AACMA Organisational Structure

AACMA Members
Accredited and non-accredited members

Accredited Members
Life Members, Fellows, Associate Fellows,
Retired Fellows, Members, Provisional
Members, Non-Practising Members, Associate
Members, Retired Members

Non-Accredited Members
Student Members
Honorary Members
Associate Members (Specific)

Full Voting Members
Life Members, Fellows, Associate Fellows, Members

Limited-Voting Members
Provisional Members, Non-Practising Members,
Associate Members, Student Members, Retired Members

Joint Board of Directors
Australian Acupuncture and Chinese Medicine Association Ltd
Acupuncture Ethics and Standards Association Ltd

AACMA National Office
AACMA staff and consultants

AACMA Committees
ACT, NSW, QLD, SA/NT*, VIC, TAS, WA

Accreditation Committee
Disciplinary Committee

Board Committees

AACMA State Committees

*SA State Committee is also the executive of the
Acupuncture Association of South Australia (AASA)

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DIRECTORY 34
I would like to thank our members, our State Committees, and the Board for the hard work and support you have shown during the past year. In particular, I extend my thanks and appreciation to all of the Board members, Walter Simpson, Hong Xu, Hoc Ku Huyhn, Waveny Holland, Matt O’Hara, Michael Porter, Zhen Zheng, Mark Bayley and Xiaodong Yu for their hard work and commitment to the board and the association during 2013 and 2014.

I also give special thanks to the members of our State Committees who have generously provided local CPD events for our members. A full list of State Committee members, as of 31 December 2013 is included on the final page.

Last but not least, the Board and I thank Judy James and the AACMA office staff for their outstanding efforts in supporting our goals.

THE YEAR AHEAD

We, the AACMA Board, look forward to another exhilarating year in the field of Chinese medicine and a successful and profitable year for our members. 2014 promises to be a year of opportunity and a refreshed outlook in a number of areas. While the transition between leadership for the first time in twenty years presents many challenges, it also creates great potential for growth and renewal.

In 2013, we were able to lay the groundwork for transitioning our membership database into an on-line hosted environment. This will allow us to begin progressively rolling out new features, allowing members to do many things online which they previously would have had to do by email, Australia post or phone. These include AACMAC registration, payment of membership fees, CPD registration for AACMA CPD activities, uploading CPD points and on line product orders. This will save members time and money and also free up AACMA staff so they can concentrate on more complex membership inquiries and development of new member services.

2014 will also see increased use of digital media, including improved digitisation of AACMA publications, online CPD activities and use of mobile applications.

Of course, our annual conference is always a highlight. In 2014, we return to hosting the Australasian Acupuncture & Chinese Medicine Annual Conference (AACMAC) in Melbourne. As it takes place only six months after WFAS Sydney 2013, it is an excellent opportunity to capitalise on the excitement and energy generated by the event and provide delegates with another stimulating conference weekend.

2013 HIGHLIGHTS

The major highlights for 2013 are outlined below.

National registration

With national registration in place for the full year, most members have successfully made their way through the registration process and were able to spend 2013 settling into this new era of our profession. In turn, Board and staff focus on this issue shifted towards developing comprehensive submissions on national codes, guidelines and standards as well as building policy and infrastructure within AACMA to assist members with the transition to a regulated environment.

Strengthened focus was on developing member capacity through CPD and related activities. The Board published its revised CPD policy in the Autumn 2013 Jing-Luo and areas of specific need were identified.

The Board is also progressively reviewing our core business activities in the post-registration context. A major decision taken in 2013 was to discontinue the independent AACMA course accreditation policy and process. This function was transferred to the alternative self-regulated environment as AACMA had for decades set the benchmark for Chinese medicine education standards. Now, with the establishment of an independent Accreditation Committee under the Chinese Medicine Board of Australia, the AACMA process became redundant.

Endorsements in relation to acupuncture

By far the most controversial aspect of the legislation is a mechanism to enable endorsement by other health boards for the practice of acupuncture. Endorsed practitioners will be able to use the title acupuncturist without having to be registered in the Division of Acupuncture with the Chinese Medicine Board of Australia. This is an adaptation of the Victorian model albeit with a requirement to consult and a greater level of transparency and accountability for the other boards than was apparent in the Victorian situation.

By the end of 2013, of the fourteen boards in the National Accreditation and Registration Scheme, only two Boards had developed endorsement standards for acupuncture: the Medical Board of Australia and the Chiropractic Board. Five other Boards published statements that they had chosen not to develop endorsement standards, while six Boards did not publish either standards or position statements on the issue.

A full update on endorsement standards, including statistics on acupuncture endorsements as of the end of 2013, was published in the Summer 2013/14 Jing-Luo.

Dry Needling

A major concern of members and the profession in general in 2013 was the issue of dry needling being performed by unregistered practitioners.

In June 2013, the AACMA Board published its position on the practice and also developed a Patient Information Sheet that members could distribute to their patients.

In October 2013, the Chinese Medicine Board of Australia published a position statement on the use of protected titles, which was published in full in the Summer 2013/14 Jing-Luo.

The issue of dry needling is complex and ongoing, and one that the AACMA Board continues to consider a major priority of the organisation.

Health insurance matters

Review of Natural Therapies

In 2012, the federal government commenced a review of natural therapies to determine which therapies should continue to receive the private health insurance rebate and which therapies should have their cover removed. For all practical purposes, if the health insurance rebate is removed from a type of service, the health funds will also remove coverage from their ancillary tables.

The services of registered health providers are not included in this review.
In 2013, AACMA made both written and oral submissions in relation to the review, primarily focusing on TCM Remedial Massage/Therapy. As of the date of this report, the review was ongoing.

40th Year Commemorative Book

In 2013, AACMA celebrated its 40th anniversary, an exciting milestone in its own right. The anniversary also gave us a chance to look back at the organisation’s other achievements and moments over the decades. This took the form of the 40th Year Commemorative Book, a collection of memories and historical moments, as well as a close look at the people who have made important contributions to AACMA and to the TCM profession in general. The book was freely distributed to members and colleagues in March 2014.

Messages and Messaging

As a result of the strategic planning completed by the Board and staff in 2012 and into 2013, a year-long focus on Messages and Messaging (marketing and communications) was put in place for 2013. To that end, two new positions were created in May 2013: a full-time Communications Officer and a part-time Media and Marketing Officer.

Formatting and content updating of publications and of the website continued in 2013, with the Jing-Luo progressively becoming more member-focused and more strongly driven by member feedback and contributions.

In July 2013, an extensive survey was distributed to all members. It received more than 500 responses and covered a wide range of member services and AACMA activities, including CPD, lobbying, issues facing the profession, member demographics, AACMA communications, marketing activities, member products and more. The data provided a valuable snapshot of what AACMA members see as the most important aspects of membership, and allowed AACMA to shape our direction accordingly. While some areas of improvement will always need to be put in place, members should be assured that their feedback has been taken on board across all aspects.

In the second half of 2013, work commenced on a new, contemporary range of brochures. While this project has proven more complex, and taken longer to complete than first anticipated, we are now in the final stages of production and the brochures will be available for members to purchase by mid-2014.

In response to the issue of ‘dry needing’ (discussed in more detail earlier in this report), a patient information sheet was developed and distributed to AACMA members so they could educate their patients on the issue. To further cement the concept of acupuncture being performed by registered acupuncturists only in the eyes of the public, a range of ‘I am a registered practitioner’ website buttons were also developed for member use.

A strong marketing and communications plan was developed and executed for WFAS Sydney 2013, resulting in delegate numbers meeting set targets.

AACMA also continued to improve its responses to negative media through better monitoring and increased use of media releases.

Journal

In 2013, AACMA published the eighth volume of the Australian Journal of Acupuncture and Chinese Medicine (AJACM), the official peer-reviewed journal of AACMA.

I express my thanks and appreciation to the members of AJACM’s Editorial Board for their professionalism and hard work in making the journal a success. The Editorial Board represents a good cross section of skills and expertise from the profession and academia. All are members of AACMA.

In 2013, the AJACM welcomed a new Editorial Board member: Dr Suzanne Cochrane from University of Western Sydney, New South Wales. Dr Cochrane is an outstanding academic and a valuable addition to the journal.

The Editorial Board members, as of 31 December 2013 were:
- Dr Zhan Zheng, Editor-in-Chief (VIC)
- Assoc Prof Chris Zaslavski, Deputy Editor (NSW)
- John Deane (QLD)
- Dr Pilar Fertigno (VIC)
- Dr Yuan-Fei Lu (WA)
- Prof Hong Xu (VIC)
- Dr Suzanne Cochrane (NSW)

WFAS Sydney 2013 8th World Conference on Acupuncture

In 2013, AACMA hosted the WFAS Sydney 2013 8th World Conference on Acupuncture. This took the place of AACMAC for 2013, and was the second time AACMA had hosted the event (the first being in 2004).

The Sydney Convention and Exhibition Centre on the sparkling Darling Harbour hosted the three-day conference from 2 to 4 November 2013. Delegates were spoilt for choice with 254 oral presentations, workshops and posters covering a huge variety of TCM topics.

The conference was a great success by any measure: more than 850 delegates came from 36 countries to enjoy a diverse and interesting academic program. The DVD Launch/Music Night and the Gala Dinner allowed delegates to let their hair down and indulge in a chance to chat, laugh and dance with their colleagues.

