

**THE MEDICAL BENEVOLENT ASSOCIATION OF NSW  
(A company limited by guarantee)  
ACN 000 033 830**

**FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2017**

**THE MEDICAL BENEVOLENT ASSOCIATION OF NEW SOUTH WALES**  
**(A company limited by guarantee)**  
**ACN 000 033 830**

**CONTENTS**

Councillors' Report	1
Councillors' Declaration	3
Declaration by President in Respect of Fundraising Appeals	3
Statement of Comprehensive Income	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Notes to the Financial Statements	8
Auditor's Independence Declaration	16
Independent Auditor's Report	17
Auditor's Statement	19
Income and Expenditure Statement	20

This financial report covers The Medical Benevolent Association of New South Wales as an individual entity. The financial report is presented in Australian currency.

The financial report was authorised for issue by the councillors on 16<sup>th</sup> October 2017. The Association has the power to amend and re-issue the financial report.

The Medical Benevolent Association of New South Wales is an Association limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business are located at Level 6, 69 Christie Street, St Leonards, Sydney, 2065.

**THE MEDICAL BENEVOLENT ASSOCIATION OF NEW SOUTH WALES  
ACN 000 033 830**

**COUNCILLORS' REPORT**

The councillors present the accounts of the Association for the year ended 30 June 2017 in accordance with of the Australian Charities and Not-for-Profits Commission Act 2012. In accordance with the Articles of Association, office bearers are described as councillors rather than directors.

**COUNCILLORS**

The councillors in office during the financial year and up to the date of this report were:

	<b>Qualifications</b>	<b>Experience (no. years on council of Association)</b>	<b>Special Responsibility</b>
Dr D Chen, OAM	Medical Practitioner	25	President
Dr F Virant	Medical Practitioner	22	Vice-President
Dr R Pearson	Medical Practitioner	9	Vice-President
Dr A Wines	Medical Practitioner	12	Secretary
Dr F Choi	Medical Practitioner	9	Treasurer
Dr V Wong	Medical Practitioner	18	
Dr R Mina	Medical Practitioner	9	
Dr C Dalton	Medical Practitioner	17	
Dr S Morey, AM	Medical Practitioner	13	
Dr C Brassill	Medical Practitioner	8	
Dr J Allman	Medical Practitioner	7	
Dr I Wechsler	Medical Practitioner	5	
Dr N Wilton	Medical Practitioner	4	
Dr V Rogers	Medical Practitioner	4	
Dr D Shelley Jones (appointed 21.11.16)	Medical Practitioner	<1	
Dr H Freeborn (appointed 12.12.16)	Medical Practitioner	<1	
Dr Deborah Campbell (appointed 16.11.2015 & resigned 6.09.2016)	Medical Practitioner	<1	

**OBJECTIVES AND STRATEGIES**

*Short and long term objectives*

To provide financial assistance and counselling for necessitous doctors and their families.

**PRINCIPAL ACTIVITY AND STRATEGY FOR ACHIEVEMENT OF OBJECTIVES**

The Medical Benevolent Association of NSW (MBANSW) provides financial assistance and counselling support to all registered medical practitioners, and their families in NSW and ACT, including to the families of deceased Medical Practitioners, during times of need. The Association will also provide assistance for medical students facing unforeseen difficult circumstances and for other necessitous people as determined by the council. The Association's strategy is to raise funds, through appeals, bequest, donations and income derived from its investments.

**PERFORMANCE MEASURES**

The Association measures its performance by monitoring the financial assistance and counselling provided on an ongoing basis. Financial performance is measured by review of cash flow and net assets on an on-going basis.

During the current financial year, the Association incurred a deficit of \$36,672 after payments to beneficiaries of \$205,900 (2016: deficit of \$24,555 after payments to beneficiaries of \$250,415).

THE MEDICAL BENEVOLENT ASSOCIATION OF NEW SOUTH WALES  
ACN 000 033 830

COUNCILLORS' REPORT (continued)

MEMBERSHIP

The Association is incorporated and domiciled in Australia as an Association limited by guarantee. The liability of members is limited. The amount of capital that each member can be called on to contribute in the event of the Association being wound up is \$10. At 30 June 2017, there were 16 members. Accordingly, the total amount that members may be called on to contribute in the event of the Association being wound up is \$160.

