

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

FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

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
Additional Information	20
Income and Expenditure Statement	21

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 18 November, 2019. The Association has the power to amend and re-issue the financial report.

The Medical Benevolent Association of New South Wales is a company 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 2019 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

	Qualifications	Experience (no. years on Council of Association)	Special Responsibility
Dr D Chen, OAM	Medical Practitioner	28	President
Dr F Virant	Medical Practitioner	25	Vice-President
Dr V Rogers	Medical Practitioner	6	Vice-President
Dr A Wines	Medical Practitioner	13	Secretary
Dr F Choi	Medical Practitioner	12	Treasurer
Dr V Wong	Medical Practitioner	19	
Dr C Dalton	Medical Practitioner	19	
Dr S Morey, AM	Medical Practitioner	16	
Dr R Mina	Medical Practitioner	12	
Dr C Brassill	Medical Practitioner	11	
Dr J Allman	Medical Practitioner	9	
Dr I Wechsler	Medical Practitioner	8	
Dr N Wilton (Resigned Mar 2019)	Medical Practitioner	7	
Dr D Shelley Jones	Medical Practitioner	3	
Dr H Freeborn	Medical Practitioner	3	
Dr J Borbasi	Medical Practitioner	1	
Dr Deborah Campbell (Joined Feb 2019)	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 necessitous medical practitioners, and their families in NSW and ACT, including to the families of deceased Medical Practitioners. The Association will also provide assistance 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 recorded a surplus of \$33,003 after payments and services to beneficiaries of \$318,798 (2018: surplus of \$161,638 after payments and services to beneficiaries of \$200,244).

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 2019, 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

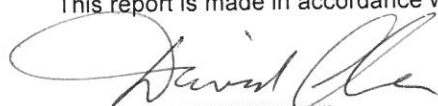
During the year the Association's Councillors held twelve meetings and the number of meetings attended by each Councillor is as follows

	Meetings held whilst Councillor	Meetings attended whilst Councillor
Dr D Chen. OAM	12	10
Dr F Virant	12	8
Dr A Wines	12	4
Dr F Choi	12	10
Dr V Wong	12	8
Dr R Mina	12	7
Dr C Dalton	12	10
Dr S Morey, AM	12	12
Dr C Brassill	12	8
Dr J Allman	12	9
Dr I Wechsler	12	11
Dr N Wilton	12	8
Dr V Rogers	12	6
Dr D Shelley Jones	12	9
Dr H Freeborn	12	6
Dr Jessica Borbasi	12	10
Dr Deborah Campbell (Joined Feb 2019)	5	5

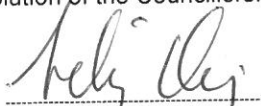
AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Independence Declaration given to the Councillors by the lead auditor for the audit undertaken by Mitchell & Partners 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

18 November 2019


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 2019 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 Councilors.



Dr David Chen OAM



Dr Felix Choi

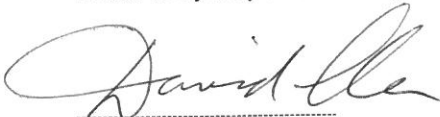
Sydney, NSW
18 November 2019

DECLARATION BY PRESIDENT IN RESPECT OF FUNDRAISING APPEALS

I, Dr David Chen OAM, 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 18th day of November 2019



Dr David 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 2019

	Note	2019 \$	2018 \$
Revenue from continuing operations	10	485,342	453,094
Profit on disposal of investments		23,549	51,593
Depreciation		(1,373)	(752)
Appeal expenses		(35,151)	(29,850)
Employee benefits expense		(68,825)	(59,603)
Payments and services to beneficiaries		(318,798)	(200,244)
Impairment loss on investments	4	(0)	(0)
Portfolio management fees		(18,264)	(17,479)
Other expenses		(33,477)	(35,121)
		<hr/>	<hr/>
(Deficit)/surplus before income tax expense		33,003	161,638
Income tax expense	1	<hr/>	<hr/>
Net (deficit)/ surplus for the year	11	33,003	161,638
		<hr/>	<hr/>
Other comprehensive income			
Available-for-sale financial assets		(18,238)	6,316
		<hr/>	<hr/>
Other comprehensive (loss)/income for the year		(18,238)	6,316
		<hr/>	<hr/>
Total comprehensive (loss)/income for the year		14,765	167,954
		<hr/>	<hr/>

