



Australian Medical Association
(South Australia) Inc.

2012
Annual Report

AMA(SA) Council | Membership

Membership of Council as of 31 December 2012

Position on Council

President:	Dr Peter Sharley (9)
Vice President:	Dr David Walsh – to May 2012 (6)
.....	Dr Patricia Montanaro – from June 2012 (10)
Immediate Past President:	Dr Andrew Lavender (4)
Honorary Medical Treasurer:	Dr Margaret Cowling – to May 2012 (6)
Honorary Medical Secretary (appointment from within Council):	Dr David Walsh – to May 2012 (6)

Federal Councillors

Branch Nominee:	Dr Peter Sharley (9)
Area Representative for SA and NT:	Dr Andrew Lavender (4)
Treasurer:	Dr Peter Ford (7)

Craft Group Representatives

Anaesthetists:	Dr Margaret Cowling (6)
Emergency Medicine:	Dr Conrad Williams – from July 2012 (8)
General Practitioners:	Dr Christopher Clohesy (8)
Obstetricians and Gynaecologists:	Dr Stephen Lane (4)
Paediatrics:	Vacant
Pathologists:	Dr Heather Cain – to May 2012 (0)
.....	Dr Janice Fletcher – from June 2012 (6)
Physicians:	Dr Andrew Russell (9)
Psychiatrists:	Dr Michelle Atchison (6)
Radiologists:	Dr Andrew Wicks (6)
Surgeons:	Dr David Walsh (6)

Doctors in Training Representatives	Dr Rick Fielke – to May 2012 (1)
.....	Dr Andrew Shepherd – from June 2012 (3)

Medical Students Representatives

Adelaide:	Mr Mark Hassall (3)
Flinders:	Mr Sanj Mudaliar (7)

Ordinary Members of Council	Dr Christopher Moy (7)
.....	Dr Andrew Perry – to May 2012 (1)
.....	Dr Rahul Solanki – from June 2012 (4)
.....	Dr Penelope Briscoe – from June 2012 (4)
.....	Dr Susan Baillie – from June 2012 (8)
.....	Dr Stephan Van Eeden – from August 2012 (3)
.....	Dr William Tam – from August 2012 (2)
.....	Dr Roger Sexton – from July 2012 (4)
.....	Dr Patricia Montanaro – to May 2012 (10)

Regional Representatives

Northern:	Dr Nigel Stewart (3)
South Eastern:	Dr Trevor Hodson – to May 2012 (5)
.....	Dr Oluwadare Kuku – from June 2012 (0)
Riverland:	Dr Roger Sexton – to May 2012 (4)
.....	Dr Peter Tait – from June 2012 (4)
Western:	Dr John Williams – from June 2012 (5)

Salaried Medical Officers Representative	Dr Conrad Williams – to June 2012 (8)
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Women in Medicine	Dr Janice Fletcher until May 2012 (6)
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Note: numbers indicate total attendance at the AMA(SA) meetings February - December 2012 (a total of 10 meetings)

AMA(SA) Council | Changes

Changes to the AMA(SA) Council at the AMA(SA) Annual General Meeting, held Thursday 3 May 2012

Retiring Councillors

- Dr Heather Cain retired from the position of Craft Group Representative for Pathologists, a position she has held since June 2009.
- Dr Rick Fielke retired from the position of Doctors in Training Representative, a position he has held since June 2009.
- Dr Mary-Ann Fox retired from the position of Craft Group Representative for Anaesthetists, a position she has held since June 2011.
- Dr Trevor Hodson retired from the position of Regional Representative – South Eastern, a position he has held since April 2009.
- Dr Andrew Perry retired from the position of Ordinary Member, a position he has held since June 2010.
- Dr Roger Sexton retired from the position of Regional Representative – Riverland, a position he has held since June 2008.
- Dr David Walsh retired from the role of Vice President, which he filled as a casual vacancy.
- Dr Martin Bruening retired from the position of Craft Group Representative for Surgeons, a position he has filled since June 2011.
- Dr Rodney Pearce retired from his position as an Ordinary Member of Council, a position he has filled since January 2008.
- Dr Andrew Perry, retiring from his position as Ordinary Member, a position he has filled since June 2010.

Election of Office Bearers

- Dr Peter Sharley was re-elected to the office of President.
- Dr Patricia Montanaro was elected to the office of Vice President.