MEETINGS OF COUNCILLORS

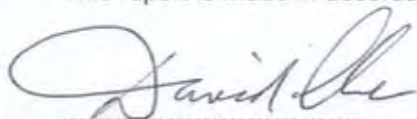
During the year the Association's councillors held twelve meetings and the number of meetings attended by each councillor is as follows:

	Meetings held whilst councillor	Meetings attended whilst councillor
Dr D Chen, OAM	12	12
Dr F Virant	12	7
Dr A Wines	12	3
Dr F Choi	12	10
Dr V Wong	12	9
Dr R Mina	12	8
Dr R Pearson	12	7
Dr C Dalton	12	8
Dr S Morey, AM	12	11
Dr C Brassill	12	9
Dr J Allman	12	8
Dr I Wechsler	12	11
Dr N Wilton	12	11
Dr V Rogers	12	3
Dr D Shelley Jones (appointed 21.11.16)	7	5
Dr H Freeborn (appointed 12.12.16)	6	6
Dr D Campbell (appointed 16.11.15 & resigned 6.09.16)	2	2

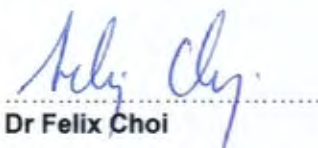
AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Independence Declaration given to the Councillors by the lead auditor for the audit undertaken by HLB Mann Judd is included within this financial report.

This report is made in accordance with a resolution of the councillors.



Dr David Chen OAM



Dr Felix Choi

16<sup>th</sup> October 2017

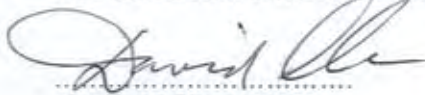
THE MEDICAL BENEVOLENT ASSOCIATION OF NEW SOUTH WALES  
ACN 000 033 830

COUNCILLORS' DECLARATION

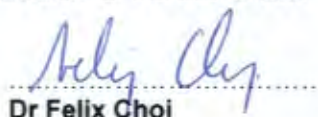
In the councillors' opinion:

- (a) the financial statements and notes set out on pages 4 to 15 are in accordance with Division 60 the Australian Charities and Not-for-Profits Commission Act 2012, including:
  - (i) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the Australian Charities and Not-for-Profits Commission Regulations 2013; and
  - (ii) giving a true and fair view of the Association's financial position as at 30 June 2017 and of its performance for the financial year ended on that date; and
- (b) there are reasonable grounds to believe that the Association 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 councillors.



Dr David Chen, OAM



Dr Felix Choi

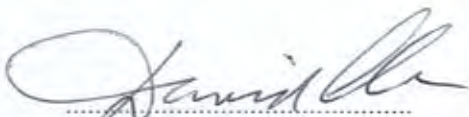
Sydney, NSW  
16<sup>th</sup> October 2017

DECLARATION BY PRESIDENT IN RESPECT OF FUNDRAISING APPEALS

I, Dr D Chen, President of The Medical Benevolent Association of New South Wales declare that in my opinion:

- (a) the financial statements give a true and fair view of all income and expenditure of The Medical Benevolent Association of New South Wales with respect to fundraising appeals; and
- (b) the statement of financial position gives a true and fair view of the state of affairs of the Association with respect to fundraising appeals; and
- (c) the provisions of the Charitable Fundraising Act 1991, the regulations under that Act and the conditions attached to the Authority have been complied with;
- (d) the internal controls exercised by The Medical Benevolent Association of New South Wales are appropriate and effective in accounting for all income received and applied from any fundraising appeal.

