

MEDICAL BENEVOLENT ASSOCIATION OF QUEENSLAND

ABN 33 126 718 376

**FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018**

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Auditor's Independence Declaration

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Statement of Financial Position

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Directors' Declaration

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MEDICAL BENEVOLENT ASSOCIATION OF QUEENSLAND

ABN 33 126 718 376

DIRECTORS' REPORT

Your directors submit the financial accounts of the company for the year ended 31 December 2018.

Principal Activities

The principal activity of the company during the year was the granting of financial relief and assistance to necessitous members of the company and of the medical profession.

No significant change has occurred in the nature of this activity, or in the state of affairs of the company.

Operating Results and Review of Operations

The net loss amounted to \$12,045 (2017: Profit \$82,353).

Future Developments and Expected Results

The company aims to increase the awareness within Queensland's medical profession of our existence and objectives.

Dividends Paid or Recommended

As the company is limited by guarantee it is prohibited from paying dividends to its members.

Matters Subsequent to the End of the Financial Year

There have not been any events arising since 31 December 2018 which significantly affects or may significantly affect:-

- (a) the operations of the company;
- (b) the results of those operations; or
- (c) the state of affairs of the company.

Environmental Issues

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Proceedings on Behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the entity or intervene in any proceedings to which the entity is a party for the purpose of taking responsibility on behalf of the entity for all or any part of those proceedings.

The entity was not a party to any such proceedings during the year.

MEDICAL BENEVOLENT ASSOCIATION OF QUEENSLAND

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DIRECTORS' REPORT

Directors

The following persons held office during or since the end of the year:

Robert Paul Brown
Filomena Ferlan
Ralph Patrick Devlin
Lisa Ann Cavaye
Justin Blaise Bissell
Zelle Hodge
Julienne Agnew
Kimberley Bondeson

All directors are non-executive and independent. None of the directors have received any remuneration for the performance of their duties as directors during the year.

Directors' Benefits

Since 31 December 2018, no director of the company has received or become entitled to receive a benefit by reason of a contract made by the company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 31 December 2018 has been received and is attached to the director's report.

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

Director

F. Ferlan

Director

Dated this day of 2019

LBue
dated 25th day of 2019

Robert Paul Brown

MEDICAL BENEVOLENT ASSOCIATION OF QUEENSLAND

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AUDITOR'S INDEPENDENCE DECLARATION

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2018 there have been:

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

RAMSEY & ASSOCIATES
Auditors & Accountants

Ipswich, Queensland

Neil Morris

Neil Morris, Chartered Accountant
Registered Company Auditor

25/03/2019

MEDICAL BENEVOLENT ASSOCIATION OF QUEENSLAND

ABN 33 126 718 376

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

2017		<u>Notes</u>	2018
	Revenue		
-	Membership subscriptions		-
16,300.00	Donations & Sponsorships		12,100.00
28,306.99	Dividends Received		29,932.55
2,438.33	Interest Received		3,383.46
69,874.40	Profit from sale of investments		10,486.57
36,444.47	The Peter & Monica Foxwell Memorial Trust Distributions		47,715.37
<u>153,364.19</u>			<u>103,617.95</u>
	Expenses		
2,360.00	Auditor's remuneration		2,400.00
61.30	Bank charges		29.50
131.81	Catering		45.45
380.00	Room hire		280.50
43,500.00	Grants of assistance		95,000.00
1,521.23	Insurance		1,638.55
9.29	Courier/Taxi		-
67.18	Photocopying, postage & stationery		-
696.92	Printing		-
574.96	Records storage		622.96
7,764.01	Share Management fees		10,157.43
6,673.03	Secretarial Fees including phone services		7,089.63
449.20	Website Costs		839.30
15,187.71	Net losses on disposal of investments		5,205.50
<u>79,376.64</u>			<u>123,308.82</u>
73,987.55	Surplus/(deficit) before income tax expense		- 19,690.87
8,366.16	Income tax refunds of franking credits	1(f)	<u>7,646.00</u>
<u>\$ 82,353.71</u>	Net current year surplus		<u>-\$ 12,044.87</u>
	Other comprehensive income		
<u>17,860.57</u>	Fair value measurement gains/(losses) on financial assets		<u>1,723.38</u>
<u>17,860.57</u>	Total other comprehensive income for the year		<u>1,723.38</u>
<u>\$ 100,214.28</u>	Total comprehensive income for the year		<u>-\$ 10,321.49</u>

