended 30 June 2019.

### (a) 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:

Terri Barrett

Qualifications RN, RM, B Sc (RN Conversion), Master Health Science Management, Nurse Co-Director Child and Adolescent Health Service - Community Health.

Appointed 24 October 2014

Special responsibilities President

Rebekah Bowman

Qualifications RM, BNurs, BApplied Science (Naturopathy), Master Midwifery, PhD Candidate, Midwifery Lecturer University of Canberra, Midwife - Birth Suite Calvary Bruce.

Appointed 9 February 2017

Zoe Bradfield

Qualifications PhD, M Mid, PGC S& R Hlth, PG Dip Mid, B Sc N, RM, RN, Lecturer School of Nursing, Midwifery and Paramedicine, Faculty of Health Sciences, Curtin University Midwifery Research Fellow, King Edward Memorial Hospital

Appointed 18 October 2018

Natasha Donnelly

Qualifications BSc (Health Information Management), PhD, Project Manager - National Perinatal Epidemiology & Statistics Unit, Centre for Big Data Research in Health, UNSW Sydney

Appointed 8 October 2015

Tanya Farrell

Qualifications RM, RN, PGDip Child Health, MN (Midwifery), Adjunct Professor, Executive Director Nursing and Midwifery, Royal Women's Hospital, Melbourne.

Appointed 8 October 2015

Resigned 18 October 2018

Carolyn Hastie

Qualifications RM, RN, IBCLC, Cert Reproductive and Sexual Health (FPA WA) PGDip Primary Health Care (UCQ), MPhil Midwifery (UoN) PhD Candidate (UoS)

Appointed 18 October 2018

Vincent Kelly

Qualifications APM GAICD General Manager Australian Federal Police Association

Appointed 20 July 2015

## Directors' Report

30 June 2019

### Information on directors

Jackie Kitschke

Qualifications RN, RM Degree of Nursing, Master of Midwifery, Midwife and Clinical Services Coordinator Midwifery Group Practice, Women's and Children's Hospital, Adelaide.

Appointed 3 October 2013

Special responsibilities Vice President

Teresa Walsh

Qualifications RM – Endorsed, MSc (Adv Mid), Grad Cert Mid (Pharmacology), Midwife/Manager New Life Midwifery (Private Practice), Ass Lecturer Griffith University

Appointed 2 November 2017

Ian Wilson

Qualifications FCPA, AGIA, ACIS, MAICD, Dip Business Studies (Accounting)

Appointed 4 July 2018

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

### Principal activities

The principal activities of Australian College of Midwives Ltd during the financial year are concerned with providing a unified voice for the midwifery profession, supporting midwives to reach their full potential, setting professional practice standards and informing education standards.

No significant changes in the nature of the Company's activities occurred during the financial year.

### Short term objectives

The Company's short term objectives are to:

- Advocate for midwives and midwifery
- Support the professional interests of members
- Advance professional practice and education standards
- Enhance marketing and communications to advance mission
- Ensure good governance and management of the ACM

### Long term objectives

The Company's long term objectives are to:

- Drive reform and innovation in Australian maternity services
- Promote and provide education, advice, professional recognition and support for Midwives, and midwifery students;
- With reference to the International Confederation of Midwives' International Definition of the Midwife, inform and contribute to standards, structures and implementation of midwifery research, education and practice in Australia;
- Facilitate broader community access to information, advice and services concerning maternity care, particularly midwifery service and career options; and
- Develop and maintain relationships and partnerships with maternity care stakeholders - including all levels of government, organisations and individuals, both nationally and internationally - to promote the above objects

## Directors' Report

30 June 2019

### Members' guarantee

Australian College of Midwives Ltd is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up is limited to \$2 subject to the provisions of the company's constitution. At 30 June 2019 the collective liability of members was \$8,514 (2018: \$9,158).

### (b) Other items

#### Meetings of directors

During the financial year, 9 meetings of directors were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Terri Barrett	9	9
Rebekah Bowman	9	9
Zoe Bradfield	7	6
Natasha Donnelly	9	8
Tanya Farrell	3	2
Carolyn Hastie	7	6
Vincent Kelly	9	9
Jackie Kitschke	9	9
Teresa Walsh	9	8
Ian Wilson	9	9

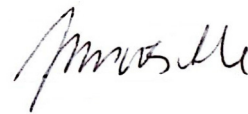
Signed in accordance with a resolution of the Board of Directors:

Director: .....



