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

FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

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

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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 November, 2020. 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 2020 in accordance with 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 C Dalton	Medical Practitioner	20	President
Dr F Virant	Medical Practitioner	26	Vice-President
Dr D Shelley Jones	Medical Practitioner	4	Vice-President
Dr A Wines	Medical Practitioner	26	Secretary
Dr H Freeborn	Medical Practitioner	4	Treasurer
Dr D Chen, OAM (resigned Nov 2019)	Medical Practitioner	28	
Dr V Wong	Medical Practitioner	22	
Dr S Morey, AM	Medical Practitioner	17	
Dr F Choi	Medical Practitioner	13	
Dr C Brassill	Medical Practitioner	12	
Dr R Mina (resigned Nov 2019)	Medical Practitioner	12	
Dr J Allman	Medical Practitioner	10	
Dr I Wechsler	Medical Practitioner	9	
Dr V Rogers	Medical Practitioner	7	
Dr J Borbasi	Medical Practitioner	3	
Dr D Campbell (resigned Sept 2019)	Medical Practitioner	<1	
Dr G Farrow (joined May 2020)	Medical Practitioner	<1	
Dr L Stone (joined May, resigned Aug 2020)	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 $160,713 after payments and services to beneficiaries of $199,713 (2019: surplus of $33,003 after payments and services to beneficiaries of $318,798).

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 2020, 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 C Dalton	12	11
Dr V Rogers	12	7
Dr D Shelley Jones	12	11
Dr A Wines	12	9
Dr F Choi	12	9
Dr H Freeborn	12	6
Dr F Virant	12	10
Dr V Wong	12	9
Dr S Morey, AM	12	11
Dr C Brassill	12	5
Dr J Allman	12	9
Dr I Wechsler	12	11
Dr J Borbasi	12	9
Dr D Chen, OAM (resigned Nov 2019)	5	5
Dr R Mina (resigned Nov 2019)	5	4
Dr D Campbell (resigned Sept 2019)	2	2
Dr G Farrow (joined May 2020	2	2
Dr L Stone (joined May 2020)	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 Mitchell & Partners is included within this financial report.

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

C Dalton

Dr Chris Dalton

Dr Helen Freeborn

16 November 2020

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 2020 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 Chris Dalton **Dr Helen Freeborn**

Sydney, NSW
16 November 2020

DECLARATION BY PRESIDENT IN RESPECT OF FUNDRAISING APPEALS

I. Dr Chris Dalton, 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 November 2020

Dr Chris Dalton
President

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

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 $	2019 $
Revenue from continuing operations	10	491,266	485,342
Profit on disposal of investments		42,360	23,549
Depreciation		(371)	(1,373)
Appeal expenses		(37,693)	(35,151)
Employee benefits expense		(73,402)	(68,825)
Payments and services to beneficiaries		(199,713)	(318,798)
Portfolio management fees		(17,854)	(18,264)
Other expenses		(43,880)	(33,477)
(Deficit)/surplus before income tax expense		**160,713**	**33,003**
Income tax expense	1		
Net (deficit)/ surplus for the year	11	**160,713**	**33,003**
Other comprehensive income			
Available-for-sale financial assets		(267,552)	(18,238)
Other comprehensive (loss)/income for the year		**(267,552)**	**(18,238)**
Total comprehensive (loss)/income for the year		**(106,839)**	**14,765**

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 2020

	Note	2020 $	2019 $
CURRENT ASSETS			
Cash and cash equivalents	2	194,381	188,324
Trade and other receivables	3	177,550	158,865
TOTAL CURRENT ASSETS		371,931	347,189
NON CURRENT ASSETS			
Available-for-sale financial assets	4	2,030,787	2,214,035
Property, plant & equipment	5	446	-
TOTAL NON CURRENT ASSETS		2,031,233	2,214,035
TOTAL ASSETS		**2,403,164**	**2,561,224**
CURRENT LIABILITIES			
Trade and other payables	6	26,212	31,685
Employee benefits	7	14,380	38,501
TOTAL CURRENT LIABILITIES		40,592	70,186
NON CURRENT LIABILITIES			
Employee benefits	7	-	21,627
TOTAL NON CURRENT LIABILITIES		-	21,627
TOTAL LIABILITIES		**40,592**	**91,813**
NET ASSETS		**2,362,572**	**2,469,411**
ACCUMULATED FUNDS			
Reserves	12	391,556	659,108
Accumulated funds	11	1,971,016	1,810,303
TOTAL ACCUMULATED FUNDS		**2,362,572**	**2,469,411**

