



AUSTRALIAN MEDICAL ASSOCIATION (ACT) LIMITED

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AMA (ACT) TREASURER'S REPORT 2018

Dr Andrew Miller

Dear Members

The AMA (ACT)'s financial statements for the 2018 financial year are attached. These have been prepared and audited in accordance with company law.

The Company has again returned a loss for the 2018 year, but this loss has been reduced to less than half the deficit for 2017.

Total AMA (ACT) revenue for 2018 increased to \$605,790 compared with \$597,003 for 2017 and \$578,689 in 2016. Membership revenues have increased by \$ 18,759 to \$243,870.

Sponsorship revenue has reduced to \$30,227. There has been an increase in sundry revenue from activities to \$13,768. Commission revenue has increased to \$3,695. This segment of revenue has remained relatively constant with changes and exchanges between related revenue streams. Following the Financial Services Royal Commission our sponsors have indicated that the nature of our relationship may need to change. Obviously any legislative and regulatory changes flowing from the Royal Commission will potentially have an impact on our earning capacity, and the Board continues to keep these matters under review.

Canberra Doctor revenue has slipped to \$104,421. The Board has flagged Canberra Doctor revenue as an area for attention in past years, despite previous performance and continues to explore options that will enhance its value proposition for advertisers; including on-line solutions. Some of this reduction in revenue is attributable to the reduced number of published issues in 2018. This is also reflected in part in the reduction in publication costs. The net return in 2018 of \$68,945 is comparable to the 2017 figure of \$69,596. Income from the Specialist and Allied Health Directory has remained relatively steady at \$28,145.

Company expenses have been pegged back to \$621,426, a cost saving of over \$ 10,000 compared with 2017. This saving has been achieved through a rationalisation of staffing at the same time as stepping up targeted services to members.

Members' equity at the end of the year stood at \$ 355,770. The reduction is in line with the deficit result for the year. The current ratio at year end was a healthy 1.43. It should be noted that 45% of the booked current liabilities are deferred revenue representing membership subscriptions collected and Canberra Doctor advertising for the 2019 year. The company remains able to meet its liabilities as and when they fall due.

The MOU between AMA (ACT) and AMA Ltd continues to provide the structure for support to the Company in the form of rental and IT and other support. The Board is satisfied that this provides us with medium term security however we are aware of the strategic risk this arrangement presents and are prepared to reassess the situation.

The Company has enjoyed a remarkable level of Governmental and community attention over the last year. It has been very active industrially as well as maintaining a high profile in our community. These activities require resourcing, but with careful attention to expenditure, and as always with the significant donation of time and effort by members, we have succeeded in all these endeavours without compromising the sound financial position of the Company.

Attention continues to be paid to membership growth and I am happy to report that we have out-performed most of the other state and territory AMAs with our recruitment and retention rates.

I would like to acknowledge the support as treasurer throughout the year, and assistance in preparation of this report, provided by Tanya Smith, the company accountant. I would also like to acknowledge the hard work by the secretariat staff in keeping our organisation active, viable and at all times friendly. This culture, as well as the direction of our activities is without a doubt attributable to the capabilities and enthusiasm of Peter Somerville, our CEO. He and all our staff deserve our sincere thanks.