Delegates

It was truly a global conference, with delegates attending from all continents and the following countries: Argentina, Australia, Belgium, Brazil, Canada, China, China-Hong Kong, China-Macau, Egypt, Finland, France, Germany, Hungary, Indonesia, Iran, Israel, Italy, Japan, Korea (South Korea), Malaysia, Mexico, Netherlands, New Zealand, Norway, Peru, Portugal, Russia, Singapore, Spain, Switzerland, Taiwan, Ukraine, United Kingdom, United States of America, Venezuela, Vietnam. The largest number of delegates were from Australia (~500), China (~160), New Zealand (~45), and Japan (~25).

Co-sponsors and supporting organisations

AACMA acknowledges and thanks the conference co-sponsors – WFAS and the China Academy of Chinese Medical Sciences – for all their hard work planning for the conference and organising the Chinese delegation.

We thank our international and local supporting organisations for their support in making the conference once a success.

International supporting organisations: China Association of Acupuncture and Moxibustion, China Association of Traditional Chinese Medicine, China Health Care Association, New Zealand Register of Acupuncturists, and TCM Congress Rothenburg.

Local educational and research bodies: Endeavour College of Natural Health, National Institute of Complementary Medicine, RMIT University, Southern School of Natural Therapies, Sydney Institute of Traditional Chinese Medicine, University of Technology, Sydney, University of Western Sydney and ComplIMED.


AACMA also acknowledges and thanks our trade exhibitors and advertisers, without whom we could not afford to have run the conference.

AACMA extends its gratitude to members, speakers, exhibitors, sponsors and staff who contributed to the success of the conference and look forward to seeing you again at AACMAC Melbourne 2014.

We need a strong united voice to protect our practices – from classical through TCM and evidence-based approaches. Lobbying and advocating on behalf of its members is one of the most important functions for a professional association. AACMA has a long and impressive history of speaking out for the interests of this unique and wonderful profession.

Lois Nethery
AACMA Member
possible rate) and AGTCM members are able to access member rates for the WFAS 2013 conference and AACMA annual conferences.

A delegate from AGTCM, AGTCM President Christian Yehoash, attended WFAS Sydney 2013. AACMA CEO Judy James represented AACMA at TC Kongress Rothenburg in May 2013.

ISO Australia is a participating country in the development of international standards in traditional Chinese medicine. This project, called ISO/TC249 TCM (Provisional) is being conducted under the auspices of the International Organization for Standardization.

Standards Australia (SA) is Australia’s designated standards body, and represents Australia’s position on standards at the international level. SA established a local committee (called HE031 TCM) to develop the Australian position and to represent the Australian view at meetings and consultations of ISO/TC249. A/Prof Chris Zaslawski, from UT斯, was appointed Chair of the Australian committee and acts as head of the Australian delegation at international meetings.

International standards in development included international standards for:
- acupuncture (filiform) needles
- intradermal needles
- ginseng seeds and seedlings (Panax ginseng and Panax quinquefoliens)
- heavy metal and pesticide content in commonly prescribed individual raw Chinese Herbal Medicines (pending)
- medical devices (various in preliminary stage)
- coding structure of Chinese medicines

AACMA had provided external project management for the Australian Committee since the Australian Committee was established by Standards Australia. AACMA agreed to provide this project management support, which ensured the Australian Committee participated in this important international project on standards for TCM. The decision by the AACMA Board to support the work of HE031 showed great leadership and vision, as it was not possible to know precisely the extent of the project at the beginning.

Due to the exceptional work being done by HE031 Committee members at an international level, Standards Australia has now agreed to fund the management of the committee. This is another great achievement for the Chinese medicine profession and represents how important Chinese medicine is becoming in Australia.

From 6 December 2012, AACMA ceased to act in the role of Project Manager for HE031 and that role is now being provided by Standards Australia. We thank Standards Australia and all committee members for their hard work and support for this internationally significant project.

AACMA continues to play a major role in the Australian committee. Former CEO Judy James was the project manager, and Professor Hong Xu now represents AACMA in this committee.

Australian delegates participated in the South Africa Plenary Meeting in May 2013, and a Working Group meeting in Beijing in October 2013. Australia also hosted a Working Group meeting in Sydney in February 2014.

For more information go to the Standards Australia website: www.standards.org.au and search for Traditional Chinese Medicine.

On 6 December 2012, Standards Australia held a TCM Forum to update stakeholders on the work of HE031 and ISO/TC249. Presentations were made by Damien Fisher (SA), Chris Zaslawski (HE031), Chairs of HE031 working groups (Chris Zaslawski, Wendy Morrow, and Suzanne Cochrane), outgoing HE031 project manager (AACMA CEO Judy James) as well as from the Chair of ISO/TC249, Dr David Graham.

The work of ISO/TC249 and HE031 is divided into five working areas:
- raw (herbal) materials and traditional processing
- manufactured (herbal) product
- acupuncture needles
- acupuncture and other devices
- informatics (terminology).

AACMA – 40 GOING ON 41 YEARS

The Australian Acupuncture and Chinese Medicine Association Ltd (AACMA) is the leading national professional association for qualified practitioners of Traditional Chinese Medicine (TCM) and the primary national mechanism for regulating and representing acupuncture and Chinese medicine practitioners in Australia. AACMA was formed out of the amalgamation between the Australian Acupuncture Association Ltd (AAA), the Acupuncture Ethics and Standards Organisation Ltd (AESO) and the Acupuncture Association of South Australia (AASA).

The Australian Acupuncture Association Ltd (AAA) was established in 1973 as the first Australian association formed by acupuncturists to represent and promote the acupuncture profession. Originally called the Queensland Acupuncture Society, it changed its name to the Australian Acupuncture Association in 1973 and in 1998 changed to its current name, AACMA.

The Acupuncture Ethics and Standards Organisation Ltd (AESO) was formed in NSW in 1977 to provide a mechanism to identify and accredit bona fide acupuncture practitioners for health fund rebates. On 1 March 1995, AAA and AESO formally completed an amalgamation resulting in the vast majority of qualified TCM practitioners in Australia becoming united under one national association, the Australian Acupuncture Association Ltd. In 1996, AAA merged with the Acupuncture Association of South Australia (AASA), the largest TCM body in South Australia.

At the 1998 Annual General Meeting in Adelaide, the members resolved by an overwhelming majority to change the name of the Association (AAA) to the Australian Acupuncture and Chinese Medicine Association Ltd (AACMA) and to conduct all joint operations of AACMA and AESO under the AACMA name.

Until 1996, AACMA provided accreditation in acupuncture only. In 1996, AACMA introduced accreditation standards in Chinese herbal medicine for its practitioner members, and in 1998 introduced entry-level accreditation standards in Chinese herbal medicine equivalent to the entry-level standard in acupuncture. In 2002, standards of accreditation in TCM Remedial Massage were also introduced in line with the new Health Training Package in TCM Remedial Massage (Amno-Tuina). In 2003, new membership categories were passed to provide for entry-level non-voting stand-alone membership categories in TCM Remedial Massage and Chinese herbal dispensing, as well as various Associate Member categories and aRetired Member category. In 2011, the members approved the introduction of standards for endorsement of AACMA members for other (non-TCM) health modalities. The purpose of this change was to enable AACMA to extend the range of services available for members and assist in reducing the costs of practice. In 2011, the members also approved the introduction of a new Associate Member (Specific) category to enable AACMA to accept practitioners to a limited form of members if they did not meet our practitioner accreditation standard. This type of membership enables access to AACMA member information, newsletter, e-news, journal and continuing education events, but not the benefits of full membership such as practitioner referrals and health fund listing.

These amalgamations and subsequent organisational developments have provided genuine national standards and representation for acupuncture and Chinese herbal medicine practitioners in Australia, independent of any commercial interest, factional alliance, or ethnic bias.

AACMA provides a clear point of contact for governments and other bodies seeking to identify and communicate with the majority of the profession. AACMA is widely acknowledged as the preferred destination of graduates of Australian TCM programs and qualified overseas-trained entrants to the profession. It is clearly the peak national body for the Traditional Chinese Medicine (TCM) profession in Australia.

AACMA Strategic Plan

The AACMA Mission Statement and Key Goals and Objectives of AACMA were revised in 2012. The following are correct as of the date of this report. Development of our strategic priorities and operational plans are ongoing as part of the Board’s strategic planning processes.

AACMA Mission

Equal partners in health care

AACMA Mission Statement

The peak professional body for Chinese medicine: promoting safety, quality and ethics in practice, serving the members and protecting the public.
AACMA Core Objectives:
- strong professional base
- high community acceptance
- active engagement in the health system
- effective industry structure

AACMA Taglines:
- Your health – your natural choice
- One profession – a united voice

Strategic initiatives 2013 – 2015
- Leadership & advocacy
- Standards in education & practice
- Membership base
- Member services
- Standards in education & practice

AACMA State Committees
- Leadership & advocacy
- Standards in education & practice
- Membership base
- Partnership & collaboration
- Messages & messaging

AACMA Capacity

Enhancing capacity to work smarter with less
A more detailed and schematic representation of the Strategic Plan is outlined on page 35.

Organisational structure
A diagram of the AACMA organisational structure is included on page 2.