The accompanying notes form part of these financial statements

MEDICAL BENEVOLENT ASSOCIATION OF QUEENSLAND

ABN 33 126 718 376

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

2017		<u>Notes</u>	2018
CURRENT ASSETS			
	Cash and cash equivalents:		
35,612.65	Westpac Gift Account	18,813.78	
19,753.69	Westpac Max-f Bonus Account	68,470.07	
<u>251,940.02</u>	Macquarie Cash Management Account	<u>176,377.58</u>	
307,306.36			263,661.43
<u>307.18</u>	Other Receivables		<u>761.01</u>
<u>307,613.54</u>	TOTAL CURRENT ASSETS		<u>264,422.44</u>
NON-CURRENT ASSETS			
	Financial Assets		
	Shares in Public Companies - at market value:		
69,019.92	Amcor Ltd		59,307.00
30,621.00	AMP Limited		-
44,259.60	ANZ Banking Group Limited		37,668.40
-	Atlas Arteria Stapled		72,058.86
35,484.00	BHP Billiton Ltd		41,076.00
34,050.00	Caltex Australia Ltd		25,480.00
40,170.00	Commonwealth Bank		36,195.00
87,606.00	CSL Limited		114,799.20
72,404.19	Macquarie Atlas Roads		-
44,355.00	National Australia Bank Ltd		36,105.00
19,009.56	Origin Energy Ltd		-
15,173.64	Orora Limited		13,741.32
98,558.32	Resmed Inc		142,770.56
-	Suncorp		25,260.00
30,855.00	Telstra Corporation Ltd		24,225.00
19,106.47	Transurban Group		19,234.15
57,997.50	Westpac Banking Corporation Ltd		83,884.00
<u>698,670.20</u>			<u>731,804.49</u>
<u>698,670.20</u>	TOTAL NON-CURRENT ASSETS	5	<u>731,804.49</u>
<u>1,006,283.74</u>	TOTAL ASSETS		<u>996,226.93</u>
CURRENT LIABILITIES			
<u>0.18</u>	Trade and other payables		<u>264.86</u>
<u>0.18</u>	TOTAL LIABILITIES		<u>264.86</u>
<u>\$ 1,006,283.56</u>	NET ASSETS		<u>\$ 995,962.07</u>
EQUITY			
		2	
224,409.88	Asset Revaluation Reserve		226,133.26
<u>781,873.68</u>	Retained Earnings		<u>769,828.81</u>
<u>\$ 1,006,283.56</u>	TOTAL EQUITY		<u>\$ 995,962.07</u>

The accompanying notes form part of these financial statements

MEDICAL BENEVOLENT ASSOCIATION OF QUEENSLAND

ABN 33 126 718 376

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

	<u>Asset Revaluation Reserve</u>	<u>Retained Earnings</u>	<u>Total</u>
Balance at 01 January 2017	206,549.31	699,519.97	906,069.28
Surplus/(deficit) for the period	-	82,353.71	82,353.71
Total other comprehensive income	<u>17,860.57</u>	<u>-</u>	<u>17,860.57</u>
Balance at 31 December 2017	224,409.88	781,873.68	1,006,283.56
Surplus/(deficit) for the period	-	- 12,044.87	- 12,044.87
Total other comprehensive income	<u>1,723.38</u>	<u>-</u>	<u>1,723.38</u>
Balance at 31 December 2018	<u>\$ 226,133.26</u>	<u>\$ 769,828.81</u>	<u>\$ 995,962.07</u>

The accompanying notes form part of these financials statements

MEDICAL BENEVOLENT ASSOCIATION OF QUEENSLAND

ABN 33 126 718 376

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018

<u>2017</u>		<u>2018</u>
	Cash flows from Operating Activities	
16,300.00	Receipts from Members and Donors	12,100.00
(64,448.26)	Payments to Suppliers	(118,292.45)
28,306.99	Dividends Received	29,932.55
2,438.33	Interest Received	3,383.46
8,366.16	Income Tax expense/franking credits refunded	7,646.00
36,444.47	Trust Distributions Received	47,715.37
<u>27,407.69</u>	Net Cash inflow/(out flow) from Operating Activities	<u>(17,515.07)</u>
	Cash flows from Investing Activities	
(115,299.63)	Purchase of Investments	(70,083.62)
194,832.15	Proceeds from disposal of Investments	43,953.76
<u>79,532.52</u>	Net Cash inflow/(out flow) from Investing Activities	<u>(26,129.86)</u>
106,940.21	Net Increase / (Decrease) in Cash and Cash equivalents	(43,644.93)
<u>200,366.15</u>	Cash and Cash equivalents at the Beginning of the Financial Period	<u>307,306.36</u>
<u>\$ 307,306.36</u>	Cash and Cash equivalents at the End of the Financial Year	<u>\$263,661.43</u>
	Reconciliation of Net Cash provided by Operating Activities to Profit after Income Tax:	
82,353.71	Profit after income tax	(12,044.87)
	Non-cash flows in profit:	
(54,686.69)	Net losses/(gains) on disposal of investments	(5,281.07)
	Changes in assets and liabilities:	
(51.20)	Increase/(decrease) in trade and other payables	264.68
(208.13)	(Increase)/ decrease in prepayments and other receivables	(453.81)
<u>\$ 27,407.69</u>	Net Cash provided by/(used in) Operating Activities	<u>\$ (17,515.07)</u>

The accompanying notes form part of these financial statements

MEDICAL BENEVOLENT ASSOCIATION OF QUEENSLAND

ABN 33 126 718 376

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of preparation

These general purpose financial statements has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent issues Group Interpretations and the Corporations Act 2001. Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards. Compliance with AIFRSs ensures that the financial statements and notes of the company comply with International Financial Reporting Standards (IFRSs).