Terri Barrett

Director: .....



Jackie Kitschke

Dated 9 August 2019

## Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2019

	2019	2018
Note	\$	\$
Income	5 <b>2,487,186</b>	2,456,070
Other income - Funds transferred from MMPOA Ltd	-	62,325
Cost of goods sold	<b>(40,640)</b>	(56,469)
College programs	<b>(355,887)</b>	(256,754)
Conference and event expenses	<b>(370,505)</b>	(243,328)
Publications	<b>(246,572)</b>	(236,689)
Education	<b>(9,326)</b>	(12,610)
National office expenses	<b>(1,509,587)</b>	(1,322,004)
Branch expenses	<b>(141,150)</b>	(129,732)
Property expenses	<b>(54,517)</b>	(52,522)
College governance	<b>(51,019)</b>	(45,945)
Scholarships	-	(5,000)
Memberships	<b>(19,378)</b>	(19,401)
Depreciation and amortisation	<b>(36,347)</b>	(79,765)
Impairment of financial assets - provision for doubtful debts	-	(55,395)
Impairment of financial assets - Advanced Continuums Pty Ltd	10 <b>(5,834)</b>	-
<b>(Deficit) / Surplus before income tax</b>	<b>(353,576)</b>	2,781
Income tax expense	3(a) -	-
<b>(Deficit) / Surplus from continuing operations</b>	<b>(353,576)</b>	2,781
Fair value movements on investments held at Fair Value through Other Comprehensive Income (FVOCI)	9 <b>2,124</b>	-
<b>Other comprehensive income for the year, net of tax</b>	<b>2,124</b>	-
<b>Total comprehensive income for the year</b>	<b>(351,452)</b>	2,781

The Company has not restated comparatives when initially applying AASB 9, the comparative information has been prepared under AASB 139 *Financial Instruments: Recognition and Measurement*.

The accompanying notes form part of these financial statements.

## Statement of Financial Position

As At 30 June 2019

	Note	2019 \$	2018 \$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	7	1,655,792	2,107,444
Trade and other receivables	8	286,168	229,229
Inventories - Merchandise		55,159	37,828
Other financial assets	9	395,005	357,248
Loan to subsidiary company	10	30,566	36,400
TOTAL CURRENT ASSETS		<u>2,422,690</u>	<u>2,768,149</u>
NON-CURRENT ASSETS			
Property, plant and equipment	11	703,210	711,368
Intangible assets	12	423,823	218,812
TOTAL NON-CURRENT ASSETS		<u>1,127,033</u>	<u>930,180</u>
TOTAL ASSETS		<u>3,549,723</u>	<u>3,698,329</u>
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and other payables	13	1,015,688	1,880,571
Employee benefits	14	199,042	113,852
TOTAL CURRENT LIABILITIES		<u>1,214,730</u>	<u>1,994,423</u>
TOTAL LIABILITIES		<u>1,214,730</u>	<u>1,994,423</u>
NET ASSETS		<u>2,334,993</u>	<u>1,703,906</u>
<b>EQUITY</b>			
IT & office equipment reserve		13,248	1,288
Share revaluation reserve		43,075	40,951
Retained earnings		2,278,670	1,661,667
TOTAL EQUITY		<u>2,334,993</u>	<u>1,703,906</u>

The Company has not restated comparatives when initially applying AASB 9, the comparative information has been prepared under AASB 139 *Financial Instruments: Recognition and Measurement*.

The accompanying notes form part of these financial statements.