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 2020

	Reserves	Accumulated Funds $	Total $
Balance at 1 July 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**
Total comprehensive income for the year	(267,552)	160,713	(106,839)
Balance at 30 June 2020	**391,556**	**1,971,016**	**2,362,572**

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 2020

	Note	2020 $	2019 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from donors & investments		518,177	495,131
Payments to suppliers and employees		(427,013)	(459,441)
Interest received		13	0
Net cash used in operating activities		91,177	35,690
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		(817)	0
Proceeds from sale of investments		460,067	518,540
Acquisition of investments		(544,370)	(500,662)
Net Cash provided by investing activities		(85,120)	17,878
Net increase (decrease) in cash held		6,057	53,568
Cash and cash equivalents at beginning of financial year		188,324	134,756
Cash and cash equivalents at end of year	2	**194,381**	**188,324**

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

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.

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.

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.

		2020 $	2019 $
2.	**CASH AND CASH EQUIVALENTS**		
	Commonwealth Bank - a/c 901-952	36,442	47,858
	Commonwealth Bank - a/c 1010 4795	4,896	6,089
	Commonwealth Bank - a/c 800 529	2,000	2,000
	BT Investment Management No 3 Pty Limited	5,043	5,377
	BT Institutional Managed Cash Fund	146,000	127,000
		194,381	**188,324**
3.	**TRADE AND OTHER RECEIVABLES**		
	Current		
	GST	7,187	5,161
	Other debtors	129,510	111,653
	Undeposited funds	19,639	35,156
	Prepayments	6,870	6,895
	Accrued Income	14,310	-
	Deposits	34	-
		177,550	**158,865**
4.	**AVAILABLE-FOR-SALE FINANCIAL ASSETS**		
	Equity Securities - at fair value		
	Australian Shares - listed	637,328	704,519
	Australian Real Estate Securities - listed	183,190	191,093
	International Real Estate Securities	43,213	59,648
	International Shares	268,918	337,483
	Other Securities - at fair value		
	Australian Fixed Interest	676,978	690,982
	International Fixed Interest	221,160	230,310
		2,030,787	**2,214,035**

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

	2020 $	2019 $
Carrying amount at beginning of year	2,214,035	2,250,151
Additions	314,387	202,953
Disposals proceeds	(272,443)	(244,380)
Profit on disposal	42,360	23,549
Impairment loss	-	-
Revaluation (deficit)/surplus transferred to equity	(267,552)	(18,238)
Carrying amount at end of year	2,030,787	2,214,035

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 2020 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).

	2020 $	2019 $
5. PROPERTY, PLANT & EQUIPMENT		
Plant & Equipment at cost	244	244
Less: Accumulated Depreciation	(244)	(244)
	-	-
Furniture & Fittings at cost	792	792
Less: Accumulated Depreciation	(792)	(792)
	-	-
Computer Equipment at cost	8,173	7,356
Less: Accumulated Depreciation	(7,727)	(7,356)
	446	-
Total property, plant & equipment	**446**	**-**
Carrying amount at the beginning of the financial year	-	1,373
Add: additions of property, plant & equipment	817	0
Less: disposals		
Less: depreciation expense	(371)	(1,373)
Carrying amount at the end of the financial year	**446**	**-**

		2020 $	2019 $
6.	**PAYABLES**		
	Current		
	Trade creditors	10,280	10,063
	Other creditors	15,932	21,622
		26,212	**31,685**
7.	**EMPLOYEE BENEFITS**		
	Current		
	Annual leave	9,824	38,501
	Time in Lieu	4,556	-
		14,380	**38,501**
	Non - current		
	Annual leave	-	-
	Long service Leave	-	21,627
		-	**21,627**

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 C Dalton, Dr V Rogers, Dr D Shelley Jones, Dr A Wines, Dr F Choi, Dr H Freeborn, Dr D Chen, Dr F Virant, Dr V Wong, Dr S Morey, Dr C Brassill, Dr R Mina, Dr J Allman, Dr I Wechsler, Dr J Borbasi, Dr D. Campbell, Dr G Farrow and Dr L Stone.

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 (2019: nil).

