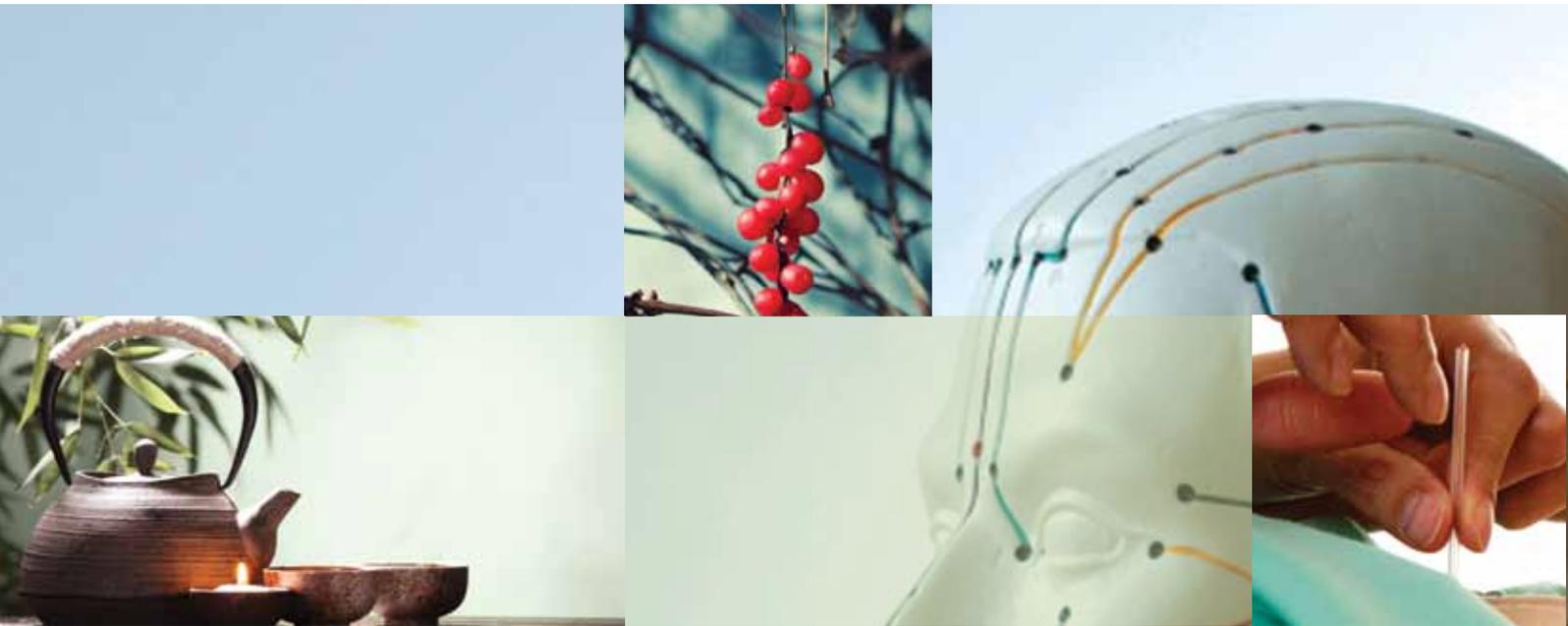




Australian Acupuncture and
Chinese Medicine Association Ltd
ACN 010 020 390

Acupuncture Ethics and Standards
Organisation Ltd
ACN 065 533 762



2014 Annual Report

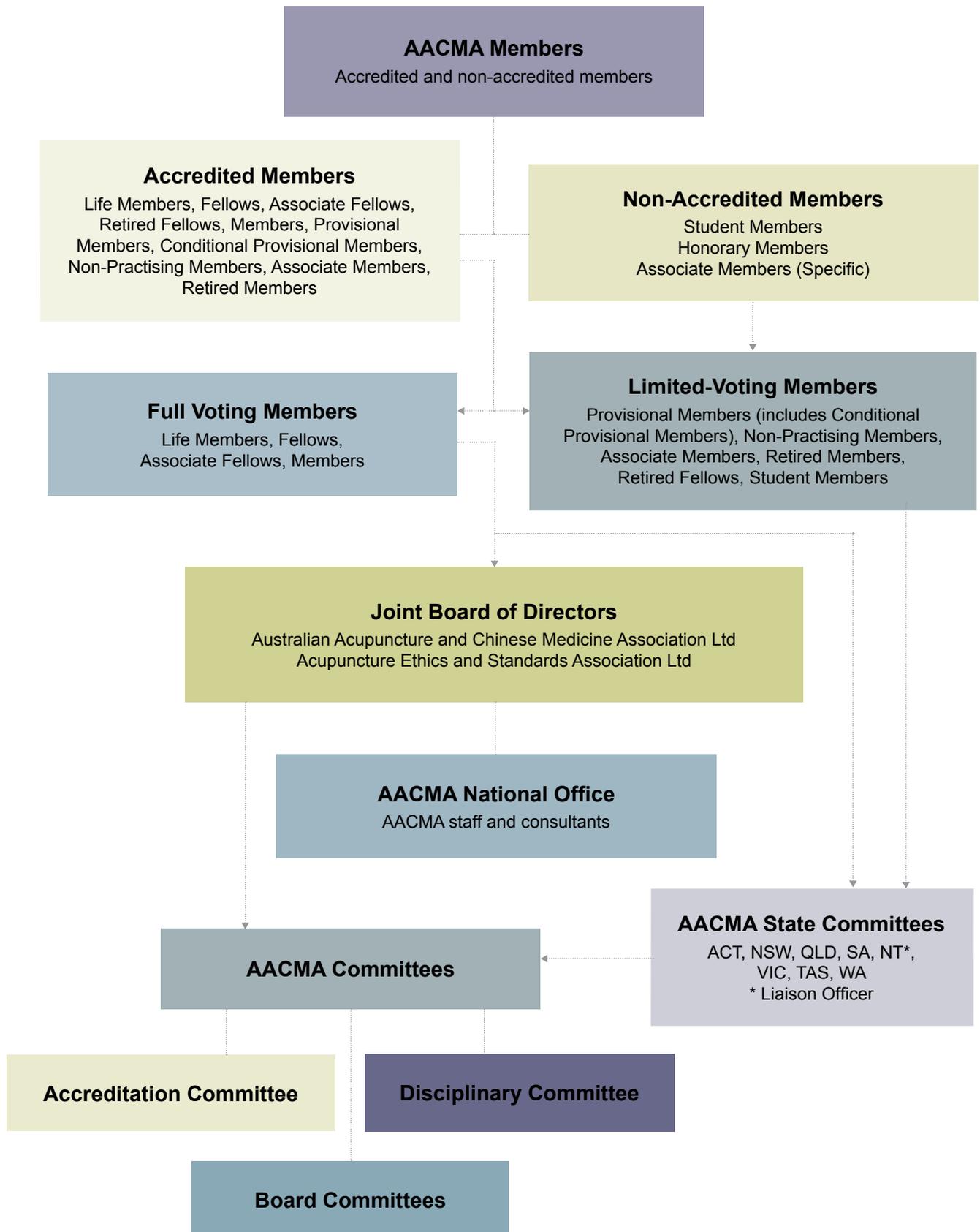


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AACMA

Organisational Structure



President's Report

Hong Xu



The peak professional body for Chinese medicine: promoting safety, quality and ethics in practice, serving the members and protecting the public.

THE YEAR IN REVIEW

I am pleased to be able to present this report on behalf of the AACMA Board of Directors for the 2014 calendar year.

The 2014 year was challenging for AACMA. I am proud to report that AACMA has responded well to the challenges, maintained professional services, secured and further developed the best possible benefits for our members, mainly because of the hard work of our staff, board, state committees and members.

We welcomed three new Board members in 2014: Kerry Watson (Victoria) and Judy James (Queensland) who were elected at the Annual General Meeting and Li Lily Feng (South Australia) who was appointed in October to fill a casual vacancy on the Board. Former President, Walter Simpson, and Director, Zhen Zheng, did not re-stand for the Board and Matt O'Hara also did not continue on the Board after the 2014 AGM. In July 2014, Mark Bayley and Michael Porter resigned from the Board, resulting in a call for expressions of interest in appointment to the casual vacancies. This resulted in the appointment of Lily Feng from South Australia. On behalf of the AACMA Board, I welcome our new Board members and extend our appreciation and best wishes to all former board members for their hard work and contribution to AACMA and the Board over their many years of voluntary service.

I would like to take this opportunity to thank the State Committee Chairs and State Committee members who have volunteered to work for our association, providing essential professional development services (seminars, forums and social networking) to our members and promoting the development of our association. Our State Committee members work very hard to provide these important services to our members.

After our long-standing CEO, Judy James, left the position at the end of 2013, our attempts to find a suitable replacement CEO had not been successful after two appointments (CEO and General Manager), followed by the resignations of several office staff. Our former CEO,

Judy James, kindly agreed to take leave from the Board to be the Acting CEO. This was needed to provide effective administration, unbroken continuity of services for our members and to recruit and train new office staff. The Acting CEO and the Board have been working closely together to ensure that AACMA retains its place as the premier Chinese medicine association in Australia.

I would therefore like to thank all our office staff, who have been working very hard for our association, providing excellent professional services for our members. I give special thanks to our Acting CEO who has put the association's needs as her priority until a replacement CEO can be appointed.

I thank my fellow Board members for their commitment and hard work during 2014 and into 2015. It has been my privilege and honour to have been elected as President by my colleagues on the Board and it has been my honour and privilege to have served with such a hardworking and harmonious team.