The Board
The joint AACMA and AESO Board of Directors is elected directly by the voting membership. Executive Board positions, including President/Chair, are decided by majority vote of the elected Board. Once elected, the joint Board has the responsibility to set and implement the goals, objectives and policies of the Association in accordance with its Memoranda and Articles of Association. The Board also supervises the operations of the national office and the employment of consultants as required.

State Committees
Articles 74 and 75 outline the roles of AACMA State Committees, which are primarily to provide local continuing education activities and social events, thereby enabling the development of local professional networks and increased grassroots participation by members. The State Committees also play an advisory role, identifying local issues that need the attention of the Board. Members of State Committees may be invited to sit on committees of the national board.

Board Committees
As the range of functions and duties of the Board is extensive, ad hoc and standing committees are formed to examine and address specific areas of activity and report back to the Board with recommendations. The Board considers the recommendations and accepts them or, if there is disagreement, refers the matter back to the Committees for further consideration.

Accreditation Committee
The AACMA Accreditation Committee, made up of external consultants, provides independent assessment of all applications for membership against the AACMA Accreditation Policy.

Disciplinary Committee
The AACMA Disciplinary Committee investigates and makes determinations on written complaints against members.

MEMBERSHIP

Member Types
Fellow: This is currently open to Members and Associate Fellows who meet the criteria set by the AACMA Board. The criteria for admission to the status of AACMA Fellow were revised in 2010. Admission as a Fellow is subject to unanimous agreement of the Board. Applications for Fellow status must also meet other requirements as to duration of continuous membership and ethical standards.

Associate Fellow: This membership category was discontinued in May 2011 for new applications.

Member: (also called Full Member) This is the standard AACMA accredited membership category.

Provisional Member: This limited-voting membership type is provided when an applicant meets all the requirements for Full Membership but has a minor aspect of their documentation outstanding (for example, they may have met the requirements for graduation from a recognised program but as the ceremony has not yet been held they have not yet received their award). Provisional Membership is awarded until the member provides certified copies of outstanding documentation.

Non-Practising Member: (previously called Graduate Member) This limited-voting membership type is available when a member has met all the requirements for accredited membership but is not in practice for a period of at least six months.

Associate Member (Transitional): This limited-voting membership category is intended for practitioners who meet the AACMA accreditation standard and who are members of a designated organisation that AACMA deems to have comparable standards. For all practical purposes, a designated organisation is an organisation with which AACMA has a formal agreement to amalgamate. Members of the designated association are placed in this membership category until the process of amalgamation has been finalised, after which they would become fully accredited members of AACMA.

Associate Member (Dispenser – Registered): This limited-voting membership category is designed for persons who are registered as Chinese herbal dispensers (but who are not otherwise AACMA members).

Associate Member (Specific): This is a limited-voting membership category for practitioners who want to be members of AACMA but do not meet the AACMA accreditation standard.

Associate Member (Provisional): This limited-voting membership category is intended for persons who have been in full-time acupuncture or Chinese medicine practice for at least 10 years, who do not fully satisfy AACMA's qualifications requirements, who have enrolled in an AACMA recognised course in order to upgrade their qualifications and who have progressed through at least 50% of the course. Amongst other requirements, the AACMA Board must be satisfied that the practitioner is able to complete the course within a prescribed time and that they are of a sufficient standard for safe practice, etc. On completion of the recognised course, they may be admitted as fully accredited members of AACMA.

Associate Member (Anmo-Tuina): This limited-voting membership category is open to persons who have completed an AACMA recognised course in TCM Remedial Massage (Anmo-Tuina). The requirement is a Diploma recognised under the Health Training Package for Complementary and Alternative Health.

Retired Member: Practitioners who permanently retire from professional practice after at least 15 years membership may move to the Retired Member category. The criteria was reduced from 20 to 15 years with a special resolution at the 2013 Annual General Meeting.

Retired Fellow: This category was added in 2013 and covers practitioners who permanently retire from professional practice after at least 15 years membership and who held Fellow status immediately prior to converting to Retired Member status.

Honorary and Life Members: Life Membership is awarded to persons of distinction who have made an outstanding contribution to the TCM profession and/or the Association. Honorary Membership is awarded to persons of merit and distinction in traditional Chinese medicine practice, education, and/or administration and upon whom the Association wishes to confer special distinction and honour. Honorary Members are usually residents overseas.

Student Member: This is open to students enrolled in primary qualifying programs in traditional Chinese medicine. Acceptance as a Student Member does not necessarily imply acceptance as an accredited member on course completion.

Suspended Member: This covers members whose membership and accreditation is suspended by the Board as a result of a finding of professional misconduct by the Disciplinary Committee.

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Acupuncture Ethics and Standards Organisation Ltd ACN 065 533 762

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Membership numbers
As at 31 December 2013, AACMA membership numbers were:

<table>
<thead>
<tr>
<th>Member Type</th>
<th>Accredited</th>
<th>Non-accredited</th>
</tr>
</thead>
<tbody>
<tr>
<td>Life Member</td>
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<td>N/A</td>
</tr>
<tr>
<td>Fellow</td>
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<tr>
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<td>1</td>
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<tr>
<td>Non-Practicing Member</td>
<td>193</td>
<td>N/A</td>
</tr>
<tr>
<td>Associate Member</td>
<td>1</td>
<td>N/A</td>
</tr>
<tr>
<td>Retired Member</td>
<td>13</td>
<td>N/A</td>
</tr>
<tr>
<td>Honorary Member</td>
<td>2</td>
<td>N/A</td>
</tr>
<tr>
<td>Suspended Member</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Student Member</td>
<td>N/A</td>
<td>281</td>
</tr>
<tr>
<td>Sub-Total</td>
<td>1854</td>
<td>282</td>
</tr>
<tr>
<td>Percentage of total</td>
<td>86.0%</td>
<td>14.0%</td>
</tr>
</tbody>
</table>

TOTAL MEMBERS as at 31 December 2013: 2116

Annual Membership Growth Rates
The average annual growth rate in AACMA accredited membership over the past five years has been 2.3%. In 2013, the net annual increase in accredited membership was -0.76%.

Acceptance Ratio
AACMA has recorded an average 77.8% ratio of Acceptances to Applications over the past five years. In 2013, the acceptance ratio was 75%, which reflected the increasing proportion of graduates of recognised programs in 2013. AACMA admitted 81 newly accredited members in 2013.

Membership Attrition Rate
The membership attrition rate (e.g. through death, retirement, resignation, or lapsed memberships) in 2013 was 5.3%. In 2013, AACMA suffered a loss of 98 accredited members (after reinstatements), with an overall net decrease of 14 accredited members. We anticipated that the attrition rate in 2013 would be higher than in previous years due to the increasing numbers of practitioners retiring from practice and the impact of national registration. Focus will continue to be placed on attracting and retaining more graduates of recognised Australian programs.

Student Members
AACMA saw a decrease of 70 (or 19.9%) in the total number of student members in 2013 (total 281).

Accredited modalities
AACMA accredits practitioners in the following modalities:
- Acupuncture
- Chinese herbal medicine
- Chinese herbal dispensing
- TCM remedial therapy (tuina)

Non-accredited (endorsed) modalities
AACMA endorses suitably qualified accredited members for the following practices:
- Naturopathy
- Western herbal medicine
- Western remedial therapy/massage
- Homoeopathy

Complaints
AACMA operates a formal complaints handling process. Complaints against members are referred to the AACMA Disciplinary Committee, which investigates and makes determinations on those complaints. The complaint must be in writing and signed by the complainant.

The process followed by the Disciplinary Committee is outlined below:

AACMA Disciplinary Committee advises the member in writing outlining the substance of the complaint and a copy of the original letter of complaint may be attached. The member is then required to respond to the allegations within 14 – 21 days (depending on the nature of the complaint). The member is directed not to contact the complainant in relation to the matters under investigation.

If necessary, the Disciplinary Committee may seek further information from the complainant or the member if it believes it does not have all relevant facts before it. Where the Disciplinary Committee deems it inappropriate, expert advice may also be sought in order to determine whether acceptable standards of practice were followed. Should expert advice be sought, only de-identified information is provided in order to protect the identity of both the complainant and the member.

The AACMA Disciplinary Committee then considers the following questions as part of its investigation of the complaint:
- Did the matters alleged in the complaint occur in full or in part?
- If Yes, were they a breach of the AACMA Code of Ethics?
- If Yes, is disciplinary action warranted?
- If Yes, what disciplinary action should be applied (this can range from a warning, counselling or fine to suspension or expulsion, depending on the nature of the complaint).

The Disciplinary Committee may also set conditions on the practitioner regarding professional development should it deem that necessary.

If no answer results from any of the above questions, the Disciplinary Committee may consider whether any other action is required to prevent further complaints similar conduct.

The complainant is advised of the outcome of the complaint.

In 2013, the AACMA Disciplinary Committee received four formal complaints against members. All of these complaints were still ongoing at the end of 2013. All outstanding complaints from previous years had been resolved by the end of 2013.

The breakdown of allegations and issues in complaints is outlined in the table below.

<table>
<thead>
<tr>
<th>Nature of allegation/complaint</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health insurance irregularities</td>
<td>1</td>
</tr>
<tr>
<td>Standard of care provided</td>
<td>4</td>
</tr>
<tr>
<td>Standards of infection control</td>
<td>1</td>
</tr>
</tbody>
</table>

Where a formal complaint is received against a non-member, all efforts are taken to refer the matter to another suitable body, such as a statutory health complaints body or registration board or, in some cases, the police. If the practitioner is known to be a member of another society, the complaint is also referred to that other society.