Election of Craft Group and Other Representatives

- **Regional Representative – Northern** – Dr Nigel Stewart was re-elected to this position by AMA(SA) Council.
- **Regional Representative – Riverland** – Dr Peter Tait was elected to this position by AMA(SA) Council.
- **Regional Representative – Western** – Dr John Williams was elected to this position by AMA(SA) Council.
- **Regional Representative – South Eastern** – Dr Oluwadare Kuku was elected to this position by AMA(SA) Council.
- **Doctors in Training Representative** – Dr Andrew Shepherd was elected to this position by AMA(SA) Council.

Election of Ordinary Members

- Dr Chris Moy was re-elected to this position by AMA(SA) Council.
- Dr Rahul Solanki was elected to this position by AMA(SA) Council.
- Dr Penelope Briscoe was elected to this position by AMA(SA) Council.
- Dr Susan Baillie was elected to this position by AMA(SA) Council.

AMA(SA) Council Configuration |

A number of changes were made to the configuration of the AMA(SA) Council in 2012 subsequent to changes in our Rules by resolution of a General Meeting held on 6 September 2012:

- The position of Honorary Treasurer was removed.
- The position on Honorary Medical Secretary was removed.
- The position of Women in Medicine representative was removed.
- The position of Craft Group Representative for Emergency Medicine was introduced.
- The position of Craft Group Representative for Paediatrics was introduced.
- The Regional Representative Positions of Riverland, Northern, Western and South Eastern were aligned with Medicare Local Regions to create Northern and Southern representative positions (two each).
- The number of Ordinary members of Council was increased from four members to eight members.

AMA(SA) Standing Committees |

January – December 2012

Doctors in Training

Chair: Dr Rick Fielke, Dr Andrew Shepherd

Secretariat: Mr Joe Hooper, Miss Lisa Baker, Ms Tracey DiBartolo

Members: Drs Manuel Aranibar, Lachlan Farmer, Emma Rischbieth, Tom Paxton, Rick Fielke, Andrew Shepherd and Mr Sanjivan Mudaliar, Mr Mark Hassall

Finance

Chair: Dr Peter Sharley

Secretariat: Mr Joe Hooper, Mr Stewart Gillies

Members: Drs Peter Ford, Patricia Montanaro, Roger Sexton, John Wyett and Mr Andrew Craig

Historical

Chair: Dr Trevor Pickering

Secretariat: Mr Joe Hooper, Ms Claudia Baccanello, Miss Lisa Baker

Members: Dr Dorothea Limmer, Dr Jeanette Linn, A/Prof Ross Philpot

Editorial/Communications

Chairs: Dr David Game, Dr Philip Harding

Secretariat: Mr Joe Hooper, Ms Eva O'Driscoll and Ms Heather Millar

Members: Drs Anthony Farfus, William Heddle, Andrew Lavender, Jeanette Linn, Angela McLean, Robert Menz, Patricia Montanaro, Chris Moy, Michael Rice, Melissa Sandercock and Mr Mark Hassall

Road Safety

Chair: Dr William Heddle

Secretariat: Mr Joe Hooper and Ms Claudia Baccanello

Members: A/Prof Robert Atkinson and Drs Bill Geyer, Philip Harding, Stephen Holmes and Peter Sharley.

Council of General Practice

Chair: Dr Chris Clohesy

Secretariat: Mr Joe Hooper, Ms Claudia Baccanello and Ms Tracey DiBartolo

Members: Drs Sue Baillie, Mike Beckoff, Tony Cocchiario, Phil Deacon, Peter Ford, Richard Heah, Andrew Kellie, Tim Kelly, Jane Kitchen, Oluwadare Kuku, Muhammad Masud-Ul-Haq, Sarah Meertens, Patricia Montanaro, Chris Moy, Roger Sexton, Peter Sharley, Peter Tait, Max Van Dissel, Chris Wagner, John Williams, and Mr Karthik Venkataraman

Executive

Chair: Dr Peter Sharley

Secretariat: Mr Joe Hooper, Ms Claudia Baccanello and Miss Lisa Baker

Members: Drs Chris Clohesy, Margaret Cowling, Peter Ford, Rick Fielke, Peter Sharley, Andrew Lavender, Chris Moy, Andrew Shepherd and David Walsh.