	2020 $	2019 $
10. REVENUE FROM CONTINUING OPERATIONS		
Donations - Appeals	235,423	217,796
Bequests	3,815	43,417
Other donations	650	18,413
Dividends received	31,303	77,309
Interest and trust distributions received	142,910	95,655
Grant funding	50,000	-
Imputation credits refund	11,855	31,388
Other fundraising income/sundry income	15,310	1,364
	491,266	**485,342**
11. ACCUMULATED FUNDS		
Accumulated surplus at the beginning of the financial year	1,810,303	1,777,300
Net (deficit)/surplus for the year	160,713	33,003
Accumulated surplus at the end of the financial year	**1,971,016**	**1,810,303**
12. RESERVES		
Available-for-sale revaluation reserve		
Balance 1 July 2019	659,108	677,346
(Devaluation)/revaluation	(267,552)	(18,238)
Impairment loss transferred to profit or loss		
Balance 30 June 2020	**391,556**	**659,108**

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.

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

	2020 $	2019 $
Details of aggregate gross income and expenditure of fundraising appeals (including bequests and donations):		
Gross proceeds from appeals	305,198	280,989
Less Costs of appeals	(37,693)	(35,151)
Net surplus from fundraising appeals	267,505	245,838
Statement showing how funds received were applied to charitable purposes:		
Net surplus from fundraising appeals	267,505	245,838
This was applied to the charitable purposes in the following manner:		
Expenditure on direct services	199,713	318,798
Expenditure on administration	135,136	120,566
Expenses applied to charitable purposes	334,849	439,364

The shortfall of $67,344 being the difference between the $267,505 available from fundraising appeals conducted and total expenditure of $334,849 was provided from the following sources:

Dividends received	31,303	77,309
Interest and unit trust distributions received	142,910	95,656
Imputation credits refund	11,855	31,388
Profit/(loss) on disposal of investments	42,360	23,549
Depreciation	(371)	(1,373)
Total income (deficit) from all other sources	228,057	226,529
Net deficit (surplus) for the year	(160,713)	(33,003)
	67,344	**193,526**

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

(ii) Comparisons of monetary figures and percentages	$	2020 %	2019 %
Total cost of fundraising / gross income from fundraising	37,693 / 305,198	12	13
Net surplus from fundraising / gross income from fundraising	267,505 / 305,198	88	87
Total costs of services provided / gross income	334,849 / 533,626	63	86
Total costs of services provided / total expenditure	334,849 / 372,913	90	92

(iii) Fundraising appeals conducted during the year
Annual direct mail appeal, Christmas appeal, targeted appeals

Mitchell & Partners
CHARTERED ACCOUNTANTS

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 2020, 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

Glenn Merchant CA
Partner

Sydney, NSW
Dated this 16th day of November, 2020

Mitchell & Partners
CHARTERED ACCOUNTANTS

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, 2020, statement of financial position as at 30 June 2020, statement of changes in equity, statement of cash flows, statement of funds received and applied to Charitable purposes for the year ended 30 June, 2020, 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 2020, 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 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.

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, 2020, 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.

- 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.
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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

Glenn Merchant CA
Partner

Sydney, NSW
Dated this 16th day of November, 2020

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 16th day of November, 2020

THE MEDICAL BENEVOLENT ASSOCIATION OF NSW
ACN 000 033 830
UNAUDITED
INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2020

	2020 $	2019 $
INCOME		
Donations - organisations	26,000	18,760
Donations - individuals	209,423	199,036
Bequests	3,815	43,417
Other donations – AMA & directed	650	18,413
Grant funding	50,000	-
Other fundraising income/sundry income	15,310	1,364
Dividends received	31,303	77,309
Interest & trust distributions received	142,910	95,655
Imputation credits refundable	11,855	31,388
Profit on disposal of investments	42,360	23,549
	533,626	508,891
EXPENDITURE ON ADMINISTRATION		
Audit and Professional expenses	28,938	13,700
Appeal expenses	37,693	35,151
Depreciation	371	1,373
General and administration expenses	9,909	11,806
Insurance	5,033	3,537
Portfolio management fee	17,854	18,264
Printing & stationery	-	712
Sundry Expense	-	635
Superannuation contributions	6,535	5,749
Clinical Supervision	-	-
Telephone expenses	-	1,794
Travel, meetings, conferences	-	1,293
Wages – administration	66,867	63,076
	173,200	157,090
NET SURPLUS AFTER ADMINISTRATION EXPENSES	360,426	351,801
LESS: EXPENDITURE ON DIRECT SERVICES		
Payments to beneficiaries	95,579	192,073
Social work counselling support	104,134	126,725
	199,713	318,798
NET SURPLUS (DEFICIT)	**160,713**	**33,003**