For legal reasons, verbal complaints are not acted upon unless poor practice control and hygiene standards are alleged. In which case, individual verification can be obtained through a local health authority.

Disciplinary Committee action imposed in 2013 included counselling and undertakings as to future conduct. AACMA reinstated one member who had been suspended for 12 months for failing to declare on their application for membership that they had been expelled from another association. The member had subsequently complied with AACMA requirement.

AACMA considered one appeal in 2013. The outcome of the appeal was expulsion from AACMA. In this case, the expelled member had appealed against a period of suspension and fine of $5,000 for irregularities in health fund claims and related record keeping issues. There had been two previous adverse findings in relation to receiving record-keeping, both of which had resulted in a period of suspension plus one fine imposed. AACMA also submitted a notification to AHPIRA in relation to alleged failure to declare these matters on their applications for initial registration and their registration renewal, as well as an alleged false declaration regarding the English language competence.

The primary focus of disciplinary action is to end or change inappropriate conduct. To this end, increased use was made of counselling members, issuing warnings and obtaining undertakings as to future conduct. Severe penalties such as loss of Fellow or Associate Fellow status, fine, suspension or expulsion are imposed in relation to findings of misconduct of a serious nature, such as health fund fraud, false completion of receipts, signing a false declaration, contacting a complainant against the direction of the Disciplinary Committee, indecent assault, etc.

It must be stressed that the rate of complaints is very low, and represent only a very small percentage (less than 1%) of the membership as a whole.

THE AACMA NATIONAL OFFICE
The AACMA national office was established in its present location in 2007.

The AACMA national office has grown from a two-person team in 1996 to a complement of six full-time and two part-time staff positions by the end of 2013. The overall staff numbers have not increased in 2013, although there has been some staffing restructure over 2013/2014.

AACMA staff as of 31 December 2013 were:
- Judy James (CEO)
- Jazz Tynit (Manager of Events & Operations)
- Rebekah Davis (Member Services Manager)
- Talina McKenzie (Communications Officer)
- Nadya Urban (Front-Line Administration/Receptionist)
- Tina Wu ( Accounts & Committees Officer)
- Rebecca Dowdy (Casual Administration Assistant)
- Rachel Dowdy (Casual Administration Assistant)

On behalf of the Board and the members, I thank all our staff, past and present, for their diligence, commitment and hard work for the association and the members over 2013.

Hong Xu
AACMA Secretary
08 April 2014
Finance Report
Hoc Ku Huynh

GENERAL
It is with pleasure that I present to members my financial report on behalf of the AACMA Board, and my second as Chair of the AACMA Finance Committee, being the accounts for the year ended 31 December 2013. The Board continued its policy of good financial management in 2013 and is pleased to present to members an on-going stable fiscal situation.

In 2013, AACMA again achieved a turnover exceeding $1,000,000. This marks an important achievement for AACMA and the profession and it is important that it be acknowledged.

REVENUE
The revenue streams of AACMA should be viewed as revenue from normal operations and revenue from other sources. Revenue from normal operations includes membership fees, Yellow Pages advertising, sale of AACMA-branded products, videos and literature, seminars, and interest received on investments. Other sources of revenue for 2013 included income related to AACMA events (WFAS Sydney 2013 and State Committee functions). Total revenue in 2013 from all sources (excluding GST) was $1,434,138.55 of which $864,834.71 was normal operating income and $569,303.84 was from other sources. This represented an overall increase of 34% on 2012 income.

Subscriptions
The decrease of $7,607.25 (1%) in income from membership subscriptions to $725,849.74 was anticipated as a result of national registration and a consequently higher rate of member attrition. Membership fees, however, did not increase in 2013. This means that the AACMA Board has continued to fulfill its long-standing commitment to limit any increase in fees for members who pay on time to under 5% above the increase in the CPI index. The AACMA Board is dedicated to keeping fees to the minimum required to provide services to members and still maintain the financial security and continued viability of this peak professional body for TCM practitioners.

Members were offered six options for paying 2013 fees, providing considerable incentives for members to pay on time or to enter into an installment payment plan. Membership fees accounted for 50.6% of 2013 income. Using the Member fee as an example, these options were (rates include GST):
- Pre-payment of 2013 fees by instalments in 2012 ($696)*
- Pay fees in full by due date ($595 fee)
- Payment by Annual Direct Debit (ADD) authority ($488)
- Pay fees in January 2013 ($597)*
- Pay fees in February or March 2013 ($696)*
- Pay fees after March 2013 ($798, includes $100 reinstatement fee)
* Also includes rates for members commencing a payment plan.

Accreditation fees
Income from accreditation fees ($9,440.91) was lower than 2012 and was offset against $8,563.27 in committee and examination costs.

Bank interest
Bank interest of $8,151.45 was 46.44% lower than in 2012, mainly due to accumulated funds being placed in the business development loan to reduce interest costs. The savings from reduced interest costs exceeded potential income from bank interest.

Sales
Sales of AACMA-badged products and other items amounted to 1.9% of general revenue in 2013, compared with 3.2% in 2012. Income from sales of $27,617.08 was offset by cost of sales (printing, production and purchase costs) of $12,597.26, resulting in a net surplus of $15,024.32.

Sundry income
This figure of $7,820.92 relates to income from postage collected on member orders ($4,415.46) and income from email advertising ($3,404.91).

Jing-Luo Advertising
Since 2004, this expenditure has been reported separately from other sources of income as it is now a significant revenue source. The income from newsletter advertising ($29,384.11) is off-set against newsletter printing ($17,623.00) and collateral and postage costs ($10,691.99), resulting in an increase of $1,089.12. Production costs for the Jing-Luo were again reduced in 2013.

AJACM income
Income of $8,465.90 was derived from subscriptions, royalties and advertising in the bi-annual Journal.

State Committees
State Committee function income increased by 61.3% in 2013.

Yellow Pages
Yellow Pages income of $47,104.60 represented income from members listing under the AACMA banner in the metropolitan and selected regional directories. Income from Yellow Pages listings represented 3.2% of general revenue, compared with 4.7% in 2012.

WFAS Sydney 2013
Income from WFAS Sydney 2013 totalled $548,572.01, for exceeding the average revenue of AACMAC events due to the size and scope of WFAS. This was offset against expenditure of $453,675.57, resulting in a net surplus of $94,896.44.

EXPENDITURE
Total expenditure in 2013 amounted to $1,435,272.05, an increase of $438,508.24 on 2012 expenditure (or 43.9%). This increase is primarily attributed to increased expenditure on WFAS Sydney 2013, a major computer system upgrade and recruitment costs for a new CEO. A summary of major expense items is outlined in the chart to the above right.

Administration and staffing
As with any sound organisation, staffing and administration expenses constituted the highest proportion of total expenditure in 2013. These costs amounted to $721,276.57 (50.3% of total expenditure), compared with 62.2% in 2012. Administration expenses were made up of $572,369.44 in staffing costs and $148,907.13 in office and administration expenses.

Staffing expenses
Staffing expenses of $572,369.44 were 17.8% higher than 2012 costs. The salary and superannuation component was $352,933.11 in 2013, compared with $442,577.41 in 2012. Other staffing expenses were made up of $22,705.51 in staff travel and accommodation, $3,050.07 in superannuation and workers compensation, and $2,095.81 in other costs.

In 2013 AACMA events (WFAS Sydney 2013 and State Committee functions) constituted the highest proportion of total expenditure in 2013. These costs amounted to $521,933.11 in 2013, compared with $22,705.51 in 2012. Other event expenses were made up of $5,772.00 in travel and accommodation costs, $4,199.72 in director’s insurance, $7,300.00 in bank charges and merchant fees, $5,772.00 in travel and accommodation costs, $4,199.72 in director’s insurance, $7,300.00 in bank charges and merchant fees, $2,955.15 in minor furniture, equipment, fittings and computing ($1,248.01), shipping of phones, photocopier and franking machine ($12,157.20), rent for office site ($3,285.51), corporate stationary ($2,730.05) and depreciation ($10,683.00).

Administration expenses
Administration expenses of $52,363.37 included printing of annual report and AGM ballot/reply paid envelopes ($1,274.00), AGM postage ($5,772.00), bank charges and merchant fees ($6,248.18), directors’ insurance ($4,199.72), audit ($7,300.00), premises insurance ($3,233.28), ASIC fees ($826.00), body corporate costs ($11,406.54), and rates, water and sewerage ($3,816.24). AACMA takes out additional insurance to protect staff, board and committee members and volunteers in the event of illness or injury while attending to AACMA business. These are a corporate

‘The nature of Chinese medicine is to share and to nourish. It nourishes our lives and the lives of our patients. It is only natural that we nourish the links between practitioners so we may better serve our community. AACMA gives us the framework to do this.’

– Damian Carey
AACMA Member

in staff amenities, $19,243.52 in employment advertising, with the balance in miscellaneous costs. The increase in wages was derived in part from increased use of casual staff and annual pay increases, but primarily from a final pay out of the CEO accrued entitlements.