Dated at Sydney this 16th day of October 2017



Dr D Chen, OAM  
President

**THE MEDICAL BENEVOLENT ASSOCIATION OF NEW SOUTH WALES**  
**ACN 000 033 830**

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2017**

	Note	2017 \$	2016 \$
<b>Revenue from continuing operations</b>	10	365,968	365,438
Profit on disposal of investments		11,921	2,420
Depreciation		(1,180)	(2,306)
Appeal expenses		(38,266)	(32,287)
Employee benefits expense		(90,561)	(55,628)
Payments to beneficiaries		(205,900)	(250,415)
Impairment loss on investments	4	(18,116)	-
Portfolio management fees		(17,568)	(16,649)
Other expenses		(42,970)	(35,128)
		<u>                  </u>	<u>                  </u>
<b>(Deficit)/surplus before income tax expense</b>		<b>(36,672)</b>	<b>(24,555)</b>
Income tax expense	1	-	-
		<u>                  </u>	<u>                  </u>
<b>Net (deficit)/ surplus for the year</b>	11	<b>(36,672)</b>	<b>(24,555)</b>
		<u>                  </u>	<u>                  </u>
<b>Other comprehensive income</b>			
Available-for-sale financial assets		63,832	(53,051)
		<u>                  </u>	<u>                  </u>
<b>Other comprehensive (loss)/income for the year</b>		<b>63,832</b>	<b>(53,051)</b>
		<u>                  </u>	<u>                  </u>
<b>Total comprehensive (loss)/income for the year</b>		<b>27,160</b>	<b>(77,606)</b>
		<u>                  </u>	<u>                  </u>

The above statement of comprehensive income is to be read in conjunction with the accompanying notes.

**THE MEDICAL BENEVOLENT ASSOCIATION OF NEW SOUTH WALES  
ACN 000 033 830**

**STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2017**

	Note	2017 \$	2016 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	2	133,082	203,581
Trade and other receivables	3	87,432	109,779
<b>TOTAL CURRENT ASSETS</b>		<b>220,514</b>	<b>313,360</b>
<b>NON CURRENT ASSETS</b>			
Available-for-sale financial assets	4	2,147,811	2,036,146
Property, plant & equipment	5	2,125	3,062
<b>TOTAL NON CURRENT ASSETS</b>		<b>2,149,936</b>	<b>2,039,208</b>
<b>TOTAL ASSETS</b>		<b>2,370,450</b>	<b>2,352,568</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	6	35,052	51,584
Employee benefits	7	36,909	31,040
<b>TOTAL CURRENT LIABILITIES</b>		<b>71,961</b>	<b>82,624</b>
<b>NON CURRENT LIABILITIES</b>			
Employee benefits	7	11,797	10,412
<b>TOTAL NON CURRENT LIABILITIES</b>		<b>11,797</b>	<b>10,412</b>
<b>TOTAL LIABILITIES</b>		<b>83,758</b>	<b>93,036</b>
<b>NET ASSETS</b>		<b>2,286,692</b>	<b>2,259,532</b>
<b>ACCUMULATED FUNDS</b>			
Reserves	12	671,030	607,198
Accumulated funds	11	1,615,662	1,652,334
<b>TOTAL ACCUMULATED FUNDS</b>		<b>2,286,692</b>	<b>2,259,532</b>

The above statement of financial position is to be read in conjunction with the accompanying notes.

**THE MEDICAL BENEVOLENT ASSOCIATION OF NEW SOUTH WALES**  
**ACN 000 033 830**

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2017**

	<b>Reserves</b>	<b>Accumulated</b>	<b>Total</b>
	<b>\$</b>	<b>Funds</b>	<b>\$</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at 30 June 2015</b>	<u>660,249</u>	<u>1,676,889</u>	<u>2,337,138</u>
Total comprehensive income for the year	<u>(53,051)</u>	<u>(24,555)</u>	<u>(77,606)</u>
<b>Balance at 30 June 2016</b>	<u>607,198</u>	<u>1,652,334</u>	<u>2,259,532</u>
Total comprehensive income for the year	<u>63,832</u>	<u>(36,672)</u>	<u>27,160</u>
<b>Balance at 30 June 2017</b>	<u>671,030</u>	<u>1,615,662</u>	<u>2,286,692</u>

The above statement of changes in equity is to be read in conjunction with the accompanying notes.