## Statement of Changes in Equity

For the Year Ended 30 June 2019

### 2019

	Retained Earnings	Asset Revaluation Surplus	IT and Office Equipment Reserve	Total
Note	\$	\$	\$	\$
<b>Balance at 1 July 2018</b>	1,661,667	40,951	1,288	1,703,906
(Deficit) for the year	(353,576)	-	-	(353,576)
Transfer Branch Ring-fenced Liability to Retained Earnings	982,539	-	-	982,539
Increase in value of shares	-	2,124	-	2,124
Transfer to IT and Office Equipment Reserve	(11,960)	-	11,960	-
<b>Balance at 30 June 2019</b>	<b>2,278,670</b>	<b>43,075</b>	<b>13,248</b>	<b>2,334,993</b>

### 2018

	Retained Earnings	Asset Revaluation Surplus	IT and Office Equipment Reserve	Total
Note	\$	\$	\$	\$
<b>Balance at 1 July 2017</b>	1,659,119	14,502	1,055	1,674,676
Surplus for the year	2,781	-	-	2,781
Increase in value of shares	-	26,449	-	26,449
Transfer to IT Reserve	(233)	-	233	-
<b>Balance at 30 June 2018</b>	<b>1,661,667</b>	<b>40,951</b>	<b>1,288</b>	<b>1,703,906</b>

The accompanying notes form part of these financial statements.

## Statement of Cash Flows

For the Year Ended 30 June 2019

	2019	2018
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from members and customers	2,747,656	3,173,257
Payments to suppliers and employees	(2,994,185)	(2,766,463)
Interest received	21,513	26,411
Dividend income	43,316	12,326
Net cash provided by/(used in) operating activities	<u>(181,700)</u>	<u>445,531</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property, plant & equipment	(8,665)	(23,591)
Purchase of shares	(35,633)	(29,069)
Purchase of software	(225,654)	(197,658)
Net cash used by investing activities	<u>(269,952)</u>	<u>(250,318)</u>
Net increase/(decrease) in cash and cash equivalents held	(451,652)	195,213
Cash and cash equivalents at beginning of year	<u>2,107,444</u>	<u>1,912,231</u>
Cash and cash equivalents at end of financial year	7 <u><u>1,655,792</u></u>	<u>2,107,444</u>

The accompanying notes form part of these financial statements.

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2019**

The financial report covers Australian College of Midwives Ltd as an individual entity. Australian College of Midwives Ltd is a not-for-profit Company limited by guarantee, incorporated and domiciled in Australia. The Company was previously an Association incorporated under the *Associations Incorporation Act, 1991, ACT*. It is registered with the Australian Business Register - Australian Business Number 49 289 821 863. The Company was registered as a Charitable Institution with the Australian Charities and Not-for-profits Commission on 26 June 2014. The Company is registered for Goods & Services Tax purposes.

The functional and presentation currency of Australian College of Midwives Ltd is Australian dollars.

The financial report was authorised for issue by the Directors on 9 August 2019.

Comparatives are consistent with prior years, unless otherwise stated.

#### **1 Basis of Preparation**

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012*.

#### **2 Change in Accounting Policy**

##### **Financial Instruments - Adoption of AASB 9**

The Company has adopted AASB 9 *Financial Instruments* for the first time in the current year with a date of initial adoption of 1 July 2018.

As part of the adoption of AASB 9, the Company adopted consequential amendments to other accounting standards arising from the issue of AASB 9 as follows:

- AASB 101 *Presentation of Financial Statements* requires the impairment of financial assets to be presented in a separate line item in the statement of profit or loss and other comprehensive income. In the comparative year, this information was presented as part of other expenses.
- AASB 7 *Financial Instruments: Disclosures* requires amended disclosures due to changes arising from AASB 9, this disclosures have been provided for the current year.

The key changes to the Company's accounting policy and the impact on these financial statements from applying AASB 9 are described below.

Changes in accounting policies resulting from the adoption of AASB 9 have been applied retrospectively except the Company has not restated any amounts relating to classification and measurement requirements including impairment which have been applied from 1 July 2018.

##### **Classification of financial assets**

The financial assets of the Company have been reclassified into one of the following categories on adoption of AASB 9 based on primarily the business model in which a financial asset is managed and its contractual cash flow characteristics:

- Measured at amortised cost
- Fair value through other comprehensive income - equity instruments (FVOCI - equity).

## Notes to the Financial Statements

For the Year Ended 30 June 2019

### 2 Change in Accounting Policy

#### Financial Instruments - Adoption of AASB 9

##### Impairment of financial assets

The incurred loss model from AASB 139 has been replaced with an expected credit loss model in AASB 9 for assets measured at amortised cost, contract assets and fair value through other comprehensive income. This has had no effect on any recognition of credit loss (bad debt provisions).