Federal AMA Committees | AMA(SA) Members

As at 31 December 2012

Audit Committee

Dr Peter Ford

Finance Committee

Dr Peter Ford and Dr Andrew Lavender

Economics and Workforce Committee

Dr Peter Sharley

AMA Rural Medical Committee

Dr Susan Baillie

Therapeutics Committee

Dr Peter Sharley

Taskforce on Indigenous Health

Dr Peter Sharley

AMA Council of Salaried Doctors

Dr Andrew Lavender

AMA Council of Doctors-in-Training

Dr Andrew Shepherd

AMA Council of General Practice

Dr Chris Clohesy and Dr Roger Sexton

AMA Hospital Pricing reference Group

Dr Andrew Lavender

AMA National Disability/Injury Insurance Scheme Taskforce

Dr Patricia Montanaro and Dr James Rice

From the Chief Executive Officer |

Joe Hooper



Introduction

This year we have continued to progress the directions we commenced in 2011. We have implemented organisational change, increased our partnerships with the profession and with business, and redistributed some of our resources to invest more into membership benefits and services.

Constitution Change

The most important development of course was the changing of our Association Rules. After careful drafting, months of consultation with the profession and our special general meeting held in September 2012, we have registered new Rules for the Association and commenced development of our new Executive Board. This will allow us to tackle our financial and commercial activity in a more focussed way whilst allowing Council to devote more of its meeting time on the many important issues facing this state.

Accounting and Financial Management

The AMA(SA) budget and audit results are all compliant with the Incorporated Associations legislation and show the AMA(SA) in a stronger financial position than in previous years. As a result of the range of fiscal controls and review of our business model, the AMA(SA) has been able to turn around its financial position significantly over the past two-year period. Whilst still relatively modest, this year AMA(SA) has achieved a positive balance of \$171k as shown in the final audited financial statements.

Whilst our limited discretionary reserves continue to impede organisational development, we are continuing to develop initiatives with a strategic purpose of decreasing our dependence on membership subscriptions. The development of commercial income is a key area for future growth.

Property

The Association's property management over tenancies in AMA House remains sound with guaranteed returns in a soft commercial rental market. There were no untenanted properties over the report period and all lease options are expected to be exercised.

Newland House requires significant maintenance and provides a limited future use as offices without structural upgrade. This issue will need to be addressed in the medium term as we plan for future growth and activity.

Staffing

Our low staffing numbers always present ongoing challenges. The resignation of Dayna Vernon, Membership Officer, in June 2012 just prior to our renewal preparation, is one example. However, Tracey DiBartolo has provided excellent service while we seek a full-time employee. Tracey also has an important new role as the Affiliated Associations and Committee Officer, providing secretariat services to the various associations to whom we provide office support, including the Australian Society of Anaesthetists and the Indian Medical Association. Welcoming local medical associations into our building and the AMA(SA) family is consistent with our overarching principle of being open to all members of the medical profession.

Ms Lucie Briscoe has continued to develop her role as Business Development Manager as well as provide industrial and HR advice. Lucie has overseen the tender process for new business partners and continues to enhance our external relations in a number of health related industries.

We also welcomed back Ms Eva O'Driscoll as Director of Communications. Eva's priority projects are website development, media management and policy. Eva supports the president's media engagements and ensures the AMA(SA) maintains its high public profile.

Our other staff include Stewart Gillies managing our accounting and Lisa Baker on the front desk. Claudia Baccanello continues to provide tremendous support for the President, CEO and Executive.

Member services

We transferred much of the administration of renewal functions to AMA (NSW) in July 2012. The transition allows us to divert our focus from data administration to developing more member activities. Increasing our social networking through increased events for our members is a key objective over the next 12 months. In addition we shall be seeking further commercial benefits exclusively for our members in order to increase the 'value for money' imperative.

Public Relations

Our public relations portfolio remains impressive with regular meetings with key leaders in health both at the state and national level including ministers (state and federal), SA Health, specialist colleges, and professional associations, Deans of Medical Schools, the Medical Board of Australia, AHPRA, Workcover; Law Society; Pharmacy Association and Guild; and ANMF. This wide network provides the AMA(SA) ►



with great insights and opportunities to shape health policy in a broad sense but also address local issues where our members require assistance.

Importantly, the rural visits by the President and CEO, in conjunction with our teleconferencing of Council meetings, have improved our connectivity with rural doctors. Such visits are vital, necessary and rewarding and will be ongoing.