Finally, we are nothing without our members. I thank each and every one of our members for your loyalty and commitment to our profession and for continuing on the journey with AACMA.

2014 HIGHLIGHTS

The main achievements for 2014 are summarised below.

Re-establishment of the national office

Since early August, after the departure of most staff, our Acting CEO has worked very hard to run the office, recruit and train new staff.

The use of e-news

Since August 2014, a regular e-news has been developed for more frequent communication within our community. The e-news open rate has regularly at about 50%, with much positive feedback received. With the support of national office, the Board endeavours to improve the communication within our community and update you on our association's progress for the profession and our members.

WorkCover

AACMA was successful in its submission to include Acupuncture under WorkCover Queensland.

NRAS/AHPRA review forums

The AACMA Board sent representatives to all mainland consultation forums regarding the independent review of the National Registration and Accreditation Scheme (NRAS) for the health profession. These key stakeholder forums have been an important mechanism for AACMA to present our organisation's perspectives on the matters under review.

AACMA submissions

AACMA has continued to lobby on the issues concerned by our members and profession, e.g. advertising of acupuncture and dry needling services by non-acupuncturists. The AACMA submission to AHMAC on the review of the National Registration and Accreditation Scheme for the Health Professions (NRAS) is available from the Submissions page in the members section of the AACMA website.

Other submissions in 2014 included Draft Guidelines For The Regulatory Management Of Registered Health Practitioners And Students Infected With Blood-Borne Viruses (AHPRA), Draft Guidelines For Safe Chinese Herbal Medicine Practice (CMBA), Submission to WorkCover Qld, AQF Alignment of the Advanced Diploma Programs in the Health Training Package for Complementary and Alternative Health (CSHISC),

The AACMA annual conference – Melbourne 2014

AACMA Melbourne 2014 brought positive energy and inspiration to members and the association, speakers presented topics covering clinical, professional and ethical issues. Feedback received include good quality presentations, higher academic levels and a great range of seminars which benefited our over delegates in practice, research and education.

International events participation

Mark Bayley and Richard Li represented AACMA at the New Zealand Register of Acupuncturists 2014 Annual Conference in June 2014 at which Richard presented a paper on AACMA and Chinese medicine in Australia.

Richard Li represented AACMA at the World Federation of Acupuncture Societies 2014 Executive Committee meeting and conference in Houston, Texas in the United States. Richard Li attended in his capacity as WFAS Vice-President for Oceania-Australia. Judy James also attended the meeting and conference in a self-funded capacity. During the conference, AACMA signed a Memorandum of Understanding (MoU) with the European TCM Association.

The Association of Korean Medicine (AKOM) also invited Judy James to attend the first International Forum on Korean Medicine (IFKM), held at the National Assembly in Seoul, South Korea. All travel, accommodation and meals were covered by the host. Judy presented a paper on accreditation of Chinese medicine courses.

AACMA did not send a delegate to the WFCMS conference in St Petersburg; however, AACMA continues to be an active member of this international society.

James Flowers represented AACMA at the International Society of Oriental Medicine (ISOM) bi-annual meeting and conference (ICOM) held in Taiwan in 2014. His attendance costs were funded by the conference organisers.

Waveny Holland attended the TCM Rothenburg conference in Germany in June 2014. AACMA covered her registration fee, but she was otherwise fully self-funded.

AACMA continues to be an active member of the Standards Australia Mirror Committee (HE031) for the International Organization for Standardization (ISO) Technical Committee (ISO/TC249) for the development of international standards for Traditional Chinese Medicine (provisional title). AACMA did not send a delegate to the ISO/TC249 Plenary Meeting in 2014.

THE YEAR AHEAD – 2015

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.

2015 promises to be another year of opportunity and a refreshed outlook in a number of areas. While the transition to a completely new staff team for the first time in twenty years has presented many challenges, it has also created great potential for growth and renewal.

Membership Fees: No increase for five consecutive years

AACMA has been able to maintain no increase in your annual membership fees for five consecutive years. We thank the many members who have renewed or reinstated their membership, which is already at record levels.

New Mentoring Program

AACMA focuses on support for new graduates entering the profession. The AACMA mentoring program is currently being established and is a first for the Chinese medicine profession in Australia, and the only mentoring program of its type in complementary therapies.

New interactive member interface

In a first for AACMA, our live interactive online facility that allows you to:

- view personal and practice information held about you
- register for events online
- view and upload your CPD activities

This is additional to the existing members section of the AACMA website at http://www.acupuncture.org.au/Members_Area.aspx. The existing facility is primarily an information source for members but also has forms and links to notify AACMA of changes to your details.

Herbal Medicine Labelling Program - AACMA supporting member compliance

AACMA is supporting the development of a herbal medicine labelling program in conjunction with an IT expert to assist members to comply with the proposed new CMBA prescribing and labelling guidelines. In preparation for new prescribing and labelling standards to come into effect in 2015, the AACMA Board is taking all reasonable steps to support our members with appropriate compliance tools. This will be supplemented by a flexible-delivery educational program.

WorkCover WA

AACMA successfully negotiated the inclusion of acupuncture under WorkCover in Western Australia, commencing 1 April 2015. Work is continuing for acupuncture to be included under all state workers compensation systems.

AACMAC Adelaide 2015

The fifteenth Australasian Acupuncture and Chinese Medicine Annual Conference (AACMAC) will be held at the newly-built section of the Adelaide Convention Centre on 22 - 24 May 2015. It continues to be the largest annual gathering of practitioners in our field in the southern hemisphere. We have presenters and participants from every Australian state and mainland territory, as well as from China, Nepal, New Zealand, Saudi Arabia and United States. The quality and standard of papers, workshops and posters has continued to improve and AACMAC is proving to be one of the 'must-do' and 'must-attend' events in the professional year.

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 Vision

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
- Member services
- Membership base
- Partnerships & 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 8.

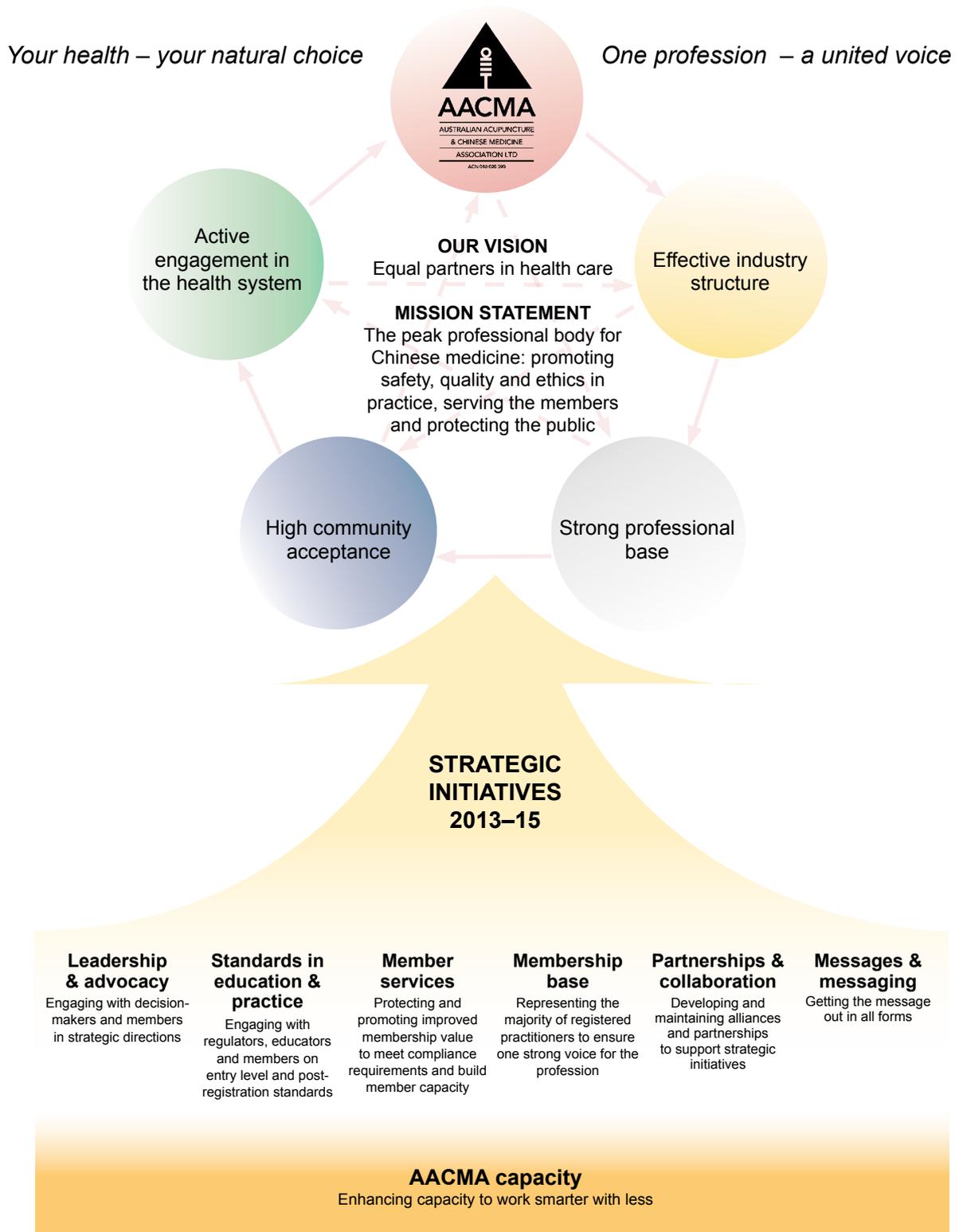


Hong Xu
President
30 April 2015

'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

CHINESE MEDICINE



Secretary's Report

Hoc Ku Huynh OAM



AACMA – 41 GOING ON 42 YEARS

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

The Australian Acupuncture Association Ltd (AAcA) 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, AAcA 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, AAcA 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 (AAcA) 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 (Anmo-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 a Retired 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.