**THE MEDICAL BENEVOLENT ASSOCIATION OF NEW SOUTH WALES  
ACN 000 033 830**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2017**

	<b>Note</b>	<b>2017</b>	<b>2016</b>
		\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from donors		248,639	212,016
Interest and trust distributions received		60,742	75,065
Dividends received		51,655	25,558
Imputation credits received		12,385	18,278
Other income		15,118	2,623
Payments to suppliers and employees		(185,728)	(142,645)
Payments to beneficiaries		(219,038)	(233,471)
		<u>                    </u>	<u>                    </u>
<b>Net cash used in operating activities</b>		<u>(16,227)</u>	<u>(42,576)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of property, plant and equipment		(244)	(3,386)
Proceeds from sale of investments		65,573	62,070
Acquisition of investments		(119,601)	(54,474)
		<u>                    </u>	<u>                    </u>
<b>Net Cash provided by investing activities</b>		<u>(54,272)</u>	<u>4,210</u>
Net (decrease) in cash held		(70,499)	(38,366)
Cash and cash equivalents at beginning of financial year		<u>203,581</u>	<u>241,947</u>
<b>Cash and cash equivalents at end of year</b>	2	<u><b>133,082</b></u>	<u><b>203,581</b></u>

The above statement of cash flows is to be read in conjunction with the accompanying notes.

**THE MEDICAL BENEVOLENT ASSOCIATION OF NEW SOUTH WALES  
ACN 000 033 830**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2017**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies adopted in the preparation of the financial report are set out below. These accounting policies have been consistently applied to all the years presented, unless otherwise stated.

**Basis of preparation**

The Association has elected to adopt Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: Application of Terms of Australian Accounting Standards.

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, other pronouncements of the Australian Accounting Standards Board (“AASB”) and the Australian Charities and Not-for-Profits Commission (“ACNC”) Act 2012. The Medical Benevolent Association of New South Wales (“the Association”) is a not-for-profit organisation. The financial report is presented in Australian dollars.

The Association is a company limited by guarantee and is involved in providing financial assistance and counselling of impaired doctors and their families. As such it has no share capital and does not operate for profit. Having regard to this, the councillors are of the opinion that, in accordance with the Association’s Constitution, office bearers be described in the financial report as councillors rather than directors.

**Historical cost convention**

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets.

**Critical accounting estimates**

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. There are no areas involving a high degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements.

**Income Tax**

No provision has been made for income tax in the financial report as the Association is exempt from income tax due to being a charitable institution in terms of Section 50-5 of the Income Tax Assessment Act 1997.

**Property Plant & Equipment**

Property, plant and equipment is stated as historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included into assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated within the item will flow to the Association and the cost of the item can be reliably measured. All other repairs and maintenance are charged to surplus(deficit) during the financial period in which they are incurred.

Depreciation is calculated so as to write off book value of each item of property, plant and equipment over its expected useful life. Estimates of remaining useful lives are made on a regular basis with annual reassessments for major items. Assets are depreciation or amortised from the date of acquisition.

**THE MEDICAL BENEVOLENT ASSOCIATION OF NEW SOUTH WALES  
ACN 000 033 830**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2017**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Property Plant & Equipment (continued)**

The following rates are used in the calculation of depreciation:

Plant and Equipment	10% diminishing value
Furniture and Fittings	10%-15% diminishing value
Computer Equipment	33%-60% diminishing value

**Investment and other financial assets**

The Association classifies its investments as available-for-sale financial assets. Available-for-sale financial assets, comprising principally of marketable equity securities, are non-derivatives that are designated in this category. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the statement of financial position date.

Regular purchases and sales of investments are recognised on trade-date – the date on which the Association commits to purchase or sell the asset. Investments are initially recognised at fair value. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Association has transferred substantially all the risks and rewards of ownership.

Available-for-sale financial assets are subsequently carried at fair value. The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. The quoted market price is the last available sale price, which is compared to the last bid price. Unless the difference is significant, no adjustment is made to the value of the investment. The fair value of investments which are not quoted are calculated by the Investment Manager, using valuation techniques.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in surplus (deficit) as profit or losses from disposal of investments.

The Association assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in surplus(deficit) – is removed from equity and recognised in surplus(deficit). Impairment losses recognised in profit or loss on equity instruments classified as available-for-sale are not reversed through surplus(deficit).

**Segment Reporting**

The Association provides financial assistance and counselling for impaired doctors and their families within Australia and as such comprises only one reportable industry and geographical segment.

**Councillors**

The people who held the position of councillors during the financial year are outlined in the Councillors' Report.