#### Revenue from Contracts with Customers - Adoption of AASB 15

The Company has adopted AASB 15 *Revenue from Contracts with Customers* for the first time in the current year with a date of initial application of 1 July 2018.

The key changes to the Company's accounting policies and the impact on these financial statements from applying AASB 15 are described below.

The Company has applied AASB 15 using the cumulative effect method which means the comparative information has not been restated and continues to be reported under AASB 111, AASB 118 and related interpretations. All adjustments on adoption of AASB 15 have been taken to retained earnings at 1 July 2018.

#### Comparison of financial statement line items under AASB 15 compared to previous standards for the current year

The following tables show the impact of adopting AASB 15 on the Company's financial statements for the year ended 30 June 2019.

##### Statement of Profit or Loss

The table below shows for comparability purposes the statement of profit or loss for the year ended 30 June 2019 under both AASB 15 and the 'old' standards as if AASB 15 had not been adopted.

	AASB 15 balance per Statement of Profit or Loss	Remeasurement	Balance prior to adoption of AASB 15
	\$	\$	\$
<b>Summary of Statement of Profit &amp; Loss</b>			
Income excluding membership and college program income	1,285,665	-	1,285,665
Membership income	800,878	148,105	948,983
College program income	400,643	105,547	506,190
Expenses	(2,840,762)	-	(2,840,762)
<b>Result for the year</b>	<b>(353,576)</b>	<b>253,652</b>	<b>(99,924)</b>

(a) The accounting of membership income has changed from being accounted upon receipt to over the membership period paid for.

(b) The accounting of college program income has changed to match income of college programs to the stage of completion of the services performed for college programs.

## Notes to the Financial Statements

For the Year Ended 30 June 2019

### 2 Change in Accounting Policy

#### Statement of Financial Position

The table below shows for comparability purposes the statement of financial position as at 30 June 2019 under both AASB 15 and the 'old' standards as if AASB 15 had not been adopted.

	AASB 15 carrying amount per Statement of Financial Position	Remeasurement	Carrying amount prior to adoption of AASB 15
	\$	\$	\$
<b>ASSETS</b>			
CURRENT ASSETS			
Current assets	2,422,690	-	2,422,690
<b>TOTAL CURRENT ASSETS</b>	<b>2,422,690</b>	<b>-</b>	<b>2,422,690</b>
NON-CURRENT ASSETS			
Non-current assets	1,127,033	-	1,127,033
<b>TOTAL NON-CURRENT ASSETS</b>	<b>1,127,033</b>	<b>-</b>	<b>1,127,033</b>
<b>TOTAL ASSETS</b>	<b>3,549,723</b>	<b>-</b>	<b>3,549,723</b>
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and other payables	1,015,688	(253,652)	762,036
Employee benefits	199,042	-	199,042
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,214,730</b>	<b>(253,652)</b>	<b>961,078</b>
<b>TOTAL LIABILITIES</b>	<b>1,214,730</b>	<b>(253,652)</b>	<b>961,078</b>
<b>NET ASSETS</b>	<b>2,334,993</b>	<b>253,652</b>	<b>2,588,645</b>
<b>EQUITY</b>			
IT & office equipment reserve	13,248	-	13,248
Share revaluation reserve	43,075	-	43,075
Retained earnings	2,278,670	253,652	2,532,322
<b>TOTAL EQUITY</b>	<b>2,334,993</b>	<b>253,652</b>	<b>2,588,645</b>

(a) Income in advance in Trade & Other Payables has increased due to booking liabilities for membership and college program revenue deferred to next financial year.

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2019**

### **3 Summary of Significant Accounting Policies**

#### **(a) Income Tax**

The Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

#### **(b) Leases**

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

#### **(c) Revenue and other income**

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

##### **Sale of goods**

Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

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

##### **Rendering of services**

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably 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 estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

##### **Interest revenue**

Interest is recognised using the effective interest method.

##### **Dividend revenue**

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

##### **Subscriptions**

Revenue from the provision of membership subscriptions is recognised on a straight line basis over the subscription period paid for by members.

##### **Other income**

Other income is recognised on an accruals basis when the Company is entitled to it.

## Notes to the Financial Statements

For the Year Ended 30 June 2019

### 3 Summary of Significant Accounting Policies

#### (d) 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 payable are stated inclusive of GST.

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.