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 non-routine 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.

Conditional Provisional Member: This limited voting membership is a new sub-category of Provisional Member for practitioners whose TCM qualifications are at minimum at advanced diploma level and where this does not enable access to all practice benefits (such as all health funds). Conditional Provisional Members may upgrade to

Provisional Member or full Member status by undertaking and passing the AACMA clinical assessment.

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 no longer used.

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 membership category for practitioners who want to be members of AACMA but do not meet the AACMA accreditation standard. This category of membership is also used for CMBA-registered practitioners who wish to become AACMA members to access our communications and CPD activities. Associate Members may upgrade to Provisional Member or full Member status by undertaking and passing the AACMA entrance assessment.

Associate Member (Provisional): This limited-voting category of membership is no longer used

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. These criteria were reduced from 20 to 15 years with a special resolution at the 2013 Annual General Meeting.

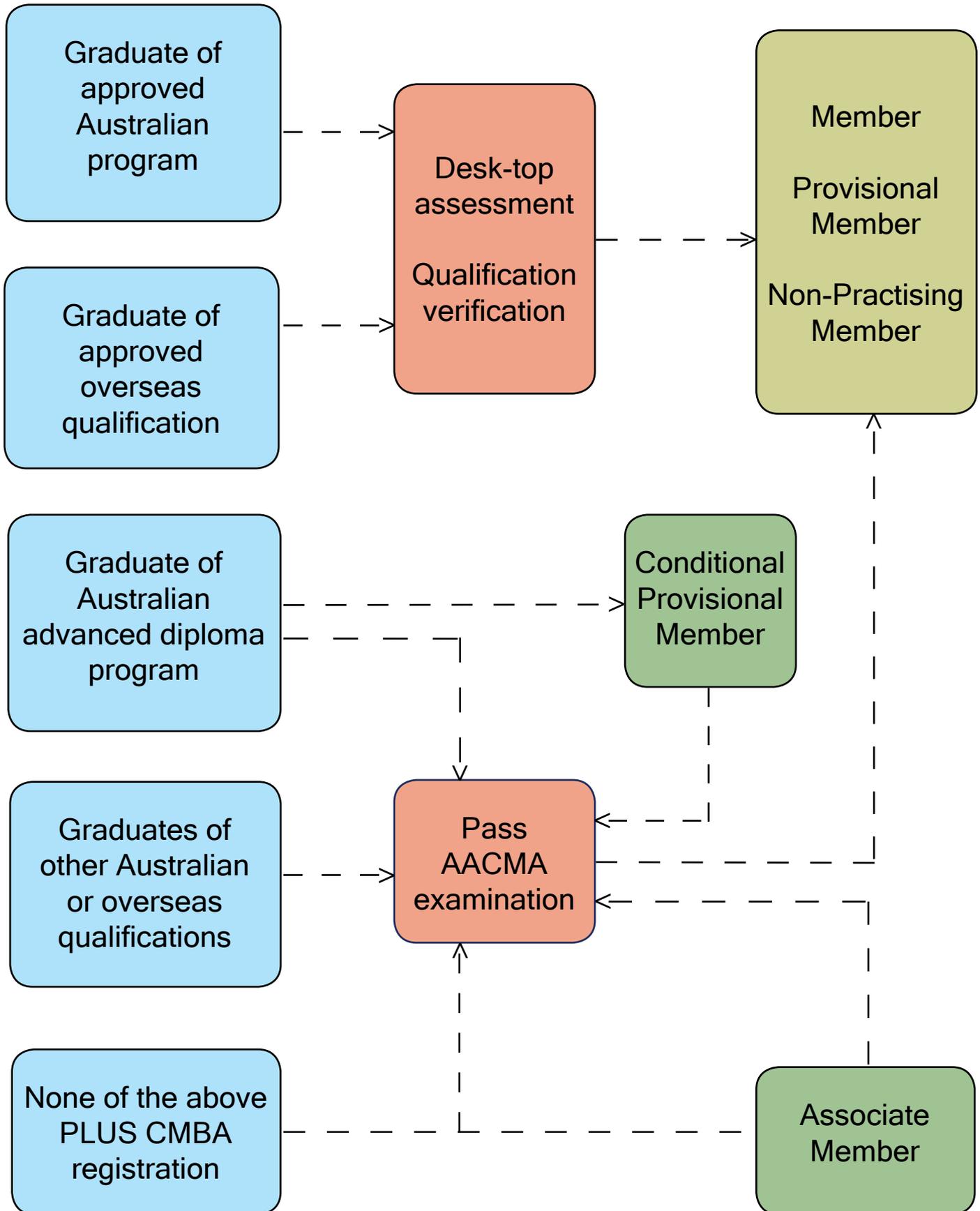
Retired Fellow: This category was added in 2013 and covers practitioners who permanently retire from professional practice after at least 15 years membership and who held Fellow status immediately prior to converting to Retired Member status.

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.

AACMA

Membership Pathways



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.

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
- Homeopathy

Endorsements, other than for remedial massage, have been on hold pending the outcome of the natural therapies review being conducted by the Commonwealth Department of Health.

Membership numbers

As at 31 December 2014, AACMA membership numbers were:

Member Type	Accredited	Non-accredited
Life Member	3	N/A
Fellow	150	N/A
Associate Fellow	1	N/A
Member	1387	N/A
Provisional Member	132	N/A
Non-Practising Member	180	N/A
Associate Member	2	N/A
Retired Member	19	N/A
Retired Fellow	2	
Honorary Member	0	1
Suspended Member	0	0
Student Member	N/A	254
Sub-Totals	1876	255
Percentage of totals	86.0%	14.0%
TOTAL MEMBERS as at 31 December 2014: 2131		

Annual Membership Growth Rates

The average annual growth rate in AACMA accredited membership over the past five years has been 2.4%. In 2014, the net increase in accredited membership was 2.3%.

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:

The 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 appropriate, 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 a No answer results from any of the above questions, the Disciplinary Committee may consider whether any other action is required in order to prevent further complaints alleging similar conduct.

The complainant is advised of the outcome of the complaint.

In 2014, the AACMA Disciplinary Committee received no new formal complaints against members.

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 complainant is also referred to that other society.

For legal reasons, verbal complaints are not actioned unless poor infection control and hygiene standards are alleged, in which case independent verification can be obtained through a local council inspection of the premises.

AACMA received no appeals in 2014.

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 represents 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 2014. The overall staff numbers did not increase in 2014, although there had been considerable staffing restructure during the year. Not all staff positions were filled in 2014.

Permanent staff members who left AACMA during 2014 to take up other positions were:

- Rebekah Davis (Manager of Member Services)
- Nadia Urban (Receptionist)
- Jazz Tyrill (Manager of Events and Operations)
- Talina McKenzie (Communications Officer) - see below.

AACMA staff as of 31 December 2014 were:

- Judy James (Acting CEO)
- Yan Zhang (Accounts and General Administration)
- Li Wei (Administration Officer - Membership)
- Janina Manalo (Communications Officer)
- Rhiannon Elton (Casual Administration Assistant)
- Tina Wu (Accounts & Committees Officer) - on parental leave
- Talina McKenzie (continued as an external consultant).

In 2015, we also welcomed Elizabeth Thomas as our new Receptionist/Frontline Administration Officer and Hugh Hayward as a 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 2014.



Hoc Ku Huynh OAM
AACMA Secretary
30 April 2015

Finance Report

Judy James



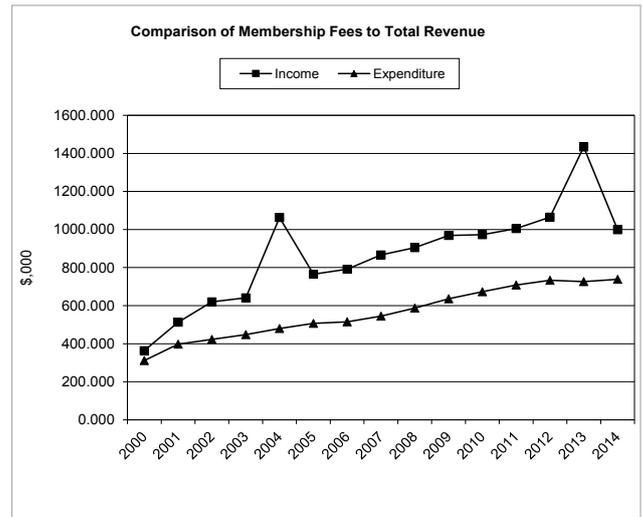
GENERAL

It is with pleasure that I present to members the financial report on behalf of the AACMA Board in my role as Chair of the AACMA Finance Committee, being the accounts for the year ended 31 December 2014. The Board continued its policy of good financial management in 2014 and is pleased to present to members an on-going stable fiscal position.

In 2014, AACMA again achieved a turnover approximating \$1,000,000. This continues to mark an important achievement for AACMA and the profession.

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, DVDs and literature, seminars, and interest received on investments. Other sources of revenue for 2014 included income related to AACMA events (AACMAC Melbourne 2014 and State Committee functions). Total revenue in 2014 from all sources (excluding GST) was \$998,889.09 of which \$864,912.70 was normal operating income and \$133,976.39 was from other sources. This represented an overall decrease of 30.4% on 2013 income.