**THE MEDICAL BENEVOLENT ASSOCIATION OF NEW SOUTH WALES  
ACN 000 033 830**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2017**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**Impairment of assets**

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For property, plant and equipment, value in use is taken to be the depreciated replacement cost of the asset concerned.

**Cash and cash equivalents**

For the statement of cash flows presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**Revenue recognition**

*(i) Charitable support*

Revenue is received from appeals, donations and bequests and is brought to account on a cash received basis. Cash received prior to year end but not banked until subsequent to year end is recorded as a trade and other receivable.

*(ii) Interest revenue*

Interest revenue is recognised on an accrual basis taking into account the interest rates applicable to the assets.

*(iii) Dividend and trust distribution revenue*

Dividend and trust distribution revenue is recognised when the right to receive payment is established.

**Trade and other payables**

These amounts represent liabilities for goods and services provided to the Association prior to the end of the financial year. The amounts are unsecured and are usually paid within 60 days of recognition.

**Employee benefits**

*Annual leave*

A provision for annual leave is recognised, and is measured as the amount unpaid at balance date in respect of employees services up to that date at rates expected to be paid when the leave is taken.

*Long Service Leave*

The liability for long service leave expected to be settled within 12 months of the reporting date is recognised and measured in accordance with annual leave above.

The liability for long service leave expected to be settled more than 12 months from reporting date is recognised in non-current employee benefits but is measured based on remuneration rates current as at balance date for all employees with five or more years of service.

The councillors believe that this method provides an estimate of the liability that is not materially different from the estimate that would be obtained by using the present value basis of measurement.

**THE MEDICAL BENEVOLENT ASSOCIATION OF NEW SOUTH WALES  
ACN 000 033 830**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2017**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>2. CASH AND CASH EQUIVALENTS</b>		
Commonwealth Bank – a/c 901-952	18,685	41,276
Commonwealth Bank – a/c 1010 4795	2,000	2,000
Commonwealth Bank – a/c 800 529	20,270	32,353
BT Investment Management No 3 Pty Limited	5,127	122,000
BT Institutional Managed Cash Fund	87,000	5,952
	<u>133,082</u>	<u>203,581</u>
<b>3. TRADE AND OTHER RECEIVABLES</b>		
<b>Current</b>		
GST	5,342	5,114
Other debtors	82,090	104,665
	<u>87,432</u>	<u>109,779</u>
<b>4. AVAILABLE-FOR-SALE FINANCIAL ASSETS</b>		
<b>Equity Securities – at fair value</b>		
Australian Shares - listed	699,635	584,287
Australian Real Estate Securities - listed	197,483	210,077
International Real Estate Securities	64,774	70,918
International Shares	402,103	360,859
<b>Other Securities – at fair value</b>		
Australian Fixed Interest	638,645	659,957
International Fixed Interest	145,171	150,048
	<u>2,147,811</u>	<u>2,036,146</u>

Reconciliation of the carrying amount of available-for-sale financial assets at the beginning and end of the current financial year are as follows:

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Carrying amount at beginning of year	2,036,146	2,094,373
Additions	119,601	54,474
Disposals proceeds	(65,573)	(62,070)
Profit on disposal	11,921	2,420
Impairment loss	(18,116)	-
Revaluation (deficit)/surplus transferred to equity	63,832	(53,051)
	<u>2,147,811</u>	<u>2,036,146</u>
Carrying amount at end of year	<u>2,147,811</u>	<u>2,036,146</u>

**THE MEDICAL BENEVOLENT ASSOCIATION OF NEW SOUTH WALES  
ACN 000 033 830**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2017**

**4. AVAILABLE-FOR-SALE FINANCIAL ASSETS (continued)**

When available-for-sale financial assets are impaired (Note 1), the impairment charge is included in surplus (deficit). The impairment charge recorded in surplus(deficit) for the year ended 30 June 2017 was \$nil (2016: \$nil).

The councillors have impaired available for sale investments where, at year end, there is objective evidence that the asset is impaired. Objective evidence is assumed to be instances where investments which have experienced a significant decrease in fair value below cost (assumed to be where the market value at year end is 20% or more below cost), or a prolonged period of fair value below cost (assumed to be where the market value has been below cost for a period of 12 months or more).