#### (e) Inventories

Inventories are measured at the lower of cost and net realisable value.

#### (f) 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.

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

##### Buildings

The building at 222 City Walk Canberra transferred to the company during the 2016 financial year has been accounted for at deemed cost.

##### Plant and equipment

Plant and equipment are measured using the cost model.

##### Depreciation

The property at 222 City Walk Canberra has not been depreciated as its value is expected to increase over time. Regular valuations of the property will be obtained to ensure the value of the property is not over stated in the financial statements. Plant and equipment is depreciated on a straight-line basis over the assets useful life to the Company, 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	0%
Plant and Equipment	15 to 40%
Furniture, Fixtures and Fittings	15 to 40%

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.

## Notes to the Financial Statements

For the Year Ended 30 June 2019

### 3 Summary of Significant Accounting Policies

#### (g) Financial instruments

##### *For comparative year*

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Company becomes party to the contractual provisions of the instrument.

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).

##### **Impairment of Financial Assets**

At the end of the reporting period the Company assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

##### *Financial assets at amortised cost*

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance account, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

##### *Available-for-sale financial assets*

A significant or prolonged decline in value of an available-for-sale asset below its cost is objective evidence of impairment, in this case, the cumulative loss that has been recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Any subsequent increase in the value of the asset is taken directly to other comprehensive income.

##### *For current year*

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

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.



## Notes to the Financial Statements

For the Year Ended 30 June 2019

### 3 Summary of Significant Accounting Policies

#### Financial assets

##### *Classification*

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

- amortised cost; and
- fair value through other comprehensive income - equity instrument (FVOCI - equity)

Financial assets are not reclassified subsequent to their initial recognition unless the Company 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 Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

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

Interest income and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

##### *Fair value through other comprehensive income*

##### Equity instruments

The Company has a number of strategic investments in listed entities over which they do not have significant influence nor control. The Company has made an irrevocable election to classify these equity investments as fair value through other comprehensive income as they are not held for trading purposes.

These investments are carried at fair value with changes in fair value recognised in other comprehensive income (financial asset reserve). On disposal any balance in the financial asset reserve is transferred to retained earnings and is not reclassified to profit or loss.

Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI.

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2019**

### **3 Summary of Significant Accounting Policies**

#### **Financial assets**

##### *Impairment of financial assets*

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for financial assets measured at amortised cost.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company 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 Company's historical experience and informed credit assessment and including forward looking information.

The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Company uses the presumption that a financial asset is in default when the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held).

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

##### *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 Company 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.

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

##### *Other financial assets measured at amortised cost*

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

#### **Financial liabilities**

The Company 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 Company comprise trade payables.

## Notes to the Financial Statements

For the Year Ended 30 June 2019

### 3 Summary of Significant Accounting Policies

#### (h) Intangible Assets

##### Software

Software has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It has an estimated useful life of between one and ten years.

##### Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

#### (i) 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.

Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position.

#### (j) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

#### (k) Adoption of new and revised accounting standards

The Company has adopted all standards which became effective for the first time at 30 June 2019, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company or refer to Note 2 for details of the changes due to standards adopted.

#### (l) Assets Transferred by Branches for Unification

All assets transferred by the State branches unifying with the Company have been transferred to retained earnings (accumulated funds) during the financial year as per the conditions associated with the funds/assets transferred.

## Notes to the Financial Statements

For the Year Ended 30 June 2019

### 4 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 - 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.

### 5 Revenue and Other Income

#### Revenue from continuing operations

	2019	2018
	\$	\$
College revenue		
- Merchandise	63,669	80,864
- Membership income	800,878	1,032,165
- Publications	223,261	221,535
- College programs	401,476	381,998
- Education	153,009	99,772
- Conference income	456,736	381,204
	<b>2,099,029</b>	<b>2,197,538</b>
Finance income		
- Interest received	27,747	26,411
- Dividend income	43,316	12,326
<b>Finance income</b>	<b>71,063</b>	<b>38,737</b>
Other revenue		
- Product endorsements	60,000	60,000
- Sponsorship	16,260	-
- Branch income	220,844	151,960
- Other income	19,990	7,835
	<b>317,094</b>	<b>219,795</b>
<b>Total Revenue</b>	<b>2,487,186</b>	<b>2,456,070</b>