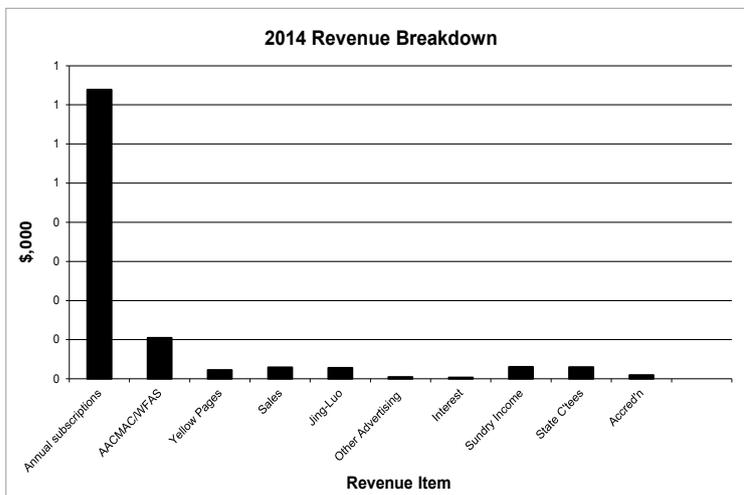


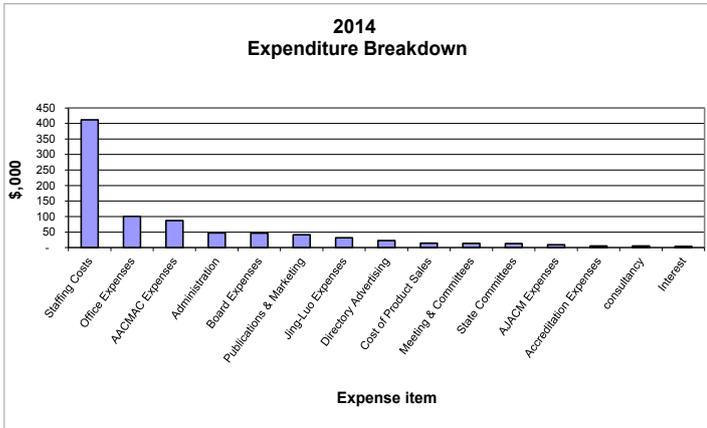
Subscriptions Membership fees accounted for 73.9% of 2014 income. The increase of \$12,097.87 (1.7%) in income from membership subscriptions to \$737,647.61 was the consequence of increased membership during 2014. Membership fees, however, did not increase in 2014. This means that the AACMA Board has continued to fulfil 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 2014 fees, providing considerable incentives for members to pay on time or to enter into an instalment payment plan. Using the Member fee as an example, these options were (rates include GST):

- Pre-payment of 2014 fees by instalments in 2013 (\$505 fee)
 - Pay fees in full by due date (\$505 fee)
 - Payment by Annual Direct Debit (ADD) authority (\$488)
 - Pay fees in January 2014 (\$557)*
 - Pay fees in February or March 2014 (\$696)*
 - Pay fees after March 2014 (\$796, includes \$100 reinstatement fee)
- * Also includes rates for members commencing a payment plan.

Accreditation fees Income from accreditation fees (\$9,427.85) was about the same as in 2013 and was offset against \$5,228.63 in committee and examination costs.





EXPENDITURE

Total expenditure in 2014 amounted to \$854,069.57, a decrease of \$581,202.48 on 2013 expenditure (or 40.5%). This decrease is primarily attributed to the reduced expenditure for our annual conference compared with WFAS Sydney 2013 in the previous year plus reduced staffing costs. 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 2014. These costs amounted to \$559,567.17 (65.5% of total expenditure), compared with 50.3% in 2013. Administration expenses were made up of \$411,607.91 in staffing costs and \$147,959.26 in office and administration expenses.

Staffing expenses Staffing expenses of \$411,607.91 were 28.1% lower than 2013 costs. The salary and superannuation component was \$395,167.82 in 2014, compared with \$521,993.11 in 2013. Other staffing expenses were made up of \$2,744.97 in staff travel and accommodation, \$2,373.25 in staff amenities, \$2,370.50 in employment advertising, \$6,416.94 in labour hire charges, with the balance in miscellaneous costs. The decrease in wages was derived mainly from a temporary reduction in staff numbers and the use of an agency to fill some staffing gaps.

Office expenses Office expenses of \$100,892.47 were made up of postage and couriers (\$15,352.19), service contracts, repairs and maintenance, cleaning, power (\$22,156.07), software licensing and support (\$10,256.73), phone, fax and internet expense (\$7,738.40), office supplies (\$3,941.19), photocopy lease and copy charges (\$8,379.17), leasing of phones and franking machine (\$7,355.58), rent for off-site storage (\$2,765.46), corporate stationery (\$1,089.68) and depreciation (\$21,858.00).

Administration expenses Administration expenses of \$47,066.79 included AGM costs (\$9,675.85), bank charges and merchant fees (\$8,439.25), directors' insurance (\$4,159.72), premises insurance (\$3,258.00), ASIC fees (\$1,335.00), body corporate costs (\$6,778.64), rates, water and sewerage (\$2,851.67), audit (\$7,300.00) and legal fees (\$700.00). 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 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 \$2,474.66.

Bank interest Bank interest of \$3,126.64 was 65.8% lower than in 2013, 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 2.9% of general revenue in 2014 compared with 1.9% in 2013. Income from sales of \$29,033.49 was offset by cost of sales (printing, production and purchase costs) of \$14,116.46, resulting in a net surplus of \$14,917.03.

Sundry income – Other This figure of \$30,624.82 relates to income from postage collected on member orders (\$4,552.76), income from email advertising (\$13,031.36), miscellaneous income (\$1,501.80) and employment subsidy (\$11,538.90). The Commonwealth employment subsidy was fully allocated to cover staff parental leave.

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 (\$27,699.54) is off-set against newsletter printing (\$22,378.00) and collation and postage costs (\$9,281.34), resulting in a net deficit of \$3,959.80. Production costs for the *Jing-Luo* increased by 11.8% in 2014.

AJACM income Income of \$9,184.71 was derived from subscriptions, royalties and advertising in the bi-annual *Journal*.

State Committees State Committee function income increased by 42.8% in 2014.

Yellow Pages Yellow Pages income of \$22,450.02 represented income from members listing under the AACMA banner in Yellow Pages online. Income from Yellow Pages listings represented 2.2% of general revenue, compared with 3.3% in 2013.

AACMAC Melbourne 2014 Income from AACMAC Melbourne 2014 totalled \$104,437.27, on par with previous events of a similar size. This was offset against expenditure of \$86,529.38, resulting in a net surplus of \$17,907.89.

Board Board expenses totalled \$46,786.84 in 2014, representing 5.8% of total expenditure. This was made up of \$23,718.75 in Directors' fees, \$5,287.50 in fax/internet allowance, \$13,045.63 in board travel and accommodation, and \$3,875.69 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. The remaining board costs related to miscellaneous expenses.

Committees and meetings Meeting and committee expenses amounted to \$13,942.41 in 2014. The cost of Board meetings was reduced through use of an in-house conferencing facility. The cost of Board meetings was significantly increased due to the number of meetings needed to resolve the staffing issues in the first half of the year, requiring teleconference facilities. This expense is expected to be significantly reduced in 2015 as a result of the upgrade of the office phone system enabling all board meeting to be held using our internal conferencing facility. The AACMA Board held one face-to-face Board meeting in 2014 (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 conjunction with the AGM to minimise costs.

Directory advertising Directory advertising of \$22,534.68 was made up of members' group listings under the AACMA Yellow Pages Online advertising plan, an advertisement for AACMA in the Acupuncture in all yellow pages books and in Herbalists section of metropolitan books (\$19,279.44). The balance of expenses included a line listing for AACMA, a White Pages listing in every capital city.

Member products – cost of product sales Cost of sales of \$14,116.46 was made up of \$11,355.46 for receipt books, and \$2,761.00 for brochure printing costs.

Publications and Marketing This expenditure of \$41,481.14 included \$1,422.02 for the AACMA 1300 number, \$14,750.00 for website maintenance and development, \$2,400.00 for media monitoring, \$12,347.33 in database hosting, \$8,271.00 in printing the 40 year book, with the balance in miscellaneous costs.

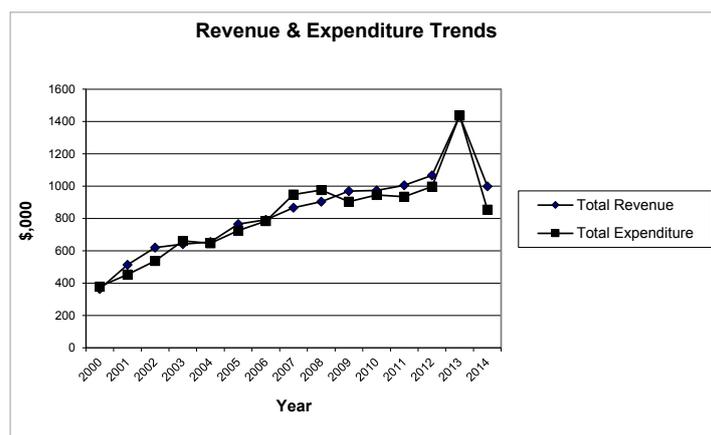
AACMAC AACMAC Melbourne 2014 expenses amounted to \$86,529.38 in 2014. This included \$42,546.35 in venue hire, audio-visual, and catering packages, \$5,932.65 in trade exhibition costs, \$1,793.50 in satchel costs, \$16,079.09 in travel, accommodation and speaker costs, \$2,091.80 in publications and marketing costs, \$8,319.26 for the cocktail party, \$6,144.31 for the gala dinner, and \$2,181.30 in administration expenses. This was offset against income of \$104,437.27 made up of \$81,029.96 in delegate fees, \$18,634.54 in exhibition fees and advertising, \$3,177.31 in gala dinner and cocktail party fees, and \$1,595.46 for satchel inserts.