Office expenses
Office expenses of $86,543.76 were made up of postage and couriers ($18,636.47), service contracts, repairs and maintenance, cleaning, power, and software licensing and support ($28,946.17), phone, fax and internet expenses ($9,187.62), office supplies ($7,074.58), photocopy charges ($2,955.15), minor furniture, equipment, fittings and computing ($1,248.01), leasing of phones, photocopier and franking machine ($12,157.20), rent for office site ($3,285.51), corporate stationary ($2,730.05) and depreciation ($10,683.00).
travel insurance policy covering board, staff and speaker travel and a group personal accident policy for the board, committee members and volunteers when attending or conducting meetings on behalf of AACMA. These policies amounted to $2,462.77.

Board Board expenses totalled $75,326.68 in 2013, representing 5.2% of total expenditure. This was made up of $32,862.50 in Directors’ fees, $7,578.85 in fax/internet allowance, $28,051.50 in board travel and accommodation, $1,147.69 for phone expenses, and $1,427.05 in conference fees. Board members are expected to take an active role in Australian and international affairs in order to promote and protect the interests of the members and the profession in general. This has inevitably resulted in increased costs in board travel and accommodation. The remaining board costs related to miscellaneous expenses.

Committees and meetings Meeting and committee expenses amounted to $8,620.37 in 2013. The cost of Board Committees was reduced through use of an in-house conferencing facility. The AACMA Board held one face-to-face Board meeting in 2013 (May). The May face-to-face meeting is essential for organising the new Board of Directors, establishing the direction of AACMA for the coming year, and appointing members to Board Executive and Committee positions. This meeting is always held in venue hire, audio-visual, and catering packages, WFAS Sydney 2013 expenses amounted to $1,600.60 for the AACMA on-line conference.

The transition to national registration has necessitated in the future and converted to a cash asset should that be a necessity.

Benefits paid to Board members and staff will remain within the ranges considered reasonable by the not-for-profit sector and the capacity of the Association to pay.

The transition to national registration has necessitated in a change in the focus of the board and the staff and the types of services to be provided. Progress on these and other matters affecting the future of the association will be reported at the Annual General Meeting on 3 May 2014.

Member products – cost of product sales Cost of sales of $12,592.70 was made up of $11,050.90 for receipt books, $1,541.86 for videos/DVDs and the balance in miscellaneous costs.

Publications and Marketing This expenditure of $19,538.90 relates to $1,600.60 for the AACMA 1300 number, $780.00 for website maintenance and development, $2,000.00 for media monitoring, $12,010.00 in database hosting and the remainder in miscellaneous expenses.

WFAS WFAS Sydney 2013 expenses amounted to $453,675.57 in 2013. This was made up of $254,300.45 in venue hire, audio-visual, and catering packages, $15,297.97 in trade exhibition costs, $7,784.02 in satchel costs, $56,942.28 in travel, accommodation and speaker costs, $17,661.44 in publications and marketing costs, $5,374.55 for the opening ceremony and DVD launch, $47,429.11 for the gala dinner, $38,752.77 in full service hosting and meeting costs, $518,32.32 for other venue charges and $4,950.66 in administration expenses. This was offset against income of $548,572.01 made up of $372,999.45 in delegate fees, $128,162.92 in exhibition fees and advertising, $45,488.20 in gala dinner fees, and $1,921.44 for satchel inserts, workshops, DVD launch and miscellaneous income.

AJACM The launch of our academic journal, the Australian Journal of Acupuncture and Chinese Medicine, in 2006 was a major new expenditure item for the association. The majority of the costs incurred in 2013 related to the costs of printing and postage of the eighth volume, consisting of two issues. Expenditure of $20,327.77 was made up of printing ($12,311.00), collation and postage ($7,466.97), and editorial board meeting costs ($549.80). These costs were offset by journal income of $8,456.90, made up of advertising ($5,863.64) and subscriptions ($2,602.26). The Board views investment in the Journal as a long-term project with returns expected to increase over the next five years.

AACMA office premises In 2007, AACMA purchased premises for the national office for a contract price of $495,000 ex GST. AACMA contributed 30% of the sale price ($148,500) out of our accrued surplus, with the remaining 70% ($346,500) being funded by a Westpac Business Development Loan (BDL) secured by a mortgage on the property. As of 31 December 2013, the annual interest on the BDL was $202,130.99 (compared with $238,836.25 at the end of 2011). This represents a reduction in the capital in the BDL of $36,705.26 in 2013. Loan repayments in 2013 were $43.968.00 plus an additional amount of $150,000.00, body corporate costs of $11,406.54, and rates/water/sewerage charges of $3,816.24. These outgoings are less than what AACMA would have paid in rental costs. When AACMA purchased the office premises in 2007, we were already paying over $45,000 in rent. Now, all the money invested in the Business Development Loan (minus interest payments) is an asset that can be realised in the future and converted to a cash asset should that be a necessity.

THE YEAR AHEAD 2014 will see a continuation of the Board’s commitment to sound financial policies and the exercise of caution in relation to the use of members’ funds. Our cash position as of 31 December 2013 was $448,392.87, which converts to -$134,391.21 if pre-paid 2014 fees were removed. Pre-paid 2014 membership fees, as of 31 December 2013, amounted to $583,784.08.

On-line membership services AACMA has begun the process of upgrading its membership database to an on-line hosted environment, and progress on this will continue in 2014. This means that AACMA will be able to progressively open up features for direct member access. Once the system is up and running and tested, the first feature to become available on-line will be the ability for members to record their CPD activities directly into their membership record and to check their total for the year. This will avoid the need to submit a CPD card if their on-line submissions satisfies annual CPD requirements. Attendance at AACMA-managed events will also be automatically updated once attendance has been confirmed. The next planned stages are on-line registration for State Committee events and future AACMA conferences, as well as an on-line store for member orders.

AACMA is aiming for a an accrued cash surplus of up to $100,000 over the next two years in order to maintain the association in a healthy long-term position. This will ensure AACMA is able to continue with a stable fiscal position into the future.

The purchase of association property in 2007 was considered a significant step in long-term cost savings so that outgoings related to office premises are effectively reinvested back into assets for the association rather than in unrecoverable rental outgoings. The monthly repayment on the bank loan is $3,664.00, plus associated bank fees, exceeds the minimum amount payable and resulted in possible draw down funds exceeding $20,000. Cash reserves are continuing to be sequestered into the business loan in order maximise interest benefits.

AACMA is able to continue with a stable fiscal position into the future.
**DIRECTOR'S REPORT**

**General**

The Australian Acupuncture & Chinese Medicine Association Limited is a company limited by guarantee (to the extent of $100 per member), incorporated under the Corporations Act 2001.

**Statutory Requirements**

The directors present their report on the company for the financial year ended 31 December 2013.

The names of the Directors in office at the date of this report are:

Hoc Ku Huynh OAM (Director & Treasurer)

Hong Xu (Director & Secretary)

Zhen Zheng (Director)

Matthew O’Hara (Director)

Waveny Holland (Director)

**Information on Directors and Meetings**

The following information and number of meetings attended is provided on Directors of the Company during the year:

**Experience:**
- Diploma of Chinese Herbal Medicine
- Certificate of English for Academic Purpose
- Bachelor of Medicine (TCM), China
- Doctor of Philosophy, Australia
- Graduate Certificate of Tertiary Education, Australia
- Bachelor of Health Science (Acupuncture), China
- Doctor of Philosophy (Melbourne)
- Registered Nurse and Midwife
- Standing Board Member, Specialty Committee of Rehabilitation & Healthcare of WFCMS
- Board Member, Specialty Committee of Gynecology of WFCMS
- Chair Qld State Committee 2011–14
- Member of AACMA (17 years), AACMA Fellow
- Council Member of Word Federation of Chinese Medicine Society (WFCMS)
- Standing Board Member, Specialty Committee of Rehabilitation & Healthcare of WFCMS
- Board Member, Specialty Committee of Gynecology of WFCMS
- AACMA nominee to the Australian Mirror Group in Standards for ISO/TC249 Traditional Chinese Medicine (Provisional), Standards Australia, International Standards Organization
- The Directors have received an Independence Declaration from the auditor of Australian Acupuncture & Chinese Medicine Association Limited, which is attached on page 20 and signed in accordance with a resolution of the board of Directors.

**Directors of the Company during the year:**

The following information and number of meetings attended is provided on Directors of the Company during the year:

**Qualifications:**
- Master of Health Science in TCM
- Bachelor of Acupuncture
- Certificate of Chinese Medicine
- Bachelor of Medicine (TCM), China
- Doctor of Philosophy, Australia
- Graduate Certificate of Tertiary Education, Australia
- Bachelor of Health Science (Acupuncture), China
- Doctor of Philosophy (Melbourne)
- Registered Nurse and Midwife
- Standing Board Member, Specialty Committee of Rehabilitation & Healthcare of WFCMS
- Board Member, Specialty Committee of Gynecology of WFCMS
- Chair Qld State Committee 2011–14
- Practitioner/Owner Serendip Natural Healing & Wellness Centre 2005–current
- Registered with the CMBA

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

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

No indemnities have been given or insurance premium paid, during or since the end of the financial year, for any person who is or has been an official or auditor of the company.