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 2019

	Note	2019 \$	2018 \$
CURRENT ASSETS			
Cash and cash equivalents	2	188,324	134,756
Trade and other receivables	3	158,865	145,105
TOTAL CURRENT ASSETS		347,189	279,861
NON CURRENT ASSETS			
Available-for-sale financial assets	4	2,214,035	2,250,151
Property, plant & equipment	5	-	1,373
TOTAL NON CURRENT ASSETS		2,214,035	2,251,524
TOTAL ASSETS		2,561,224	2,531,385
CURRENT LIABILITIES			
Trade and other payables	6	31,685	16,947
Employee benefits	7	38,501	39,402
TOTAL CURRENT LIABILITIES		70,186	56,349
NON CURRENT LIABILITIES			
Employee benefits	7	21,627	20,390
TOTAL NON CURRENT LIABILITIES		21,627	20,390
TOTAL LIABILITIES		91,813	76,739
NET ASSETS		2,469,411	2,454,646
ACCUMULATED FUNDS			
Reserves	12	659,108	677,346
Accumulated funds	11	1,810,303	1,777,300
TOTAL ACCUMULATED FUNDS		2,469,411	2,454,646

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 2019

	Reserves	Accumulated Funds \$	Total \$
Balance at 1 July 2017	671,030	1,615,662	2,286,692
Total comprehensive income for the year	6,316	161,638	167,954
Balance at 30 June 2018	677,346	1,777,300	2,454,646
Total comprehensive income for the year	(18,238)	33,003	14,765
Balance at 30 June 2019	659,108	1,810,303	2,469,411

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 2019**

	Note	2019 \$	2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from donors & investments		495,131	461,980
Payments to suppliers and employees		(459,441)	(364,282)
Net cash used in operating activities		<u>35,690</u>	<u>97,698</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		0	0
Proceeds from sale of investments		518,540	207,286
Acquisition of investments		(500,662)	(303,310)
Net Cash provided by investing activities		<u>17,878</u>	<u>(96,024)</u>
Net increase (decrease) in cash held		53,568	1,674
Cash and cash equivalents at beginning of financial year		134,756	133,082
Cash and cash equivalents at end of year	2	<u>188,324</u>	<u>134,756</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 2019

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 necessitous 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 2019

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 necessitous 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 2019

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 2019

	2019 \$	2018 \$
2. CASH AND CASH EQUIVALENTS		
Commonwealth Bank - a/c 901-952	47,858	21,682
Commonwealth Bank - a/c 1010 4795	6,089	5,001
Commonwealth Bank - a/c 800 529	2,000	2,000
BT Investment Management No 3 Pty Limited	5,377	5,073
BT Institutional Managed Cash Fund	127,000	101,000
	188,324	134,756
3. TRADE AND OTHER RECEIVABLES		
Current		
GST	5,161	3,444
Other debtors	111,653	92,597
Undeposited funds	35,156	49,064
Prepayments	6,895	-
	158,865	145,105
4. AVAILABLE-FOR-SALE FINANCIAL ASSETS		
Equity Securities - at fair value		
Australian Shares - listed	704,519	816,524
Australian Real Estate Securities - listed	191,093	150,405
International Real Estate Securities	59,648	57,293
International Shares	337,483	375,767
Other Securities - at fair value		
Australian Fixed Interest	690,982	660,212
International Fixed Interest	230,310	189,950
	2,214,035	2,250,151

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

	2019 \$	2018 \$
Carrying amount at beginning of year	2,250,151	2,147,811
Additions	202,953	251,717
Disposals proceeds	(244,380)	(207,286)
Profit on disposal	23,549	51,593
Impairment loss	-	-
Revaluation (deficit)/surplus transferred to equity	(18,238)	6,316
Carrying amount at end of year	2,214,035	2,250,151

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

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 2019 was \$nil (2019: \$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).