When objective evidence exists and the asset is impaired, the cumulative loss recognised in equity is transferred to surplus/(deficit).

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>5. PROPERTY, PLANT &amp; EQUIPMENT</b>		
Plant & Equipment at cost	244	-
Less: Accumulated Depreciation	122	-
	122	-
Furniture & Fittings at cost	792	792
Less: Accumulated Depreciation	(532)	(500)
	260	292
Computer Equipment at cost	7,356	7,356
Less: Accumulated Depreciation	(5,613)	(4,586)
	1,743	2,770
<b>Total property, plant &amp; equipment</b>	<b>2,125</b>	<b>3,062</b>
Carrying amount the beginning of the financial year	3,062	1,982
Add: additions of property, plant & equipment	244	3,386
Less: disposals	-	-
Less: depreciation expense	(1,181)	(2,306)
Carrying amount at the end of the financial year	<b>2,125</b>	<b>3,062</b>

**THE MEDICAL BENEVOLENT ASSOCIATION OF NEW SOUTH WALES  
ACN 000 033 830**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2017**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>6. PAYABLES</b>		
<b>Current</b>		
Beneficiaries	13,924	27,062
Other creditors	21,128	24,522
	<b>35,052</b>	<b>51,584</b>
	<b>35,052</b>	<b>51,584</b>
<b>7. EMPLOYEE BENEFITS</b>		
<b>Current</b>		
Annual leave	36,909	28,682
Long Service Leave	-	2,358
	<b>36,909</b>	<b>31,040</b>
	<b>36,909</b>	<b>31,040</b>
<b>Non Current</b>		
Long service leave	11,797	10,412
	<b>11,797</b>	<b>10,412</b>
	<b>11,797</b>	<b>10,412</b>

**8. MEMBERS' GUARANTEE**

The Medical Benevolent Association of New South Wales is incorporated in New South Wales as a company limited by guarantee. In the event of the Association being wound up, each member undertakes to contribute a maximum of \$10 for payment of the Association's liabilities.

**9. RELATED PARTY TRANSACTIONS**

The following persons were councillors of The Medical Benevolent Association of New South Wales during the financial year: Dr D Chen, Dr F Virant, Dr R Pearson, Dr A Wines, Dr F Choi, Dr V Wong, Dr R Mina, Dr C Dalton, Dr S Morey, Dr C Brassill, Dr J Allman, Dr I Wechsler, Dr N Wilton, Dr V Rogers, Dr D Shelley Jones (appointed 21.11.2016), Dr H Freeborn (appointed 12.12.2016) and Dr Deborah Campbell (resigned 6.09.2016).

There were no amounts received, or due and receivable, by the councillors of The Medical Benevolent Association of New South Wales during the year.

Other than any donations made by the Councillors to the Association, there were no other related party transactions during the year (2016: nil).

**THE MEDICAL BENEVOLENT ASSOCIATION OF NEW SOUTH WALES  
ACNE 000 033 830**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2017**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>10. REVENUE FROM CONTINUING OPERATIONS</b>		
Appeals	220,731	228,718
Bequests	12,995	4,000
Donations	7,229	6,383
Dividends received	38,897	31,535
Interest and trust distributions received	56,755	79,794
Imputation credits refund	14,241	12,385
Sundry Income	15,120	2,623
	<u>365,968</u>	<u>365,438</u>
<b>11. ACCUMULATED FUNDS</b>		
Accumulated surplus at the beginning of the financial year	1,652,334	1,676,889
Net (deficit)/surplus for the year	<u>(36,672)</u>	<u>(24,555)</u>
Accumulated surplus at the end of the financial year	<u><b>1,615,662</b></u>	<u><b>1,652,334</b></u>
<b>12. RESERVES</b>		
<b>Available-for-sale revaluation reserve</b>		
Balance 1 July 2016	607,198	660,249
(Devaluation)/revaluation	63,832	(53,051)
Impairment loss transferred to profit or loss	<u>-</u>	<u>-</u>
Balance 30 June 2017	<u><b>671,030</b></u>	<u><b>607,198</b></u>

Changes in fair value on translation of investments classified as available-for-sale financial assets are taken to the available-for-sale investments revaluation reserve, as described in Note 1. Amounts are recognised in surplus (deficit) when the associated assets are sold or impaired.