**Auditors Independence**

The Directors have received an Independence Declaration from the auditor of Australian Acupuncture & Chinese Medicine Association Limited, which is attached on page 20 and signed in accordance with a resolution of the board of Directors.
Michael Porter (Director)

Qualifications:
- Bachelor of Acupuncture
- Diploma of Acupuncture
- Certificate of Chinese Herbal Medicine

Experience:
- Member of AACMA (29 years), AACMA Fellow
- 29 years Clinical Practice in Australia
- Registered with the CMBA
- Appointed to SA Health Practitioners Tribunal

Mark Bayley (Director) (commenced 18/5/13)

Qualifications:
- Diploma of Chinese Medicine (Acupuncture) Sydney College 1991

Experience:
- Member of AACMA (20 years), AACMA Fellow
- 23 years clinical experience
- Qld State Committee (previous)
- Registered with the CMBA

Xiaodong Yu (Director) (commenced 18/5/13)

Qualifications:
- Bachelor of Medicine (TCM), China
- Master of Medical Science (TCM), China

Experience:
- 22 years clinical experience in Australia and overseas
- Member of AACMA (8 years)
- WA State Committee Member since 2010
- Sessional Member of WA administrative Tribunal
- Registered with the CMBA

Meetings attended by Directors

<table>
<thead>
<tr>
<th>Name</th>
<th>Meetings eligible to attend</th>
<th>Number attended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hoc Ku Huynh OAM</td>
<td>15</td>
<td>13</td>
</tr>
<tr>
<td>Michael Porter</td>
<td>15</td>
<td>12</td>
</tr>
<tr>
<td>Walter Simpson</td>
<td>15</td>
<td>13</td>
</tr>
<tr>
<td>Zhen Zheng</td>
<td>15</td>
<td>10</td>
</tr>
<tr>
<td>Hong Xu</td>
<td>15</td>
<td>14</td>
</tr>
<tr>
<td>Richard Yue Li</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td>Waveny Holland</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td>Matthew O'Hara</td>
<td>15</td>
<td>13</td>
</tr>
<tr>
<td>Mark Bayley</td>
<td>10 (commenced 18/5/13)</td>
<td>9</td>
</tr>
<tr>
<td>Xiaodong Yu</td>
<td>10 (commenced 18/5/13)</td>
<td>9</td>
</tr>
</tbody>
</table>

No Director has received or become entitled to receive a benefit by reason of a contract made by the company or a related company with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest.

Auditor Independence

The Directors received an independence declaration from the auditor of Australian Acupuncture & Chinese Medicine Association Limited which is attached on the following page [below].

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

08 APRIL 2014
BRISBANE, QLD
DIRECTOR

Philip Fitzgerald FCA
REGISTERED AUDITOR #15079

Auditor’s Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Australian Acupuncture & Chinese Medicine Association Ltd

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2013 there has 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.

(signed)

14 APRIL 2014
BRISBANE, QLD

Haywards Chartered Accountants (signed)

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

<table>
<thead>
<tr>
<th>NOTES</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Subscriptions</td>
<td>720849.74</td>
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</tr>
<tr>
<td>Other Income</td>
<td>700828.81</td>
<td>332217.38</td>
</tr>
<tr>
<td>Administration Expenses</td>
<td>148907.13</td>
<td>133821.66</td>
</tr>
<tr>
<td>Salary Expenses</td>
<td>572399.44</td>
<td>485742.09</td>
</tr>
<tr>
<td>Other Expenses from Ordinary Activities</td>
<td>713955.48</td>
<td>377200.06</td>
</tr>
<tr>
<td>Profit/(Deficit) from Ordinary Activities Before Income Tax Expense</td>
<td>$(1133.50)</td>
<td>$68910.56</td>
</tr>
<tr>
<td>Income Tax Expense</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Profit/(Deficit) from Ordinary Activities After Related Income Tax Expense</td>
<td>$(1133.50)</td>
<td>$68910.56</td>
</tr>
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</table>

BALANCE SHEET AS AT 31 DECEMBER 2013

<table>
<thead>
<tr>
<th>NOTES</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>CURRENT ASSETS</td>
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</tr>
<tr>
<td>Cash</td>
<td>449392.87</td>
<td>703328.48</td>
</tr>
<tr>
<td>Debtors</td>
<td>54290.66</td>
<td>18955.94</td>
</tr>
<tr>
<td>TOTAL CURRENT ASSETS</td>
<td>503683.53</td>
<td>722284.42</td>
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<tr>
<td>NON-CURRENT ASSETS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land &amp; Buildings</td>
<td>557356.54</td>
<td>557356.54</td>
</tr>
<tr>
<td>Plant &amp; Equipment</td>
<td>66669.28</td>
<td>22012.46</td>
</tr>
<tr>
<td>TOTAL NON-CURRENT ASSETS</td>
<td>623025.82</td>
<td>579369.00</td>
</tr>
<tr>
<td>TOTAL ASSETS</td>
<td>1126709.35</td>
<td>1301653.42</td>
</tr>
<tr>
<td>CURRENT LIABILITIES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Creditors</td>
<td>28284.80</td>
<td>57461.07</td>
</tr>
<tr>
<td>Fees Received in Advance</td>
<td>583784.08</td>
<td>640037.73</td>
</tr>
<tr>
<td>Provision for Employee Entitlements</td>
<td>24746.04</td>
<td>76421.43</td>
</tr>
<tr>
<td>Bank Loan</td>
<td>43968.00</td>
<td>43968.00</td>
</tr>
<tr>
<td>TOTAL CURRENT LIABILITIES</td>
<td>680726.92</td>
<td>817888.23</td>
</tr>
<tr>
<td>BANK BALANCE</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank Loan</td>
<td>156162.99</td>
<td>194868.25</td>
</tr>
<tr>
<td>TOTAL LIABILITIES</td>
<td>836945.91</td>
<td>1012756.48</td>
</tr>
<tr>
<td>NET ASSETS</td>
<td>287763.44</td>
<td>$288896.94</td>
</tr>
<tr>
<td>MEMBER’S FUND</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accumulated Funds</td>
<td>287763.44</td>
<td>288896.94</td>
</tr>
<tr>
<td>TOTAL MEMBER’S FUND</td>
<td>287763.44</td>
<td>288896.94</td>
</tr>
<tr>
<td>STATEMENT OF RECOGNISED INCOME &amp; EXPENDITURE FOR THE YEAR ENDED 31 DECEMBER 2013</td>
<td></td>
<td></td>
</tr>
<tr>
<td>RETAINED EARNINGS</td>
<td></td>
<td>TOTAL</td>
</tr>
<tr>
<td>Balance at 31 December 2012</td>
<td>288896.94</td>
<td>$219986.38</td>
</tr>
<tr>
<td>Profit/(Loss) Attributable to the Equity</td>
<td>$(1133.50)</td>
<td>68910.56</td>
</tr>
<tr>
<td>BALANCE AT 31 DECEMBER 2013</td>
<td>287763.44</td>
<td>$288896.94</td>
</tr>
</tbody>
</table>

The accompanying notes form part of these financial statements.
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013 CONT.

2. Cash Management Account
   - 2013  - 2012
   - 202907.04  - 202633.20

3. NON CURRENT ASSETS
   2012
   Balance at the beginning of the year 9383.53 557356.54 56740.07
   Additions at cost 16904.93 16904.93
   Depreciation expense 4276.00 4276.00
   Carrying amount at end of year $22012.46 $557356.54 $579369.00

4. OPERATING LEASE
   2013  2012
   Non-cancelable operating lease contracted for but not capitalised in the financial statements
   Payable - Minimum Lease Payments
   Not longer than 12 months 11124.48 11124.48
   Between 12 months and five years 15878.76 27003.24
   $27003.24 $38127.72

5. DIRECTOR’S REMUNERATION AND RETIREMENT BENEFITS
   2013  2012
   Incurred 36862.50 28743.75

6. AUDITOR’S REMUNERATION
   2013  2012
   Amounts received or due and received by the auditors for:
   Auditing the Accounts $7300.00 $8200.00
   No other benefits were received by the auditors.
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013 CONT.

7. MEMBER’S 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 $100 each towards meeting any outstanding obligations of the company.

8. NOTES TO STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash
For the purpose of the Statement of Cash Flows, cash includes cash on hand and in Financial Institutions net of bank overdrafts. Cash at the end of the financial year, as shown in the Statement of Cash Flows, is reconciled to the related items in the balance sheet as follows.-

<table>
<thead>
<tr>
<th>NOTE</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$449,392.97</td>
<td>$703,328.48</td>
</tr>
</tbody>
</table>

(b) Reconciliation of Net Cash provided by Operating Activities to Operating Profit After Income Tax

Operating Profit/(Loss) after income tax
(1133.50) 68910.56
Depreciation
10683.00 4276.00
Interest
6822.74 15538.29
Increase/(Decrease) in fees received in advance
(56253.65) 4276.00
Interest 6822.74 15538.29
Depreciation
10683.00 4276.00
Increase/(Decrease) in fees received in advance
(56253.65) 4276.00
Interest 6822.74 15538.29
Net Cash Provided by Operating Activities
$(156067.79) $105943.92

DIRECTORS DECLARATION

The directors have determined that the company is not a reporting entity. The directors have determined that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 21 to 24:
   (a) comply with Accounting Standards as described in Note 1 to the financial statements and the Corporations Regulations 2001; and
   (b) give a true and fair view of the company’s financial position as at 31 December 2013 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.