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 2014 related to the costs of printing and postage of the eighth volume, consisting of two issues. Expenditure of \$9,184.71 was made up of printing (\$4,583.00), collation and postage (\$4,255.76), and editorial board meeting costs (\$345.95). These costs were offset by journal income of \$4,572.73, made up of advertising (\$3,559.09) and subscriptions (\$1,103.64). The Board views investment in the Journal as a long-term project with returns expected to increase over future 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 2014, the amount owing on the BDL was \$165,632.83 (compared with \$202,130.99 at the end of 2013). This represents a reduction in the capital in the BDL of \$36,498.16 in 2014. Loan repayments in 2014 were \$43,968.00, with \$7,009.84 paid in interest and bank charges. During 2014, \$150,000 of accrued funds was invested into the business loan, reducing interest payable, representing a good return on members' funds.

REVENUE AND EXPENDITURE TRENDS

A progressive comparison of revenue and expenditure trends is outlined in the following graph.



OTHER COMMENTARY

Staff accruals The value of accrued staff entitlements was reduced by from \$24,746.04 to \$6,379.34 in 2014. This resulted primarily from final pay out of staff who left the organisation in 2014. Staff entitlements show each year on the Balance Sheet in the Auditors Report and are located on page 21 of this report.

Plant and building assets Plant and building assets decreased to \$57,911.28 in 2014 compared to \$65,669.284 in 2013. This was due to asset depreciation during 2014.

Office premises The Board stresses the importance of the investment in AACMA office premises as an important part of the long-term security of the association and members' funds. The total amount paid in relation to the office premises was \$53,589.31 made up of loan repayments of \$43,968.00, body corporate costs of \$6,778.64, and rates/water/sewerage charges of \$2,851.67. 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

2015 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 1 January 2015 was \$612,337.47 which included pre-paid 2015 conference expenses (\$16,526.98) and pre-paid 2015 income being 2015 membership fees (\$626,447.17) and 2015 AACMAC conference fees (\$3,063.53).

On-line membership services AACMA had upgraded its membership database to an on-line hosted environment in 2013, and progress on this continues in 2015. AACMA has already opened up features for direct member access, such as event registration, viewing access to membership details, and on-line uploading of CPD attendance information. Attendance at AACMA-managed events will also be automatically updated once attendance has been confirmed. The next planned stages are online payments for events and an online store for member orders.

AACMA is continuing to aim for an accrued cash surplus of over \$100,000 in order to maintain the association in a healthy long-term position and make provision for unexpected expenses. 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 \$24,000. Cash reserves are continuing to be sequestered into the business loan and high interest bearing accounts in order to maximise interest benefits.

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 inevitably resulted in changes in the focus of the board and the staff and the types of services provided. Progress on these and other matters affecting the future of the association will be reported at the Annual General Meeting on 23 May 2015.



Judy James
Acting AACMA CEO
Chair, AACMA Finance Committee
1 May 2015
Editorial corrections 23 May 2015

Financial Statements

Australian Acupuncture and Chinese Medicine Association Ltd

DIRECTORS' 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 2014.

The names of the Directors in office during the year and up to the date of this report are:

Hong Xu	Hoc Ku Huynh OAM	Judith James (commenced 3/5/14)
Richard Ke Yuan Li	Waveny Holland	Kerry Watson (commenced 3/5/14)
Xiaodong Yu	Lili Li Feng (commenced 28/10/14)	
Michael Porter (ceased 27/7/14)	Zhen Zheng (ceased 3/5/14)	
Walter Simpson (ceased 3/5/14)	Mark Bayley (ceased 23/7/14)	
Mathew O'Hara (Ceased 3/5/14)		

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

The net surplus for the company for the financial year amounted to \$144,819.52 (2013: Loss of \$,133.50).

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

The principal activity of the company is to regulate, represent and promote the profession of acupuncture and traditional Chinese medicine.

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 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.

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.

Information on Directors and Meetings

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

Hong Xu (Director & President)

Qualifications:

- Bachelor of Medicine (TCM), China
- Doctor of Philosophy, Australia
- Graduate Certificate of Tertiary Education, Australia

Experience:

- Member of AACMA (19 years), Board Member and AACMA State Committee Member (6 years)
- 20 years Clinical Practice in Australia & 5 years Clinical Practice overseas
- Professor and Supervisor of Doctoral Level Research Students at Victoria University
- Visiting Professor at Beijing University of Chinese Medicine, Guest Professor at Shandong University of TCM
- Council Member of World Federation of Chinese Medicine Societies (WFCMS)
- Standing Board Member, Specialty Committee of Rehabilitation & Healthcare of WFCMS
- Committee Member, Specialty Committee of Clinical Curative Effect Evaluation of WFCMS
- TCM Export Committee Member, China Medical Women's Association
- 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
- Editorial Board Member, *Australian Journal of Acupuncture & Chinese Medicine*
- Editorial Board Member, *China Acupuncture & Moxibustion*
- Registered with the CMBA



Hoc Ku Huynh OAM (Director & Secretary)

Qualifications:

- Master of Health Science in TCM
- Bachelor of Acupuncture
- Certificate of Chinese Medicine

Experience:

- Member of AACMA (35 years), AACMA Fellow
- 38 years Clinical Practice in Australia
- Honorary Clinical Associate UTS & Honorary Clinical Supervisor UWS
- Awarded Order of Australia Medal & Life Member of the Order of Australia Association
- Executive member of presidium of World Federation of Chinese Medicine Societies (WFCMS)
- Director of the Australian TCM Practitioner Accreditation Board Ltd
- Registered with the CMBA



Richard Ke Yuan Li (Director)

Qualifications:

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

Experience:

- Member of AACMA (18 years), AACMA Fellow
- 26 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



Waveny Holland (Director)

Qualifications:

- Master of Chinese Medicine (UWS)
- Bachelor of Health Science (Acupuncture) (ACNM)
- Advanced Diploma of Health Science (Acupuncture) (ACNM)
- Certificate IV An Mo Tui Na (ACNM)
- Registered Nurse and Midwife

Experience:

- Member of AACMA (12 years), AACMA Fellow
- 15 years clinical practice in Australia
- Qld State Committee member 2009–current
- Chair Qld State Committee 2011–14
- Practitioner/owner Serendip Natural Healing & Wellness Centre 2005–current
- Registered with the CMBA



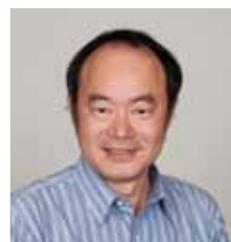
Xiaodong Yu (Director)

Qualifications:

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

Experience:

- 23 years clinical experience in Australia and overseas
- Member of AACMA (9 years)
- WA State Committee Member since 2010
- Sessional Member of WA administrative Tribunal
- Registered with the CMBA



Kerry Watson (Director & Vice-President - commenced 03/05/2014)

Qualifications:

- Graduate Certificate in Education (Higher Education) UQ 2008
- Oriental Medicine Doctorate (OMD) USA 1984
- Certificate of Basic Medical Sciences ACA 1979
- Practitioner Diploma of Acupuncture ACA 1979
- Diploma of Remedial Massage (Oriental & Occidental) CNS 1978

Experience:

- Member of AACMA (31 years); AACMA Fellow (18 years)
- 35 years clinical experience in Australia
- Chinese medicine academic (30 years)
- Registered masters & doctoral Supervisor: Victoria University 2005
- Registered with the CMBA



Lily Li Feng (Director - commenced 28/10/2014)

Qualifications:

- Bachelor of Medicine (TCM), Shanghai University of TCM, China (1990-1995)
- Master of Public Health, Netherlands School of Public Health (2001-2002)

Experience:

- 12 years clinical experience in Australia and 6 years clinical practice overseas
- Lecturer in TCM at International Acupuncture Training Centre of Shanghai TCM University
- Clinician and supervisor, Shanghai Long Hua Hospital (1995-2001)
- Acupuncture research, Adelaide Women's and Children's Hospital (2003-2005)
- Registered with the CMBA



Judith James (Director - commenced 3/05/2014; on leave since 06/08/2014)

Qualifications:

- Bachelor of Laws (with Honours UQ (1995); Bachelor of Arts UQ (1989)
- Bachelor of Acupuncture BCTA 1980; Practitioner Diploma of Acupuncture ACA 1979
- Master of Public Health UQ (currently studying)

Experience:

- 7 years clinical experience in Australia (1979-1985)
- Member of AACMA (35 years); Life member since 2013
- Lecturer in Acupuncture ACNM 1992-94; Sessional lecturer & clinical supervisor BCTA 1988-99
- Senior Lecturer in Acupuncture & Academic Coordinator ACA (Brisbane) 1993-94
- Acting AACMA CEO (since August 2014); CEO/EO 1996-2013; Admin/Research Officer 1994-96)



Mark Bayley (Director - ceased 23/07/2014)

Qualifications:

- Diploma Chinese Medicine (Acupuncture) Sydney College 1991

Experience:

- Member of AACMA (21 years), AACMA Fellow
- 24 years clinical experience
- Lecturer and clinic supervisor Academy Applied Sciences Brisbane (2000–2002)
- Registered with the CMBA

Matthew O'Hara (Director - ceased 03/05/2014)

Qualifications:

- Bachelor of Health Science (Acupuncture)
- Certificate of Chinese Herbal Medicine