	2019 \$	2018 \$
5. PROPERTY, PLANT & EQUIPMENT		
Plant & Equipment at cost	244	244
Less: Accumulated Depreciation	(244)	(183)
	-	61
Furniture & Fittings at cost	792	792
Less: Accumulated Depreciation	(792)	(595)
	-	197
Computer Equipment at cost	7,356	7,356
Less: Accumulated Depreciation	(7,356)	(6,241)
	-	1,115
Total property, plant & equipment	-	1,373
Carrying amount at the beginning of the financial year	1,373	2,125
Add: additions of property, plant & equipment	0	0
Less: disposals	(1,373)	(752)
Less: depreciation expense	-	1,373
Carrying amount at the end of the financial year	-	1,373

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

	2019 \$	2018 \$
6. PAYABLES		
Current		
Trade creditors	10,063	5,300
Other creditors	21,622	11,647
	<u>31,685</u>	<u>16,947</u>
7. EMPLOYEE BENEFITS		
Current		
Annual leave	38,501	39,402
Long service Leave	-	-
	<u>38,501</u>	<u>39,402</u>
Non - current		
Annual leave	0	0
Long service Leave	21,627	20,390
	<u>21,627</u>	<u>20,390</u>

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 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, Dr H Freeborn, and Dr J Borbasi, Dr D. Campbell (appointed February 2019).

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 (2018: nil).

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

	2019 \$	2018 \$
10. REVENUE FROM CONTINUING OPERATIONS		
Donations - Appeals	217,796	229,740
Bequests	43,417	11,569
Other donations	18,413	17,900
Dividends received	77,309	41,818
Interest and trust distributions received	95,655	84,778
Grant funding	-	50,000
Imputation credits refund	31,388	16,055
Other fundraising income/sundry income	1,364	1,234
	485,342	453,094
11. ACCUMULATED FUNDS		
Accumulated surplus at the beginning of the financial year	1,777,300	1,615,662
Net (deficit)/surplus for the year	33,003	161,638
	1,810,303	1,777,300
Accumulated surplus at the end of the financial year		
12. RESERVES		
Available-for-sale revaluation reserve		
Balance 1 July 2018	677,346	671,030
(Devaluation)/revaluation	(18,238)	6,316
Impairment loss transferred to profit or loss		
	659,108	677,346
Balance 30 June 2019		

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
ACN 000 033 830

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

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

	2019 \$	2018 \$
Details of aggregate gross income and expenditure of fundraising appeals (including bequests and donations):		
Gross proceeds from appeals	280,989	310,443
Less: Costs of appeals	(35,151)	(29,850)
Net surplus from fundraising appeals	245,838	280,593
Statement showing how funds received were applied to charitable purposes:		
Net surplus from fundraising appeals	245,838	280,593
This was applied to the charitable purposes in the following manner:		
Expenditure on direct services	318,798	200,244
Expenditure on administration	120,566	112,203
Expenses applied to charitable purposes	439,364	312,447
The shortfall of \$193,526 being the difference between the \$245,838 available from fundraising appeals conducted and total expenditure of \$439,364 was provided from the following sources:		
Dividends received	77,309	41,818
Interest and unit trust distributions received	95,656	84,778
Imputation credits refund	31,388	16,055
Profit/(loss) on disposal of investments	23,549	51,593
Depreciation	(1,373)	(752)
Total income (deficit) from all other sources	226,529	193,492
Net deficit (surplus) for the year	(33,003)	(161,638)
	193,526	31,854

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

		2019	2018
(ii) Comparisons of monetary figures and percentages	\$	%	%
Total cost of fundraising / gross income from fundraising	35,151 / 280,989	13	10
Net surplus from fundraising / gross income from fundraising	245,838 / 280,989	87	90
Total costs of services provided / gross income	439,364 / 508,891	86	62
Total costs of services provided / total expenditure	439,364 / 475,888	92	91
(iii) Fundraising appeals conducted during the year			
Annual direct mail appeal, Christmas appeal, targeted appeals			

THE MEDICAL BENEVOLENT ASSOCIATION OF NSW
ACN 000 033 830
UNAUDITED
INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2019