## Notes to the Financial Statements

For the Year Ended 30 June 2019

### 6 Result for the Year

#### (a) Expenses

	2019	2018
	\$	\$
Depreciation and Amortisation		
Depreciation - plant and equipment	15,704	11,873
Amortisation - computer software	20,643	67,892
Total Depreciation and Amortisation	<u>36,347</u>	<u>79,765</u>
Employee benefits expense	1,215,185	1,025,202
Rental expense on operating leases		
Equipment rental	18,282	16,366
Office rental	20,615	16,479
Total rental expense	<u>38,897</u>	<u>32,845</u>

### 7 Cash and cash equivalents

Cash at bank and in hand	613,242	1,079,922
Short-term bank deposits	1,042,550	1,027,522
	<u>1,655,792</u>	<u>2,107,444</u>

### 8 Trade and other receivables

CURRENT		
Trade receivables	91,141	129,208
Accrued income	6,734	-
Prepayments	186,943	98,671
Rental bond	1,350	1,350
<b>Total current trade and other receivables</b>	<u>286,168</u>	<u>229,229</u>

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

## Notes to the Financial Statements

For the Year Ended 30 June 2019

### 9 Other Financial Assets

Available-for-sale financial assets comprise:

	2019	2018
	\$	\$
Listed investments, at fair value		
- shares in listed corporations	395,003	357,246
Unlisted investment, at cost		
- Shares at Cost - Advanced Continuums Pty Ltd **	2	2
Total available-for-sale financial assets	<u>395,005</u>	<u>357,248</u>

#### Summary table

Opening balance	357,248	301,730
Shares purchased by company	-	17,218
Share distributions/dividends re-invested	35,633	11,851
Increase in value booked through Other Comprehensive Income	2,124	26,449
Total available for sale financial assets	<u>395,005</u>	<u>357,248</u>

Available-for-sale financial assets comprise of investments in the ordinary issued capital of listed entities. There are no fixed returns or fixed maturity dates attached to these investments. These assets are not held for short term profit making however can be realised at any time.

\*\* Australian College of Midwives Ltd (ACM Ltd) holds 100% of shares in subsidiary company Advanced Continuums Pty Ltd (AC Pty Ltd). AC Pty Ltd has not begun to operate as yet and as such has not been consolidated into the accounts of ACM Ltd as at 30 June 2019.

### 10 Loans and Advances

#### CURRENT

Loan to Advanced Continuums Pty Ltd	<u>30,566</u>	<u>36,400</u>
-------------------------------------	---------------	---------------

The Company has loaned the subsidiary \$36,400 to fund the start up costs of AC Pty Ltd. The net assets of AC Pty Ltd are \$30,566 so the loan balance has been reduced to this resulting in an impairment expense of \$5,834.

## Notes to the Financial Statements

For the Year Ended 30 June 2019

### 11 Property, plant and equipment

	2019	2018
	\$	\$
Buildings		
At cost	<b>652,636</b>	652,636
Total buildings	<b>652,636</b>	652,636
<b>PLANT AND EQUIPMENT</b>		
Furniture, fixtures and fittings		
At cost	<b>86,936</b>	85,506
Accumulated depreciation	<b>(49,804)</b>	(43,287)
Total furniture, fixtures and fittings	<b>37,132</b>	42,219
Office equipment		
At cost	<b>56,325</b>	51,438
Accumulated depreciation	<b>(42,883)</b>	(34,925)
Total office equipment	<b>13,442</b>	16,513
Total plant and equipment	<b>50,574</b>	58,732
<b>Total property, plant and equipment</b>	<b>703,210</b>	711,368

#### (a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Buildings	Furniture, Fixtures and Fittings	Office Equipment	Total
	\$	\$	\$	\$
<b>Year ended 30 June 2019</b>				
Balance at the beginning of year	<b>652,636</b>	<b>42,219</b>	<b>16,513</b>	<b>711,368</b>
Additions	-	<b>1,430</b>	<b>7,235</b>	<b>8,665</b>
Disposals	-	-	<b>(1,119)</b>	<b>(1,119)</b>
Depreciation expense	-	<b>(6,517)</b>	<b>(9,187)</b>	<b>(15,704)</b>
<b>Balance at the end of the year</b>	<b>652,636</b>	<b>37,132</b>	<b>13,442</b>	<b>703,210</b>