The offer to provide contract office support services for local medical associations has been well received. We have signed contracts with the Anaesthetic Society, Indian Medical Association and an MOU with the Chinese Medicine Association. We are keen to see these important ties grow and prosper.

A further critical area is the relationship with SASMOA, and the AMA(SA) signed an MOU agreement to strengthen the relations and align our independent areas of practice. Further opportunities for a collaborative arrangement exist.

Membership

We have continued to increase opportunities to meet and support the doctors in training and medical students. Whilst there has been some influx of new members as a result of activities, retention remains challenging. Every year we see many doctors seek our services who have not joined until they need our assistance. This is disheartening but a reality. The AMA(SA) Executive endorsed a new policy advising that we will not assist with pre-existing issues unless certain criteria are met, such as illness or a matter affecting the whole profession. AMA(SA) membership should be seen as insurance, something you have just in case you need it and yet you can profit from our exclusive member benefits

along the way. Our membership numbers are steady this year compared to previous years but we always need every member to advocate for their association and encourage their colleagues to join.

Youth Friendly Doctor

The AMA(SA) is committed to further develop our Youth Friendly Doctor Program. We have been working hard in this area in 2012. Recently we have delivered the programs in collaboration with the Christies Beach High School staff and Flinders University Medical School. SAPMEA was contracted to provide organisational support. This unique opportunity allows us to bring together GPs and medical students as well as staff counsellors to discuss youth health issues. The modules are accredited with the RACGP and ACRRM. Due to government funding not being renewed we will be seeking alternate sponsorship for this vital program in 2013

We are examining ways to expand our education presence which has suffered under the earlier funding models and also to increase our practice support arm.

Whilst these projects require some initial investment, I believe they will ensure a vital and sustainable medical association for the profession's benefit into the future.

Finally I would like to acknowledge the Councillors who have provided great support to our members and the secretariat during 2012. In particular I thank Dr Peter Sharley, whom I respect greatly and with whom I have had a most positive and enjoyable working relationship. I also thank all the staff for their support and contribution to the achievements of the past year and single out Claudia Baccanello for her tireless dedication, personal support and gentle advice.

Corporate Governance |

The AMA(SA) Council is responsible for the overall corporate governance of the Association including strategic direction, establishing goals for management and monitoring the achievement of these goals. The Council carries out these functions on behalf of the members, to whom they are accountable.

The Council delegates authority to the Executive Committee to carry out certain functions between Council meetings. Membership of the Committee is presented in the by-laws of the Association.

The position of Chief Executive Officer is a full-time salaried position which reports to the Council. The Chief Executive Officer is delegated with the day-to-day management of the Association.

The Finance Committee operates on an advisory basis to the Council. The Committee comprises both members of the Council (including the Treasurer) and external, appropriately qualified persons, as approved from time to time by the Council.

The roles of the Finance Committee include:

- overseeing the existence and maintenance of internal controls and accounting systems;
- development of the annual budget and operating plan;
- review of the Association's monthly financial statements and performance against budget;
- review of annual statutory financial statements and recommendations for approval by the Council;
- review of major capital expenditure and bank finance arrangements;
- participation in the review of the remuneration of the Chief Executive Officer;
- provision of general financial advice to the Treasurer and the Association; and
- review of the external audit arrangements.

Note: under the new Rules of the Association, fiduciary governance undertaken by the Finance Committee will be delegated to the Executive Board

From the President I

Dr Peter Sharley



The AMA(SA) has changed. This year we saw the establishment of the Executive Board at the AMA(SA). This provides a great step towards running the business in a more professional manner while leaving the state Council of the AMA to concentrate on the public policy side of our activity. As I reach the end of my two-year term it is one of the things that I can look

back on and be confident that the AMA is in a better place now because of this change.

I would like to acknowledge Drs Margaret Cowling, Patricia Montanaro, William Tam and Trevor Mudge as members of the inaugural Executive Board, who met for the first time in January 2013. The board will review business opportunities, amongst many other issues, and consider the current risks facing the organization, such as the ageing building infrastructure. We are also in a better place financially and, as at the end of the calendar year 2012, were in the black by \$170,000. This is a much improved situation compared to recent years and is a tribute to the CEO Joe Hooper and the AMA(SA) office staff.