Experience:

- Member of AACMA (15 years)
- 15 years clinical practice in Australia
- Qld State Committee member (12 years)
- Registered with the CMBA

Michael Porter (Director - ceased 27/07/2014)

Qualifications:

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

Experience:

- Member of AACMA (30 years), AACMA Fellow
- 30 years Clinical Practice in Australia
- Director of Academy of Oriental Therapies (1993–2003)
- Registered with the CMBA
- Appointed to SA Health Practitioners Tribunal

Walter Simpson (Director - ceased 03/05/2014)

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 AACMA (27 years), AACMA Fellow
- 27 years Clinical Practice in Australia
- QLD Representative of World TaiJi Boxing Association
- Executive member of the World Federation of Acupuncture & Moxibustion Societies
- Registered with the CMBA

Zhen Zheng (Director - ceased 03/05/2014)

Qualifications:

- Bachelor of Medicine (Acupuncture), China
- Doctor of Philosophy (Melbourne)

Experience:

- Member of AACMA (14 years)
- 14 years Clinical Practice in Australia & 2 years Clinical Practice overseas
- Senior Lecturer at RMIT University
- Member of the CMRBV Hearings Panel and Course Approval Panel (to June 2012)
- Chinese medicine course accreditation assessor (from 2014)
- Editor-in-Chief, *Australian Journal of Acupuncture & Chinese Medicine* (to December 2014)
- Registered with the CMBA

Meetings attended by Directors

Name	Meetings eligible to attend	Number attended
Mark Bayley	12 (ceased 23/07/14)	10
Waveny Holland	22	21
Hoc Ku Huynh OAM	22	19
Richard Ke Yuan Li	22	20
Matthew O'Hara	6 (ceased 03/05/14)	6
Michael Porter	13 (ceased 27/07/2014)	12
Walter Simpson	5 (ceased 03/05/14)	5
Hong Xu	22	21
Xiaodong Yu	22	21
Zhen Zheng	6 (ceased 03/05/14)	5
Lily Li Feng	2 (commenced 28/10/14)	2
Judith James	9 (commenced 03/05/14)	9
Kerry Watson	16 (commenced 03/05/14)	12

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.

DIRECTOR (signed)

01 MAY 2015
BRISBANE, QLD

DIRECTOR (signed)

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF AUSTRALIAN ACUPUNCTURE & CHINESE MEDICINE ASSOCIATION LTD

Auditor's Independence Declaration

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2014 there has been:

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

(signed)

HAYWARDS CHARTERED ACCOUNTANTS

(signed)

Philip Fitzgerald FCA
REGISTERED AUDITOR #15079

01 MAY 2015
BRISBANE, QLD

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

	2014	2013
Annual Subscriptions	737,947.61	725,849.74
Other Income	260,941.48	708,288.81
Administration Expenses	(126,594.63)	(148,907.13)
Salary Expenses	(411,463.36)	(572,369.44)
Other Expenses from Ordinary Activities	(316,011.58)	(713,995.48)
Profit/(Deficit) from Ordinary Activities Before Income Tax Expense	\$144,819.52	\$(1,133.50)
Income Tax Expense Relating to Ordinary Activities	-	-
Profit/(Deficit) from Ordinary Activities	\$144,819.52	\$(1,133.50)

BALANCE SHEET AS AT 31 DECEMBER 2014

	NOTES	2014	2013
CURRENT ASSETS			
Cash	2	612,337.47	449,392.87
Debtors		30,362.37	54,290.66
TOTAL CURRENT ASSETS		\$642,699.84	\$503,683.53
NON-CURRENT ASSETS			
Land & Buildings	3	557,356.54	557,356.54
Plant & Equipment		57,911.28	65,669.28
TOTAL NON-CURRENT ASSETS		\$615,267.82	\$623,025.82
TOTAL ASSETS		\$1,257,967.66	\$1,126,709.35
CURRENT LIABILITIES			
Creditors		22,639.18	28,284.80
Fees Received in Advance		630,715.35	583,784.08
Provision for Employee Entitlements		6,397.34	24,746.04
Bank Loan		43,968.00	43,968.00
TOTAL CURRENT LIABILITIES		\$703,719.87	\$680,782.92
TOTAL NON-CURRENT LIABILITIES			
Bank Loan		121,664.83	158,162.99
TOTAL LIABILITIES		825,384.70	838,945.91
NET ASSETS		432,582.96	287,763.44
MEMBER'S FUND			
Accumulated Funds		432,582.96	287,763.44
TOTAL MEMBER'S FUND		432,582.96	287,763.44

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2014

	RETAINED EARNINGS	TOTAL
Balance at 1 January 2013	288,896.94	288,896.94
Profit/(Loss) Attributable to the Equity	(1,133.50)	(1,133.50)
BALANCE AT 31 DECEMBER 2013	\$287,763.44	\$287,763.44
Balance at 1 January 2014	287,763.44	287,763.44
Profit/(Loss) Attributable to the Equity	144,819.52	144,819.52
BALANCE AT 31 DECEMBER 2014	\$432,582.96	\$432,582.96

The accompanying notes form part of these financial statements.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

	NOTES	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Subscriptions		823,334.15	669,596.09
Other Income		260,941.48	672,954.09
Payment for Operating Expenses		(436,532.21)	(420,897.57)
Payment for Employment Expenses		(429,956.61)	(624,044.83)
Payment for Conference Expenses		(83.21)	(453,675.57)
NET CASH FROM OPERATING ACTIVITIES	8	\$(217,703.60)	\$(156,067.79)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Plant & Equipment		14,100.00	54,339.82
		\$14,100.00	\$54,339.82
NET CASH FROM INVESTING ACTIVITIES			
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of Borrowings		(40,659.00)	(43,528.00)
NET CASH FROM FINANCING ACTIVITIES		\$(40,659.00)	\$(43,528.00)
NET INCREASE/(DECREASE) IN CASH HELD		(162,944.60)	(253,935.61)
CASH AT THE BEGINNING OF THE YEAR		449,392.87	70,3328.48
CASH AT THE END OF THE YEAR	8	\$612,337.47	\$449,392.87

The accompanying notes form part of these financial statements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1. Statement of Significant Accounting Policies

The Financial Report is a special 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*.

Australian Acupuncture & Chinese Medicine Association 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) REVENUE AND OTHER INCOME

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

Revenue is recognized 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 has been satisfied.

Membership related fees are recognized as revenue over the period during which the service obligations are imposed on the company, i.e. the membership period. Membership fees received in advance of the relevant membership period and other amounts received in advance of the provision of goods and services are included in the unearned revenue and described as fees received in advance.

Interest income is recognized when earned.

Income from the rendering of goods and services is recognised upon delivery of the goods and services to the customer.

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

(b) DEPRECIATION

Plant & Equipment

Depreciation on the above mentioned 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 straight line method.

(c) INCOME TAX

Income Tax has not been provided for in the company's accounts, due to the tax exempt status of the company.

(d) 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.

(e) 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.

**NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014 CONT.**

(f) BORROWINGS

Borrowings are carried forward at their principal amounts which represent the present value of future cash flows associated with the servicing debt. Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

2. CASH	2014	2013
Cheque Account - Westpac	172,323.89	202907.04
Maxi Bonus 1	186,436.88	225288.96
Maxi Bonus 2	252,887.70	20404.24
Maxi Bonus 3	-	792.63
Petty cash	689.00	-
	\$612,337.47	\$449392.87

3. NON CURRENT ASSETS	Office furniture & equipment	Land & building	Total
2013			
Balance at the beginning of the year	22,012.46	557,356.54	579,369.00
Additions at cost	54,339.82	-	54,339.82
Depreciation expense	(10,683.00)	-	(10,683.00)
Carrying amount at end of year	\$65,669.28	\$557,356.54	\$623,025.82
2014			
Balance at the beginning of the year	65,669.28	557356.54	623,025.82
Additions at cost	14,100.00	-	14,100.00
Depreciation expense	(21,858.00)	-	(21,858.00)
Carrying amount at end of year	\$57,911.28	\$557,356.54	\$615,267.82

The above property is secured by Registered Mortgage to the bank loan.

4. OPERATING LEASE	2014	2013
(a) Operating Lease Commitments		
Non-cancellable operating lease contracted for but not capitalised in the financial statements		
Payable - Minimum Lease Payments		
- Not later than 12 months	6,504.48	11,124.48
- Between 12 months and five years	3,599.28	15,878.76
	\$10,103.76	\$27,003.24

5. DIRECTOR'S REMUNERATION AND RETIREMENT BENEFITS	2014	2012	
(a) Director's Remuneration			
Income paid or payable to all Directors of the company by the company and any related parties	\$23,718.75	\$36862.50	
The names of the Directors who have held office during the financial year are:			
Richard Ke Yuan Li	Michael Porter	Zhen Zheng	Hong Xu
Hoc Ku Huynh OAM	Walter Simpson	Waveny Holland	Matthew O'Hara
Mark Bayley	Xiaodong Yu	Kerry Watson	Li Feng
Judith James			

6. AUDITOR'S REMUNERATION	2014	2013
Amounts received or due and received by the auditors for:		
Auditing the Accounts	\$7,300.00	\$7,300.00
No other benefits were received by the auditors.		