## Notes to the Financial Statements

For the Year Ended 30 June 2019

### 12 Intangible Assets

	2019	2018
	\$	\$
Computer software - other		
Cost	603,528	377,874
Accumulated amortisation	(179,705)	(159,062)
<b>Net carrying value</b>	<b>423,823</b>	<b>218,812</b>
<b>Total Intangibles</b>	<b>423,823</b>	<b>218,812</b>

#### (a) Movements in carrying amounts of intangible assets

	Computer software \$
<b>Year ended 30 June 2019</b>	
Balance at the beginning of the year	218,812
Additions	225,654
Amortisation	(20,643)
<b>Closing value at 30 June 2019</b>	<b>423,823</b>

### 13 Trade and other payables

CURRENT		
Trade payables	177,761	159,954
Future expenses - funds transferred from MMPOA Ltd	61,426	90,903
GST payable	(1,401)	3
Sundry payables and accrued expenses	47,162	31,796
State Branch funds owed	-	982,539
Income received in advance	730,740	615,376
	<b>1,015,688</b>	<b>1,880,571</b>

### 14 Employee Benefits

Current liabilities		
Provision for long service leave	88,244	43,919
Provision for annual and other leave payments	99,995	61,639
Provision for parental leave	10,803	8,294
	<b>199,042</b>	<b>113,852</b>



## **Notes to the Financial Statements**

**For the Year Ended 30 June 2019**

### **156 Members' Guarantee**

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$2 each towards meeting any outstandings and obligations of the Company. At 30 June 2019, the number of members was 4,257 (2018: 4,579).

### **16 Contingencies**

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2019 (30 June 2018: None).

### **17 Related Parties**

#### *(i) Key management personnel:*

The Company is run by the Board of Directors. All major business decisions are made by the Board. The day to day business of the Company is run by the employees of the Company. As all major business decisions are made by the Board, no key management personnel disclosures are deemed appropriate.

#### *(ii) Other related parties include close family members of key management personnel and entities that are controlled.*

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.

#### **Transactions with related parties**

The directors did not receive any remuneration from the company during the year other than reimbursement of out of pocket expenses that have been fully substantiated.

### **18 Events Occurring After the Reporting Date**

The financial report was authorised for issue on 9 August 2019 by the Board of Directors.

No matters or circumstances have arisen since the end of the financial year which 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 future financial years.

## Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 6 to 24, are in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and:
  - a. comply with Australian Accounting Standards - Reduced Disclosure Requirements and Division 60 the *Australian Charities and Not-for-profits Commission Regulations 2013*; and
  - b. give a true and fair view of the financial position as at 30 June 2019 and of the performance for the year ended on that date of the Company.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director .....  
Terri Barrett

Director .....  
Jackie Kitschke

Dated 9 August 2019



## Auditors Independence Declaration to the Directors of Australian College of Midwives Ltd

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2019, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

**KOTHES**  
Chartered Accountants

SIMON BYRNE  
Registered Company Auditor (# 153624)  
Partner  
Canberra, 9 August 2019



CHARTERED ACCOUNTANTS  
AUSTRALIA + NEW ZEALAND

Liability limited by a scheme  
approved under Professional  
Standards Legislation

#### DIRECTORS

Simon Byrne  
Fiona Dunham  
Peter Mann  
Gary Pearce  
Kevin Philistin  
Gary Skelton

BEGA  
MERIMBULA  
EDEN  
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Independent Regional Member of Walker Wayland Australasia Limited, a network of independent accounting firms

## Independent Audit Report to the members of Australian College of Midwives Ltd

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Australian College of Midwives Ltd (the Company), which comprises the statement of financial position as at 30 June 2019, 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 Company 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 Company's financial position as at 30 June 2019 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and Division 60 the *Australian Charities and Not-for-profits Commission Regulations 2013*.

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

#### Other Information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is included in the annual report, (but does not include the financial report and our auditor's report thereon). Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

## Independent Audit Report to the members of Australian College of Midwives Ltd (Continued)

### Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**KOTHES**  
Chartered Accountants



SIMON BYRNE  
Registered Company Auditor (# 153624)  
Partner  
Canberra, 9 August 2019







Australian College of Midwives (ACM)



@MidwivesACM

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