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 and is signed for and on behalf of the Directors by:

08 APRIL 2014
BRISBANE, QLD

DIRECTOR

DIRECTOR

INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF AUSTRALIAN ACUPUNCTURE & CHINESE MEDICINE ASSOCIATION LIMITED


We have audited the accompanying financial report of Australian Acupuncture & Chinese Medicine Association Limited, which comprises the balance sheet as at 31 December 2013, and the income statement, statement of recognised income and expenditure and cash flow statement for the year then ended, 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 and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are appropriate to meet the requirements of the Corporations Act 2001 and are appropriate to meet the needs of the members. The directors’ responsibility also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditor’s Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial 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 judgment, 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 and fair presentation of the financial report 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.

The financial report has been prepared for distribution to members for the purpose of fulfilling the directors’ financial reporting under the Corporations Act 2001. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

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 complied with the independence requirements of the Corporations Act 2001.

The audit opinion expressed in this report has been formed on the above basis.

Auditor’s Opinion

In our opinion, the financial report of Australian Acupuncture & Chinese Medicine Association 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 31 December 2013 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1, and

b. complying with Australian Accounting Standards to the extent described in Note 1 and complying with the Corporations Regulations 2001.

Philip Fitzgerald FCA
REGISTERED COMPANY AUDITOR

14 APRIL 2014
BRISBANE, QLD

DISCLAIMER TO THE MEMBERS OF AUSTRALIAN ACUPUNCTURE & CHINESE MEDICINE ASSOCIATION LIMITED

The additional financial data presented on page 26 is in accordance with the books and records of the company which have been subjected to the auditing procedures applied in our statutory audit of the association for the financial period ended 31 December 2013. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and we give no warranty of accuracy or reliability in respect of the data provided. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than Australian Acupuncture & Chinese Medicine Association Limited) in respect of such data, including any errors of omissions herein however caused.

Philip Fitzgerald FCA
REGISTERED COMPANY AUDITOR

14 APRIL 2014
BRISBANE, QLD

24 Australian Acupuncture and Chinese Medicine Association Ltd ACN 010 020 390 Acupuncture Ethics and Standards Organisation Ltd ACN 066 533 762
25 Australian Acupuncture and Chinese Medicine Association Ltd ACN 010 020 390 Acupuncture Ethics and Standards Organisation Ltd ACN 066 533 762
OPERATING PROFIT

The operating profit before income tax is arrived at after crediting as revenue and after charging as expenses the following items:

(a) REVENUE

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Membership Fees</td>
<td>726849.74</td>
<td>733456.99</td>
</tr>
<tr>
<td>Accreditation</td>
<td>9440.91</td>
<td>10000.00</td>
</tr>
<tr>
<td>Interest</td>
<td>9151.45</td>
<td>17088.37</td>
</tr>
<tr>
<td>AACMAC Income</td>
<td>-</td>
<td>148653.03</td>
</tr>
<tr>
<td>Sales</td>
<td>27617.08</td>
<td>33844.38</td>
</tr>
<tr>
<td>Sundry Income - Other</td>
<td>7820.92</td>
<td>19686.15</td>
</tr>
<tr>
<td>Jing-Luo Income</td>
<td>29384.11</td>
<td>36310.48</td>
</tr>
<tr>
<td>Other Advertising Income</td>
<td>8465.90</td>
<td>9514.77</td>
</tr>
<tr>
<td>State Committee Functions</td>
<td>20711.83</td>
<td>12831.63</td>
</tr>
<tr>
<td>Yellow Pages</td>
<td>47104.60</td>
<td>50304.57</td>
</tr>
<tr>
<td>WFAS Income</td>
<td>548572.01</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td><strong>$1434138.55</strong></td>
<td><strong>$1065674.37</strong></td>
</tr>
</tbody>
</table>

(b) EXPENSES

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accreditation Expenses</td>
<td>8563.27</td>
<td>8213.18</td>
</tr>
<tr>
<td>Cost of Product Sales</td>
<td>12985.76</td>
<td>13905.59</td>
</tr>
<tr>
<td>AACMAC Expenses</td>
<td>951.63</td>
<td>116275.24</td>
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<tr>
<td>WFAS Expenses</td>
<td>453675.57</td>
<td>1692.14</td>
</tr>
<tr>
<td>Jing-Luo Expenses</td>
<td>28311.49</td>
<td>33899.55</td>
</tr>
<tr>
<td>AJACM Expenses</td>
<td>20237.77</td>
<td>27014.64</td>
</tr>
<tr>
<td>Directory Advertising</td>
<td>64370.13</td>
<td>65295.96</td>
</tr>
<tr>
<td>Publications and Marketing</td>
<td>19638.90</td>
<td>11905.86</td>
</tr>
<tr>
<td>State Committees</td>
<td>9077.40</td>
<td>7915.43</td>
</tr>
<tr>
<td>Consultancy Costs</td>
<td>25232.13</td>
<td>2484.84</td>
</tr>
<tr>
<td>Journal Subscriptions &amp; Memberships</td>
<td>2860.74</td>
<td>2154.87</td>
</tr>
<tr>
<td>Board Expenses</td>
<td>75326.68</td>
<td>59978.52</td>
</tr>
<tr>
<td>Meetings &amp; Committees</td>
<td>8920.37</td>
<td>15919.95</td>
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<tr>
<td>ACCME Expenses</td>
<td>87.00</td>
<td>42.00</td>
</tr>
<tr>
<td>ATPAB Expenses</td>
<td>43.00</td>
<td>-</td>
</tr>
<tr>
<td>Administration</td>
<td>52365.37</td>
<td>45965.13</td>
</tr>
<tr>
<td>Office Expenses</td>
<td>96543.76</td>
<td>87556.53</td>
</tr>
<tr>
<td>Staffing Costs</td>
<td>572389.44</td>
<td>485742.09</td>
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<tr>
<td>Interest</td>
<td>6882.74</td>
<td>15538.29</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td><strong>1455272.05</strong></td>
<td><strong>996763.81</strong></td>
</tr>
</tbody>
</table>

**OPERATING PROFIT FOR YEAR**

$(1133.50)  $68910.56

---

**Financial Statements**

**Acupuncture Ethics and Standards Organisation Limited**

**DIRECTOR’S REPORT**

**General**

The Acupuncture Ethics and Standards Organisation Limited is a company limited by guarantee (to the extent of $2 per member), incorporated under the Corporations Act 2001.

**Statutory Requirements**

The directors present their report on the company for the financial year ended 31 December 2013.

The names of the Directors in office at the date of this report are: Hong Xu Walter Simpson Hoc Ku Huynh Richard Ke Yuan Li Michael Porter Zhen Zheng Waveny Holland Matthew O'Hara Mark Bayley (commenced 18/5/13) Xiaodong Yu (commenced 18/5/13)

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

The net profit for the company for the financial year amounted to $nil.

No significant changes in the company’s state of affairs occurred during the financial year.

**Information on Directors and Meetings**

The following information and number of meetings attended is provided on Directors of the Company during the year:

**Richard Ke Yuan Li (Director & President)**

Qualifications:
- Bachelor of Medicine (TCM)
- Certificate of English for Academic Purpose
- Certificate IV Workplace Training and Assessment
- Certificate of Information Technology

Experience:
- Member of AACCMA (17 years), AACCMA Fellow
- 25 years Clinical Practice in Australia & 4 years Clinical Practice overseas
- Lecturer at Shanghai University of TCM (4 years) & at UWS (sessional)
- Vice-President, World Federation of Acupuncture-Moxibustion Societies
- Director of the Australian TCM Practitioner Accreditation Board Ltd
- Member of Chinese Medicine Council of NSW
- Registered with the CMBA

**Walter Simpson (Director & Vice-President)**

Qualifications:
- Bachelor of Acupuncture
- Diploma of Chinese Herbal Medicine
- Certificate IV Workplace Training and Assessment
- 4th Degree Black Belt World Taiji Boxing Association

Experience:
- Member of AACCMA (26 years), AACCMA Fellow
- 26 years Clinical Practice in Australia
- GLD Representative of World Taiji Boxing Association
- Executive member of the World Federation of Acupuncture & Moxibustion Societies
- Registered with the CMBA
Meetings attended by Directors

<table>
<thead>
<tr>
<th>Name</th>
<th>Meetings eligible to attend</th>
<th>Number attended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hoc Ku Huynh OAM</td>
<td>15</td>
<td>13</td>
</tr>
<tr>
<td>Michael Porter</td>
<td>15</td>
<td>12</td>
</tr>
<tr>
<td>Walter Simpson</td>
<td>15</td>
<td>13</td>
</tr>
<tr>
<td>Zhen Zheng</td>
<td>15</td>
<td>10</td>
</tr>
<tr>
<td>Hong Xu</td>
<td>15</td>
<td>14</td>
</tr>
<tr>
<td>Richard Hua Yuan Li</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td>Waveny Holland</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td>Matthew O'Hara</td>
<td>15</td>
<td>13</td>
</tr>
<tr>
<td>Mark Bayley</td>
<td>15</td>
<td>9</td>
</tr>
<tr>
<td>Xiaodong Yu</td>
<td>15</td>
<td>9</td>
</tr>
</tbody>
</table>

No Director has received or become entitled to receive a benefit by reason of a contract made by the company or a related company with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest.