**THE MEDICAL BENEVOLENT ASSOCIATION OF NEW SOUTH WALES  
ACNE 000 033 830**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2017**

**13. ADDITIONAL INFORMATION TO BE FURNISHED UNDER THE CHARITABLE FUNDRAISING ACT, 1991**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>Details of aggregate gross income and expenditure of fundraising appeals (including bequests and donations):</b>		
Gross proceeds from appeals	240,955	239,101
Less: Costs of appeals	<u>(38,266)</u>	<u>(32,287)</u>
Net surplus from fundraising appeals	<u>202,689</u>	<u>206,814</u>
<b>Statement showing how funds received were applied to charitable purposes:</b>		
Net surplus from fundraising appeals	<u>202,689</u>	<u>206,814</u>
This was applied to the charitable purposes in the following manner:		
Expenditure on direct services	205,900	250,415
Expenditure on administration	<u>169,215</u>	<u>107,405</u>
Expenses applied to charitable purposes	<u>375,115</u>	<u>357,820</u>
The shortfall of \$172,426 being the difference between the \$202,689 available from fundraising appeals conducted and total expenditure of \$375,115 was provided from the following sources:		
Dividends received	38,897	31,535
Interest and unit trust distributions received	56,755	79,794
Imputation credits refund	14,241	12,385
Profit/(loss) on disposal of investments	11,921	2,420
Other income	15,120	2,623
Depreciation	<u>(1,180)</u>	<u>(2,306)</u>
Total income (deficit) from all other sources	135,754	126,451
Net deficit (surplus) for the year	<u>36,672</u>	<u>24,555</u>
	<b><u>172,426</u></b>	<b><u>151,006</u></b>

(i) Statement of significant accounting principles and methods are detailed in Note 1.

		<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>%</b>	<b>%</b>
Total cost of fundraising / gross income from fundraising	38,266 / 240,955	16	14
Net surplus from fundraising / gross income from fundraising	202,689 / 240,955	84	86
Total costs of services provided / gross income	375,115 / 377,889	99	97
Total costs of services provided / total expenditure	375,115 / 414,561	90	91

(iii) Fundraising appeals conducted during the financial year

Annual Direct Mail Appeal

**THE MEDICAL BENEVOLENT ASSOCIATION OF NEW SOUTH WALES**

**AUDITOR'S INDEPENDENCE DECLARATION**

We declare that, to the best of our knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit of the financial report of The Medical Benevolent Association of New South Wales for the year ended 30 June 2017.

**Sydney, NSW  
XX Month 2017**

**HLB Mann Judd  
Chartered Accountants**

**HLB Mann Judd (NSW Partnership) ABN 34 482 821 289**

Level 19 207 Kent Street Sydney NSW 2000 Australia | Telephone +61 (0)2 9020 4000 | Fax +61 (0)2 9020 4190

Email: [mailbox@hlbnsw.com.au](mailto:mailbox@hlbnsw.com.au) | Website: [www.hlb.com.au](http://www.hlb.com.au)

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**THE MEDICAL BENEVOLENT ASSOCIATION OF NEW SOUTH WALES**

**ACN 000 037 830**

**INDEPENDENT AUDITOR'S REPORT**

To the Members of The Medical Benevolent Association of New South Wales:

**Opinion**

We have audited the financial report of The Medical Benevolent Association of New South Wales ("the Association"), which comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the Councillors' declaration, for the Association.

In our opinion:

- (a) the accompanying financial report of the Association has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:
  - (i) giving a true and fair view of the Association's financial position as at 30 June 2017 and of its financial performance for the year then ended; and
  - (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.
- (b) we have been given all information, explanation and assistance necessary for the conduct of the audit;
- (c) the Association has kept financial records sufficient to enable a financial report to be prepared and audited; and
- (d) the Association has kept other records as required by Part 3.2 of the ACNC Act.
- (e) The financial report gives a true and fair view of the financial result of fundraising appeals for the financial year;
- (f) Any money received as a result of fundraising appeals conducted during the financial year has been properly accounted for and applied in accordance with the Charitable Fundraising Act 1991 and the regulations thereto;
- (g) The financial statements and associated records have been properly kept during the financial year in accordance with the provisions of the Charitable Fundraising Act 1991 and regulations thereto; and
- (h) At the date of this statement, there are reasonable grounds to believe that the Association will be able to pay its debts as and when they fall due.

**Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Association in accordance with the auditor independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

**HLB Mann Judd (NSW Partnership) ABN 34 482 821 289**

Level 19 207 Kent Street Sydney NSW 2000 Australia | Telephone +61 (0)2 9020 4000 | Fax +61 (0)2 9020 4190

Email: [mailbox@hlbnsw.com.au](mailto:mailbox@hlbnsw.com.au) | Website: [www.hlb.com.au](http://www.hlb.com.au)

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**THE MEDICAL BENEVOLENT ASSOCIATION OF NEW SOUTH WALES****ACN 000 037 830****INDEPENDENT AUDITOR'S REPORT (continued)****Basis for Opinion (continued)**

We confirm that the independence declaration required by Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, which has been given to those charged with governance, would be in the same terms if given as at the time of this auditor's report.

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

**Councillors' Responsibility for the Financial Report**

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

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

The Councillors are responsible for overseeing the Association's financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

**THE MEDICAL BENEVOLENT ASSOCIATION OF NEW SOUTH WALES****ACN 000 037 830****INDEPENDENT AUDITOR'S REPORT (continued)****Auditor's Responsibilities for the Audit of the Financial Report (continued)**

- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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

**HLB Mann Judd  
Chartered Accountants**

**A G Smith  
Partner**

**Sydney, NSW  
16 October 2017**

**THE MEDICAL BENEVOLENT ASSOCIATION OF NSW  
ACN 000 033 830**

**AUDITOR'S STATEMENT**

Our audit examination was made for the purpose of forming an opinion on the financial report prepared to provide information to members of The Medical Benevolent Association of NSW ("the audited financial report").

The supplementary information set out on page 21 is presented for the purpose of additional analysis but does not form part of the audited financial report. The information presented is in accordance with the accounting records maintained by The Medical Benevolent Association of NSW but amounts stated therein have not necessarily been verified as part of our audit examination.

**Sydney, NSW  
16<sup>th</sup> October 2017**

**HLB Mann Judd  
Chartered Accountants**

**HLB Mann Judd (NSW Partnership) ABN 34 482 821 289**

Level 19 207 Kent Street Sydney NSW 2000 Australia | Telephone +61 (0)2 9020 4000 | Fax +61 (0)2 9020 4190

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**THE MEDICAL BENEVOLENT ASSOCIATION OF NSW**  
**ACN 000 033 830**  
**UNAUDITED**  
**INCOME AND EXPENDITURE STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2017**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>INCOME</b>		
Appeals – group	34,980	21,580
Appeals – individual	185,751	207,138
Bequests	12,995	4,000
Donations via AMA subscriptions	7,229	6,383
Dividends received	38,897	31,535
Interest & trust distributions received	56,755	79,794
Other income	15,120	2,623
Imputation credits refundable	14,241	12,385
Profit on disposal of investments	11,921	2,420
	<b>377,889</b>	<b>367,858</b>
<b>EXPENDITURE ON ADMINISTRATION</b>		
Accountancy and audit expenses	12,500	13,426
Appeal expenses	38,266	32,287
Depreciation	1,180	2,306
General expenses	20,509	9,206
Insurance	4,597	4,138
Portfolio management fee	17,568	16,649
Printing & stationery	2,545	3,528
Staff training & welfare	-	1,874
Superannuation contributions	6,937	4,792
Impairment Loss	18,116	-
Telephone expenses	2,819	2,956
Wages and social worker expenses	83,624	50,836
	<b>208,661</b>	<b>141,998</b>
<b>NET SURPLUS AFTER ADMINISTRATION EXPENSES</b>	<b>169,228</b>	<b>225,860</b>
<b>LESS: EXPENDITURE ON DIRECT SERVICES</b>		
Payments to beneficiaries	132,642	193,831
Social work support	73,258	56,584
	<b>205,900</b>	<b>250,415</b>
<b>NET SURPLUS (DEFICIT)</b>	<b>(36,672)</b>	<b>(24,555)</b>