	2019 \$	2018 \$
INCOME		
Donations - organisations	18,760	28,129
Donations - individuals	199,036	201,611
Bequests	43,417	11,569
Other donations – AMA & directed	18,413	17,900
Grant funding	-	50,000
Other fundraising income/sundry income	1,364	1,234
Dividends received	77,309	41,818
Interest & trust distributions received	95,655	84,778
Imputation credits refundable	31,388	16,055
Profit on disposal of investments	23,549	51,593
	508,891	504,687
EXPENDITURE ON ADMINISTRATION		
Audit and Professional expenses	13,700	7,800
Appeal expenses	35,151	29,850
Depreciation	1,373	752
General and administration expenses	11,806	14,047
Insurance	3,537	7,646
Portfolio management fee	18,264	17,479
Printing & stationery	712	625
Sundry Expense	635	-
Superannuation contributions	5,749	4,553
Impairment Loss	-	-
Telephone expenses	1,794	2,068
Travel, meetings, conferences	1,293	2,935
Wages – administration	63,076	55,050
	157,090	142,805
NET SURPLUS AFTER ADMINISTRATION EXPENSES	351,801	361,882
LESS: EXPENDITURE ON DIRECT SERVICES		
Payments to beneficiaries	192,073	88,496
Social work counselling support	126,725	111,748
	318,798	200,244
NET SURPLUS (DEFICIT)	33,003	161,638

AUDITORS' INDEPENDENCE DECLARATION
UNDER AUSTRALIAN CHARITIES AND NOT FOR PROFITS COMMISSION ACT 2012
SECTION 60-40 TO THE COUNCIL of
THE MEDICAL BENEVOLENT ASSOCIATION OF NEW SOUTH WALES
(a company limited by guarantee)

As lead auditor for the audit of The Medical Benevolent Association of New South Wales (a company limited by guarantee) (A.B.N. 34 000 033 830) for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of The Medical Benevolent Association of New South Wales and any entities it controlled during the period.

MITCHELL & PARTNERS
Chartered Accountants



Glenn Merchant CA
Partner

Sydney, NSW
Dated this 18th day of November, 2019

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
THE MEDICAL BENEVOLENT ASSOCIATION OF NEW SOUTH WALES
(a company limited by guarantee)
A.B.N. 34 000 033 830

Report on the Financial Statements

Opinion

We have audited the financial report of The Medical Benevolent Association of New South Wales (the entity) which comprises the statement of comprehensive income for the year ended 30 June, 2019, statement of financial position as at 30 June 2019, statement of changes in equity, statement of cash flows, statement of funds received and applied to Charitable purposes for the year ended 30 June, 2019, a summary of significant accounting policies and other explanatory notes and the Councilors' declaration.

In our opinion, the accompanying financial report of The Medical Benevolent Association of New South Wales is in accordance with The Associations Incorporations Act 2009, Division 60 of the *Australian Charities and Not for Profits Commission Act 2012* and the *Corporations Act 2001*, including:

- giving a true and fair view of the association's financial position as at 30 June 2019, and of its performance for the year then ended ; and
- complying with Australian Accounting Standards, Division 60 of the *Australian Charities and Not for Profits Commission Regulation 2013*, and the *Corporations Act 2001*.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 2 of the financial report which describes the basis of accounting. The financial report has been prepared to assist The Medical Benevolent Association of New South Wales in its financial reporting obligations and may not be suitable for another purpose

Basis of 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 entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board APES 110: Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the council members of The Medical Benevolent Association of New South Wales, would be in the same terms if given to the Council 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.

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Information Other than the Financial Report and Auditor's Report Thereon

The council members are responsible for the other information. The other information comprises the information included in the entity's annual report for the year ended 30 June, 2019, but does not include the financial report and our auditor's report thereon.

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

The Responsibility of the Council for the Financial Statements

The council members of The Medical Benevolent Association of New South Wales are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, the ACNC Act and its regulations, the *Associations Incorporation Act 2009*, and for such internal control as the council members determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibility 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 the 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 controls.
- 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 purposes of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the council members.

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- Conclude on the appropriateness of the council members' 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 entity'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 entity to cease to continue as a going concern.
-

We communicate with the responsible entities 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 council members with a statement that we have complied with relevant ethical requirements requiring 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.

MITCHELL & PARTNERS
Chartered Accountants



Glenn Merchant CA
Partner

Sydney, NSW
Dated this 18th day of November, 2019

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THE MEDICAL BENEVOLENT ASSOCIATION OF NEW SOUTH WALES
(a company limited by guarantee)
A.B.N. 34 000 033 830

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 New South Wales ("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 New South Wales but amounts stated therein have not necessarily been verified as part of our audit examination.

MITCHELL & PARTNERS
Chartered Accountants



Glenn Merchant CA
Partner

Sydney, NSW
Dated this 19th day of November, 2019

ABN: 62 606 570 742

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