Auditor Independence

The Directors received an independence declaration from the auditor of Acupuncture Ethics & Standards Organisation Limited which is attached on the following page [below].

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

08 APRIL 2014
BRISBANE, QLD

DIRECTOR

HAYWARDS CHARTERED ACCOUNTANTS
REGISTERED AUDITOR #15079
INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

NOTES  2013  2012

Rental Income - -
Other Income - -
Administration Expenses - -
Other Expenses from Ordinary Activities - -
Profit/(Deficit) from Ordinary Activities Before Income Tax Expense 2 0.00 0.00
Income Tax Expense Relating to Ordinary Activities - -
Profit/(Deficit) from Ordinary Activities After Related Income Tax Expense 0.00 0.00

The accompanying notes form part of these financial statements.

BALANCE SHEET AS AT 31 DECEMBER 2013

NOTES  2013  2012

CURRENT ASSETS
Cash 10.00 10.00
TFN Tax Paid - -
TOTAL CURRENT ASSETS 10.00 10.00
TOTAL ASSETS 10.00 10.00
NET ASSETS $10.00 $10.00

MEMBER’S FUNDS
Accumulated Funds 10.00 10.00
TOTAL MEMBER’S FUNDS $10.00 $10.00

The accompanying notes form part of these financial statements.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

RETIRED EARNINGS TOTAL
Balance at 31 December 2012 10.00 10.00
Profit/(Deficit) Attributable to the Entity - -
Balance at 31 December 2013 $10.00 $10.00

The accompanying notes form part of these financial statements.

STATEMENT OF RECOGNISED INCOME AND EXPENDITURE FOR THE YEAR ENDED 31 DECEMBER 2013

NOTES  2013  2012

CASH FLOWS FROM OPERATING ACTIVITIES
Receipts from Subscriptions - -
Other Income - -
Payment for Operating Expenses - -

NET CASH FROM INVESTING ACTIVITIES $0.00 $0.00

NET INCREASE/(DECREASE) IN CASH HELD 10.00 10.00
CASH AT THE BEGINNING OF THE YEAR $10.00 $10.00
CASH AT THE END OF THE YEAR $10.00 $10.00

The accompanying notes form part of these financial statements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

1. Statement of Significant Accounting Policies

The Financial Report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. Acupuncture Ethics & Standards Organisation Limited is a company limited by guarantee.

The following is a summary of the material accounting policies adopted by the entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Basis of Preparation
The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

Cost is based on the fair values of the consideration given in exchange for assets.

(a) DEPRECIATION
Plant & Equipment
Depreciation on the abovementioned items of property has been provided in accordance with AASB 116 “Property, Plant and Equipment”. All fixed assets are written off in accordance with their estimated useful lives. Depreciation is calculated by adopting the diminishing value method.

(b) INCOME TAX
Income Tax has not been provided for in the company’s accounts.

(c) COMPARATIVE FIGURES
Comparative figures, where necessary, have been reclassified in order to comply with the presentation adopted in the figures reported for the current financial year.

(d) EMPLOYEE ENTITLEMENTS
Liabilities for Wages & Salaries and Annual Leave are recognised and are measured as the amount unpaid at the reporting date at current pay rates in respect of employees’ services up to that date. Other employee entitlements payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those entitlement contributions are made by the association to an employee superannuation fund and are charged as expenses when incurred.

2. OPERATING REVENUE 2013 2012

$NIL $NIL

3. RELATED PARTY DISCLOSURE 2013 2012

(a) Director’s Remuneration
Income paid or payable to all Directors of the company by the company and any related parties

$0.00 $0.00

The names of the Directors who have held office during the financial year are:

Hong Xu Walter Simpson Hoc Ku Huynh Richard Ke Yuan Li Michael Porter Zhen Zheng Waveny Holland Matthew O’Hara Mark Bayley Xiaodong Yu

The accompanying notes form part of these financial statements.
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013 CONT.

4. MEMBER’S 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 $2 each towards meeting any outstanding obligations of the company.

5. NOTES TO STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

For the purpose of the Statement of Cash Flows, cash includes cash on hand and in Financial Institutions net of bank overdrafts. Cash at the end of the financial year, as shown in the Statement of Cash Flows, is reconciled to the related items in the balance sheet as follows:

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$10.00</td>
<td>$10.00</td>
</tr>
</tbody>
</table>

(b) Reconciliation of Net Cash provided by Operating Activities to Operating Profit After Income Tax

Operating Profit/(Loss) after income tax - -
Depreciation - -
Changes in Assets & Liabilities - -
Increase/(Decrease) in fees received in advance - -
(Decrease) in Creditors - -
Net Cash Provided by Operating Activities $ - $ -

6. ACCUMULATED PROFITS

Accumulated Profits at the Beginning of the Financial Year 10.00 10.00
Net Deficit Attributable to Members of the Company - -
Net Deficit Attributable to Members of the Company 10.00 10.00

7. CONTINGENT LIABILITIES

The company does not have any contingent liabilities as at 31 December 2013.

8. SEGMENT INFORMATION

The company operates only in the profession of acupuncture and traditional Chinese medicine.

9. SIGNIFICANT EVENTS AFTER BALANCE DATE

There were no significant events after balance date that would impact on the financial report.

DIRECTORS DECLARATION

The directors have determined that the company is not a reporting entity. The directors have determined that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 30 to 32:
   (a) comply with Accounting Standards as described in Note 1 to the financial statements and the Corporations Regulations 2001; and
   (b) give a true and fair view of the company’s financial position as at 31 December 2013 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.
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 and is signed for and on behalf of the Directors by:

08 APRIL 2014
Brisbane, QLD

DISCLAIMER TO THE MEMBERS OF ACUPUNCTURE ETHICS & STANDARDS ORGANISATION LIMITED

INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF ACUPUNCTURE ETHICS & STANDARDS ORGANISATION LIMITED


We have audited the accompanying financial report of Acupuncture Ethics & Standards Organisation Limited, which comprises the balance sheet as at 31 December 2013, and the income statement, statement of recognised income and expenditure and cash flow statement for the year then ended, 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 and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial report, which form part of the financial report, are appropriate to meet the requirements of the Corporations Act 2001 and are appropriate to meet the needs of the members. The directors’ responsibility also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor’s Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial 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 judgment, 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 and fair presentation of the financial report 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.

The financial report has been prepared for distribution to members for the purpose of fulfilling the directors’ financial reporting under the Corporations Act 2001. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

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 complied with the independence requirements of the Corporations Act 2001.

The audit opinion expressed in this report has been formed on the above basis.

Auditor’s Opinion

In our opinion, the financial report of Australian Acupuncture & Chinese Medicine Association 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 31 December 2013 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1; and
b. complying with Australian Accounting Standards to the extent described in Note 1 and complying with the Corporations Regulations 2001.

Signed

HAYWARDS CHARTERED ACCOUNTANTS

14 APRIL 2014
Brisbane, QLD

PHILIP FITZGERALD FCA
REGISTERED AUDITOR

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The additional financial data presented on page 26 is in accordance with the books and records of the company which have been subjected to the auditing procedures applied in our statutory audit of the association for the financial period ended 31 December 2013. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and we give no warranty of accuracy or reliability in respect of the data provided. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than Acupuncture Ethics & Standards Organisation Limited) in respect of such data, including any errors of omission herein however caused.

Signed

PHILIP FITZGERALD FCA
REGISTERED COMPANY AUDITOR #19079

14 APRIL 2014
Brisbane, QLD
STATE COMMITTEES
As at 31 December 2013

Australian Capital Territory
No committee was formed.

Northern Territory
No State Liaison Officer appointed.

New South Wales
Hoc Ku Huynh (Chair)
Elly Huang (Deputy Chair, Assistant Finance Secretary)
Damian Bodnarchuk (Social Events Coordinator)
Mei-Kin Li Rees (Deputy Chair)
Peter Scarselli (Committee Member)
Tom Parris (Deputy Chair, Minutes Secretary)
Yifan Yang (Committee Member)
Yingshu Li-Cantwell (Finance Secretary)
Karen Bilton (CPE Coordinator)
Sining Luo (Committee Member)

Queensland
Waveny Holland (Chair)
Matt O’Hara (Deputy Chair)
Damein Gentle (Finance Secretary)
Andrew Malfin (Secretary)
Brett Montgomery (Committee Member)
Nicola Macdonald (Committee Member)
Bernhard Marzini (Committee Member)
Luis Romero (Committee Member)
Michael Brown (Committee Member)
Amber Fulton (Committee Member)
William Shanasy (Committee Member)

South Australia
Richard Li (Chair)
Gangchen Bai (Finance Secretary)
Lily Li Feng (Minutes Secretary)

Tasmania
No committee was formed.

Victoria
Minda Agosta (Chair)
Elisa Yap (Deputy Chair)
Victor Lam (Finance Secretary)
Diana Liu (Minutes Secretary)
Zhen Zheng (Committee Member)
Ku Li (Committee Member)
Joseph Azuolas (Committee Member)
Hong Xu (Committee Member)
Edwin Miao (Committee Member)
Chrisina Yang (Committee Member)

Western Australia
Xiaodong Yu (Chair)
James Evans (Secretary)
Bing Lun Chen (Finance Secretary)
Winnie Law (CPE Coordinator)