These financial statements have been prepared on an accruals basis, and under the historical cost convention.

(b) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. All revenue is stated net of the amount of goods and services tax (GST).

(c) Cash and cash equivalents

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, and bank overdrafts. Bank overdrafts (if any) are shown within borrowings in current liabilities on the balance sheet.

(d) Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation 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 the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

(e) Trade and other Payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid with 30 days of recognition.

MEDICAL BENEVOLENT ASSOCIATION OF QUEENSLAND

ABN 33 126 718 376

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(f) Income Tax

This organisation is exempt from paying income tax under Division 50 of the Income Tax Assessment Act 1997. Any refunds of imputation credits on dividends received are brought to account as income only when received from the Australian Taxation Office.

(g) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

NOTE 2: EQUITY - MEMBERS' GUARANTEE

The company is limited by guarantee, and as such has no issued capital. If the company is wound up, the Constitution states that each member is required to contribute a maximum of \$100 each towards meeting any outstanding obligations of the company.

NOTE 3: RELATED PARTY TRANSACTIONS

(a) The persons holding office as directors during the year were:

Robert Paul Brown	Justin Blaise Bissell
Filomena Ferlan	Zelle Hodge
Ralph Patrick Devlin	Julienne Agnew
Lisa Ann Cavaye	
Kimberley Bondeson	

(b) No directors received any remuneration from the company for the performance of their duties as a director.

(c) The Queensland Branch of the Australian Medical Association provides services to the company at charges no more than those which are charged to other organisations and customers. Some of the company's directors are members of the Queensland Branch of the Australian Medical Association.

NOTE 4: SEGMENT INFORMATION

The company operates in Queensland to grant financial relief and assistance to necessitous members of the company and the medical profession.

MEDICAL BENEVOLENT ASSOCIATION OF QUEENSLAND

ABN 33 126 718 376

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 5: FINANCIAL ASSETS

	<u>Cost</u>	<u>Market Value at</u> <u>31/12/2018</u>
Shares in Public Companies:		
Amcor Limited	49,999.61	59,307.00
ANZ Banking Group Limited	41,222.65	37,668.40
Atlas Arteria Stapled	55,136.32	72,058.86
BHP Billiton Ltd	38,899.01	41,076.00
Caltex Australia Limited	29,365.31	25,480.00
Commonwealth Bank	37,905.30	36,195.00
CSL Limited	42,750.67	114,799.20
National Australia Bank Ltd	16,391.63	36,105.00
Orora Limited	5,249.96	13,741.32
Resmed Inc	49,998.39	142,770.56
Suncorp Group Ltd	27,346.50	25,260.00
Transurban Group	13,412.45	19,234.15
Telstra Corporation Ltd	29,023.08	24,225.00
Westpac Banking Corporation Ltd	62,940.13	83,884.00
	<u>499,641.01</u>	<u>731,804.49</u>

Market values are as per Australian Stock Exchange publicly-available data.

NOTE 6: COMPANY DETAILS

The company's registered office is:

Queensland Branch of the Australian Medical Association
88 L'Estrange Terrace
Kelvin Grove Qld 4059

The company's principal place of business is:

Queensland Branch of the Australian Medical Association
88 L'Estrange Terrace
Kelvin Grove Qld 4059

MEDICAL BENEVOLENT ASSOCIATION OF QUEENSLAND

ABN 33 126 718 376

DIRECTORS' DECLARATION

The directors of the company declare that:

1. the attached Statements of Comprehensive Income, Financial Position, Changes in Equity, and Cash Flows, and Notes to the financial statements are in accordance with the Corporations Act 2001; and
 - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the company's financial position as at 31 December 2018, and of its performance for the year ended on that date; and
2. in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director

A. Furlan

Director

Dated this day of 2019

RPB
dated this 25th
day of 2019

Robert Paul Brown



Ramsey & Associates

Auditors & Accountants

A.B.N. 64 882 623 520

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*Liability limited by a scheme approved under
Professional Standards Legislation*

INDEPENDENT AUDITOR'S REPORT

To the Members of Medical Benevolent Association of Queensland

Opinion

We have audited the financial report of Medical Benevolent Association of Queensland (the Company), which comprises the statement of financial position as at 31 December 2018, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the company's financial position as at 31 December 2018 and of its performance for the year then ended; and
- Complying with Australian Accounting Standards to the extent described in Note 1, and the *Corporations Regulations 2001*.

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 Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical 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.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors 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.

Responsibilities of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company'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 directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 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 judgment and maintain professional skepticism 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 Company'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 Company 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 directors 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.

Ramsey & Associates
Ipswich Qld



Neil Morris
Chartered Accountant
Registered Company Auditor

Dated this 25th day of March 2019