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014 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:-

	NOTE	2014	2013
Cash	2	\$612,367.47	\$449,392.87

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

Operating Profit/(Loss) after income tax		144,337.47	(1,133.50)
Depreciation		21,858.00	10,683.00
Interest		4,160.84	6,822.74
Changes in Assets & Liabilities			
Increase/(Decrease) in fees received in advance		(46,931.27)	(56,253.65)
Increase/(Decrease) in Debtors		(23,928.29)	(35,334.72)
Increase/(Decrease) in Creditors		(5,645.62)	(29,176.27)
Increase/(Decrease) for Employee Entitlements		(18,348.70)	(51,675.39)
Net Cash Provided by Operating Activities		\$217,703.60	\$(156067.79)

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:

- The financial statements and notes, as set out on pages 21 to 24:
 - comply with Accounting Standards as described in Note 1 to the financial statements and the Corporations Regulations 2001; and
 - 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.
- 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:

DIRECTOR _____ (signed)

01 MAY 2015
BRISBANE, QLD

DIRECTOR _____ (signed)

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

Report on the Financial Report

We have audited the accompanying financial report which is a special purpose Financial Report of Australian Acupuncture & Chinese Medicine Association Limited, which comprises the balance sheet as at 31 December 2014, and the income statement, statement of changes in equity and cash flow statement for the year then ended, notes comprising 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 that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial statements is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control the directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those 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 of the financial report and that gives a fair and true view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

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

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 2014 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

Emphasis of Matter

Without modifying our audit opinion, we draw attention to Note 1, to the financial report which describes the basis of preparation. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose and should not be distributed or used by parties other than the company and its members.

(signed)

HAYWARDS CHARTERED ACCOUNTANTS

01 MAY 2015
BRISBANE, QLD

(signed)

PHILIP FITZGERALD FCA
REGISTERED AUDITOR

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 2014. 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.

01 MAY 2015
BRISBANE, QLD

(signed)

PHILIP FITZGERALD FCA
REGISTERED COMPANY AUDITOR #15079

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	2014	2013
Membership Fees	737,947.61	725,849.74
Accreditation	9,427.85	9,440.91
Interest	3,126.64	9,151.45
AACMAC Income	104,437.27	-
Sales	29,033.49	27,617.08
Sundry Income - Other	30,624.82	7,820.92
<i>Jing-Luo</i> Income	27,699.54	29,384.11
Other Advertising Income	4,602.73	8,465.90
State Committee Functions	29,539.12	20,731.83
Yellow Pages	22,450.02	47,104.60
WFAS Income	-	548,572.01
	\$998,889.09	\$1,434,138.55
(b) EXPENSES		
Accreditation Expenses	5,228.63	8563.27
Cost of Product Sales	14,116.46	12592.76
AACMAC Expenses	86,529.38	951.63
WFAS Expenses	399.30	453675.57
<i>Jing-Luo</i> Expenses	31,659.34	28314.99
AJACM Expenses	9,184.71	20327.77
Directory Advertising	22,534.68	64370.13
Publications and Marketing	41,481.14	19538.90
State Committees	13,227.19	9077.40
Consultancy Costs	5,518.75	2522.53
Journal Subscriptions & Memberships	92.73	2860.74
Board Expenses	46,786.84	75326.68
Meetings & Committees	13,942.41	8920.37
Administration	47,066.79	52363.37
Office Expenses	100,892.47	96543.76
Staffing Costs	411,607.91	572369.44
Interest	4,160.84	6822.74
	854,069.57	1435272.05
OPERATING PROFIT FOR YEAR	\$144,819.52	\$(1133.50)

Financial Statements

Acupuncture Ethics and Standards Organisation Limited

DIRECTORS' 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 2014.

The names of the Directors in office during the year and up to the date of this report are:

Hong Xu	Hoc Ku Huynh OAM	Judith James (commenced 3/5/14)
Richard Ke Yuan Li	Waveny Holland	Kerry Watson (commenced 3/5/14)
Xiaodong Yu	Lili Li Feng (commenced 28/10/14)	
Michael Porter (ceased 27/7/14)	Zhen Zheng (ceased 3/5/14)	
Walter Simpson (ceased 3/5/14)	Mark Bayley (ceased 23/7/14)	
Mathew O'Hara (Ceased 3/5/14)		

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

The net surplus for the company for the financial year amounted to \$Nil (2013: Nil).

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

The principal activity of the company is to regulate, represent and promote the profession of acupuncture and traditional Chinese medicine.

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 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.

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.

Information on Directors and Meetings

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

Hong Xu (Director & President)

Qualifications:

- Bachelor of Medicine (TCM), China
- Doctor of Philosophy, Australia
- Graduate Certificate of Tertiary Education, Australia

Experience:

- Member of AACMA (19 years), Board Member and AACMA State Committee Member (6 years)
- 20 years Clinical Practice in Australia & 5 years Clinical Practice overseas
- Professor and Supervisor of Doctoral Level Research Students at Victoria University
- Visiting Professor at Beijing University of Chinese Medicine, Guest Professor at Shandong University of TCM
- Council Member of World Federation of Chinese Medicine Societies (WFCMS)
- Standing Board Member, Specialty Committee of Rehabilitation & Healthcare of WFCMS
- Committee Member, Specialty Committee of Clinical Curative Effect Evaluation of WFCMS
- TCM Export Committee Member, China Medical Women's Association
- 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
- Editorial Board Member, *Australian Journal of Acupuncture & Chinese Medicine*
- Editorial Board Member, *China Acupuncture & Moxibustion*
- Registered with the CMBA



Hoc Ku Huynh OAM (Director & Secretary)

Qualifications:

- Master of Health Science in TCM
- Bachelor of Acupuncture
- Certificate of Chinese Medicine

Experience:

- Member of AACMA (35 years), AACMA Fellow
- 38 years Clinical Practice in Australia
- Honorary Clinical Associate UTS & Honorary Clinical Supervisor UWS
- Awarded Order of Australia Medal & Life Member of the Order of Australia Association
- Executive member of presidium of World Federation of Chinese Medicine Societies (WFCMS)
- Director of the Australian TCM Practitioner Accreditation Board Ltd
- Registered with the CMBA



Richard Ke Yuan Li (Director)

Qualifications:

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

Experience:

- Member of AACMA (18 years), AACMA Fellow
- 26 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



Waveny Holland (Director)

Qualifications:

- Master of Chinese Medicine (UWS)
- Bachelor of Health Science (Acupuncture) (ACNM)
- Advanced Diploma of Health Science (Acupuncture) (ACNM)
- Certificate IV An Mo Tui Na (ACNM)
- Registered Nurse and Midwife

Experience:

- Member of AACMA (12 years), AACMA Fellow
- 15 years clinical practice in Australia
- Qld State Committee member 2009–current
- Chair Qld State Committee 2011–14
- Practitioner/owner Serendip Natural Healing & Wellness Centre 2005–current
- Registered with the CMBA



Xiaodong Yu (Director)

Qualifications:

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

Experience:

- 23 years clinical experience in Australia and overseas
- Member of AACMA (9 years)
- WA State Committee Member since 2010
- Sessional Member of WA administrative Tribunal
- Registered with the CMBA



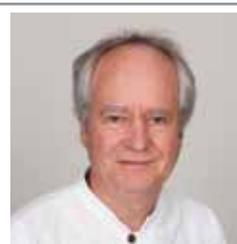
Kerry Watson (Director & Vice-President - commenced 03/05/2014)

Qualifications:

- Graduate Certificate in Education (Higher Education) UQ 2008
- Oriental Medicine Doctorate (OMD) USA 1984
- Certificate of Basic Medical Sciences ACA 1979
- Practitioner Diploma of Acupuncture ACA 1979
- Diploma of Remedial Massage (Oriental & Occidental) CNS 1978

Experience:

- Member of AACMA (31 years); AACMA Fellow (18 years)
- 35 years clinical experience in Australia
- Chinese medicine academic (30 years)
- Registered masters & doctoral Supervisor: Victoria University 2005
- Registered with the CMBA



Lily Li Feng (Director - commenced 28/10/2014)

Qualifications:

- Bachelor of Medicine (TCM), Shanghai University of TCM, China (1990-1995)
- Master of Public Health, Netherlands School of Public Health (2001-2002)

Experience:

- 12 years clinical experience in Australia and 6 years clinical practice overseas
- Lecturer in TCM at International Acupuncture Training Centre of Shanghai TCM University
- Clinician and supervisor, Shanghai Long Hua Hospital (1995-2001)
- Acupuncture research, Adelaide Women's and Children's Hospital (2003-2005)
- Registered with the CMBA



Judith James (Director - commenced 3/05/2014; on leave since 06/08/2014)

Qualifications:

- Bachelor of Laws (with Honours UQ (1995); Bachelor of Arts UQ (1989)
- Bachelor of Acupuncture BCTA 1980; Practitioner Diploma of Acupuncture ACA 1979
- Master of Public Health UQ (currently studying)

Experience:

- 7 years clinical experience in Australia (1979-1985)
- Member of AACMA (35 years); Life member since 2013
- Lecturer in Acupuncture ACNM 1992-94; Sessional lecturer & clinical supervisor BCTA 1988-99
- Senior Lecturer in Acupuncture & Academic Coordinator ACA (Brisbane) 1993-94
- Acting AACMA CEO (since August 2014); CEO/EO 1996-2013; Admin/Research Officer 1994-96)



Mark Bayley (Director - ceased 23/07/2014)

Qualifications:

- Diploma Chinese Medicine (Acupuncture) Sydney College 1991

Experience:

- Member of AACMA (21 years), AACMA Fellow
- 24 years clinical experience
- Lecturer and clinic supervisor Academy Applied Sciences Brisbane (2000–2002)
- Registered with the CMBA

Matthew O'Hara (Director - ceased 03/05/2014)

Qualifications:

- Bachelor of Health Science (Acupuncture)
- Certificate of Chinese Herbal Medicine

Experience:

- Member of AACMA (15 years)
- 15 years clinical practice in Australia
- Qld State Committee member (12 years)
- Registered with the CMBA

Michael Porter (Director - ceased 27/07/2014)

Qualifications:

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

Experience:

- Member of AACMA (30 years), AACMA Fellow
- 30 years Clinical Practice in Australia
- Director of Academy of Oriental Therapies (1993–2003)
- Registered with the CMBA
- Appointed to SA Health Practitioners Tribunal

Walter Simpson (Director - ceased 03/05/2014)

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 AACMA (27 years), AACMA Fellow
- 27 years Clinical Practice in Australia
- QLD Representative of World TaiJi Boxing Association
- Executive member of the World Federation of Acupuncture & Moxibustion Societies
- Registered with the CMBA

Zhen Zheng (Director - ceased 03/05/2014)

Qualifications:

- Bachelor of Medicine (Acupuncture), China
- Doctor of Philosophy (Melbourne)

Experience:

- Member of AACMA (14 years)
- 14 years Clinical Practice in Australia & 2 years Clinical Practice overseas
- Senior Lecturer at RMIT University
- Member of the CMRBV Hearings Panel and Course Approval Panel (to June 2012)
- Chinese medicine course accreditation assessor (from 2014)
- Editor-in-Chief, *Australian Journal of Acupuncture & Chinese Medicine* (to December 2014)
- Registered with the CMBA

Meetings attended by Directors

Name	Meetings eligible to attend	Number attended
Mark Bayley	12 (ceased 23/07/14)	10
Waveny Holland	22	21
Hoc Ku Huynh OAM	22	19
Richard Ke Yuan Li	22	20
Matthew O'Hara	6 (ceased 03/05/14)	6
Michael Porter	13 (ceased 27/07/2014)	12
Walter Simpson	5 (ceased 03/05/14)	5
Hong Xu	22	21
Xiaodong Yu	22	21
Zhen Zheng	6 (ceased 03/05/14)	5
Lily Li Feng	2 (commenced 28/10/14)	2
Judith James	9 (commenced 03/05/14)	9
Kerry Watson	16 (commenced 03/05/14)	12

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.

DIRECTOR (signed)

01 MAY 2015
BRISBANE, QLD

DIRECTOR (signed)

AUDITORS INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF ACUPUNCTURE ETHICS & STANDARDS ORGANISATION LTD

Auditor's Independence Declaration

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2014 there has been:

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

(signed)

HAYWARDS CHARTERED ACCOUNTANTS

(signed)

01 MAY 2015
BRISBANE, QLD

PHILIP FITZGERALD FCA
REGISTERED AUDITOR #15079

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

	NOTES	2014	2013
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		0.00	0.00

The accompanying notes form part of these financial statements.

BALANCE SHEET AS AT 31 DECEMBER 2014

	NOTES	2014	2013
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 2014

	RETAINED EARNINGS	TOTAL
Balance at 1 January 2013	10.00	10.00
Profit/(Deficit) Attributable to the Entity	-	-
Balance at 31 December 2013	\$10.00	\$10.00
Balance at 1 January 2014	10.00	10.00
Profit/(Deficit) Attributable to the Entity	-	-
Balance at 31 December 2014	\$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 2014

	NOTES	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Subscriptions		-	-
Other Income		-	-
Payment for Operating Expenses		-	-
		\$0.00	\$0.00
NET CASH FROM INVESTING ACTIVITIES			
		-	-
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			

The accompanying notes form part of these financial statements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1. Statement of Significant Accounting Policies

The Financial Report is a special 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) REVENUE AND OTHER INCOME

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

Membership related fees are recognized as revenue over the period during which the service obligations are imposed on the company, i.e. the membership period. Membership fees received in advance of the relevant membership period and other amounts received in advance of the provision of goods and services are included in the unearned revenue and described as fees received in advance.

Interest income is recognized when earned.

Income from the rendering of goods and services is recognised upon delivery of the goods and services to the customer.

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

(b) DEPRECIATION

Plant & Equipment

Depreciation on the above mentioned 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 straight line method.

(c) INCOME TAX

Income Tax has not been provided for in the company's accounts, due to the tax exempt status of the company.

(d) 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.

(e) 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.

(f) BORROWINGS

Borrowings are carried forward at their principal amounts which represent the present value of future cash flows associated with the servicing debt. Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

**NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014 CONT.**

2. OPERATING REVENUE	2014	2013
	\$NIL	\$NIL

3. RELATED PARTY DISCLOSURE	2014	2013
------------------------------------	-------------	-------------

(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:

Richard Ke Yuan Li	Michael Porter	Zhen Zheng	Hong Xu	Hoc Ku Huynh OAM
Walter Simpson	Waveny Holland	Matthew O'Hara	Mark Bayley	Xiaodong Yu
Kerry Watson	Li Feng	Judith James		

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:-

	2014	2013
Cash	\$10.00	\$10.00

(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	-	-
	\$10.00	\$10.00

7. CONTINGENT LIABILITIES

The company does not have any contingent liabilities as at 31 December 2014.

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:

- The financial statements and notes, as set out on pages 30 to 32:
 - comply with Accounting Standards as described in Note 1 to the financial statements and the *Corporations Regulations 2001*; and
 - give a true and fair view of the company's financial position as at 31 December 2014 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.
- 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:

01 MAY 2015
BRISBANE, QLD

DIRECTOR _____ (signed)
DIRECTOR _____ (signed)

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

Report on the Financial Report

We have audited the accompanying financial report which is a special purpose Financial Report of Australian Acupuncture & Chinese Medicine Association Limited, which comprises the balance sheet as at 31 December 2014, and the income statement, statement of changes in equity and cash flow statement for the year then ended, notes comprising 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 that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial statements is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control the directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those 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 of the financial report and that gives a fair and true view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

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

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 2014 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

Emphasis of Matter

Without modifying our audit opinion, we draw attention to Note 1, to the financial report which describes the basis of preparation. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose and should not be distributed or used by parties other than the company and its members..

(signed)

HAYWARDS CHARTERED ACCOUNTANTS

(signed)

PHILIP FITZGERALD FCA
REGISTERED AUDITOR

01 MAY 2015
BRISBANE, QLD

Directory

REGISTERED OFFICE

Unit 1, 55 Clarence Street COORPAROO QLD 4151

POSTAL ADDRESS

PO Box 1635 COORPAROO DC QLD 4151

Telephone 07 3457 1800

1300 725 334

Facsimile 07 3394 2399

Email aacma@acupuncture.org.au

Website www.acupuncture.org.au

BOARD OF DIRECTORS

As at 31 December 2014

Hong Xu (President)	VIC/TAS
Kerry Watson (Vice-President)	VIC/TAS
Hoc Ku Huynh OAM (Secretary)	NSW/ACT
Lily Li Feng	SA/NT
Waveny Holland	QLD
Richard Li	NSW/ACT
Xiaodong Yu	WA
Judy James (on leave since 6/8/14)	QLD

Company Secretary

Hoc Ku Huynh OAM

Membership Officer

Xiaodong Yu

COMMITTEES

As at 31 December 2014

AJACM Management Committee

Hong Xu (Chair)

CPD Committee

Waveny Holland (Chair)

Disciplinary Committee

Waveny Holland (Chair)

Finance Committee

Judy James (Chair)

International Relations Committee

Richard Li (Chair)

Policy and Legislation Committee

Judy James (Chair)

Research & Development Committee

Hong Xu (Chair)

CONSULTANTS

As at 31 December 2014

Paul McLeod (Accreditation)

Yanping Wang (Accreditation)

AUDITORS

Haywards Chartered Accountants

BANKERS

Westpac

BROKERS

PI Direct Insurance Brokers P/L

Professional Insurance Agencies P/L

STATE COMMITTEES

As at 31 December 2014

Australian Capital Territory

No committee was formed.

Northern Territory

Jeff Shearer (Liaison Officer)

New South Wales

Hoc Ku Huynh (Chair)

Karen Bilton (Committee Member)

Damien Bodnarchuk (Social Events Coordinator)

Eli Huang (Deputy Chair, Assistant Finance Secretary)

Sining Luo (Deputy Chair, CPD Coordinator)

Tom Parris (Deputy Chair, Minutes Secretary)

Mei-Kin Li Rees (Deputy Chair)

Queensland

Bernhard Marzini (Chair)

Michael Brown (Committee Member)

Amber Fulton (Committee Member)

Darren Gentle (Finance Secretary)

Waveny Holland (CPD Coordinator)

Nicola Macdonald (Committee Member)

Andrew Matfin (Minutes Secretary)

Brett Montgomery (Committee Member)

Luis Romero (Committee Member)

South Australia

Gengchen Bai (Chair)

Jingquan Cao (Committee Member)

Lily Li Feng (Committee Member)

Tasmania

No committee was formed.

Victoria

Minda Agosta (Chair)

Joseph Azuolas (Deputy Chair)

Ke Li (Committee Member)

Edwin Miao (Committee Member)

Amber Moore (Committee Member)

Michael Warren (Committee Member)

Kerry Watson (Board liaison)

Christina Yong (Committee Member)

Amber Fulton (Student rep)

Western Australia

Xiaodong Yu (Chair)

Bing Lei Chen (Finance Secretary)

Winnie Law (CPD Coordinator)

Rosemary Pinter (Minutes Secretary)



All correspondence to
PO Box 1635
COORPAROO DC QLD 4151

Registered address
Unit 1, 55 Clarence Street
COORPAROO QLD 4151

p: 07 3457 1800 | f: 07 3394 2399 | e: aacma@acupuncture.org.au | w: www.acupuncture.org.au
www.facebook.com/aacma | www.twitter.com/aacma