Unlike many recent AMA(SA) Presidents, I have had the rare experience of being the President when the SA Minister of Health has changed. Minister John Hill retired in early 2013. We all know the state is now broke and the new Minister Jack Snelling is here to put health back in the black financially. Other states have taken radical and unpalatable steps and it remains to be seen how far SA Health will reduce services in an attempt to save a dollar.

The cooperation between the SA Chairs of specialist medical colleges and the AMA(SA) continues to be important as South Australia is yet to determine the specialty services at the New Royal Adelaide Hospital (NRAH), The Queen Elizabeth Hospital or the Lyell McEwin Health Service (LMHS). SA requires a medical school and the Women's and Children's Hospital co-located with the NRAH and the AMA(SA) continues to also expose this lack of forward planning with SA Health.

The AMA(SA) has maintained a focus on mental health issues, in particular the lack of forensic mental health beds and the closure of Margaret Tobin Centre beds at Flinders Medical Centre (FMC). Our submissions to the Government on this issue were comprehensive and impressive in their detail, using evidence as the base, and we have made a difference in this space. The AMA(SA) presented many other submissions to Government during the year, with some generating calls for copies from outside of Government. Several of these high-quality submissions can be viewed on our website. Patient access to health care remains a focus of our political platform as we approach both state and federal elections, as this relates to many areas of healthcare, including rural general practice.

This leads me to my country tours where I enjoyed talking to doctors around the state. Tours to the Eyre Peninsula, Riverland,

South East and Yorke Peninsula were educational personally and for the AMA(SA). We have had many visits to Victor Harbor and Goolwa as our industrial negotiation progresses in that region. I anticipate that other towns in rural SA will find increasing difficulty in maintaining rosters and services and the AMA(SA) remains ready to support our members and our patients.

This year has seen the completion of the rollout of Medicare Locals in SA. It remains to be seen whether they will achieve their goals. I cannot see Medicare Locals having sufficient funding to do what needs to be done in the primary health care arena and they will be faced with the tough decisions while the Federal Government is hiding from the fallout. Most can see that primary health care remains a mess created from blurred state and federal governance.

AMA public health advocacy has seen further improvements in anti-smoking legislation in SA while we are still tackling the issue of alcohol abuse, particularly amongst our younger citizens. More work needs to take place to redress the pending disasters associated with obesity and problem gambling in Australia.

The biggest issue we have in medicine is training our replacement doctors. We have an increasing number of medical students now and we need to ensure that they have intern jobs and medical training positions that are of the highest quality. The AMA remains vocal and central in this debate.

The AMA(SA) Gala Dinner continues to grow and we have moved into making it a significant medical charity event on the SA annual calendar. Last year we donated \$10,000 to Variety, the children's charity, and this year we will donate to Spinal Surgery Research via the RAH Research Foundation while also supporting the 'Drop in the Bucket' foundation supporting Dr Henry Buckett. The 2013 event will also see new awards for the President's Medical Leader and AMA(SA) Medical Educator as we make obvious our keenness to support these essential medical areas into the future.

One of the most pleasing aspects of the last year is to see partnerships come to fruition. The Indian Medical Association of SA now has a home at the AMA(SA) in North Adelaide. It is a strategic direction to have more doctors walking in our door. The Australian Society of Anaesthetists also has a home with us and their name is proudly positioned on our front wall.

Membership remains our biggest issue nationally. While we have over 27,000 members nationally we need our numbers to continue to grow to remain as the premier medical body in Australia. The Federal AMA is under a governance restructure and I see this as a strategic opportunity to refocus attention to the membership issue.

State Council remains active and we have had several high profile guests to Council meetings, including the state opposition leader. The Council size has grown to broaden the representation. We now have six councillors from the country and have two international medical graduates that provide that depth and extra ►

perspective. We have also added a paediatric medicine and an emergency medicine representative to council for similar reasons.

Our AMA(SA) committees have undergone reform with the Finance and Executive committees rolling into the Executive Board. The Council of General Practice, under the chairmanship of Chris Clohesy, continues to provide valuable input to both state council and the federal council of general practice. The Doctors in Training Committee is active under the chairmanship of Andrew Shepherd and we thank him. The AMA(SA) Historical Committee also regularly meets and their input is similarly valuable. The Editorial Committee of *medicSA*, which is transitioning into a broader Communications Committee continues to produce the national award winning *medicSA* with thanks to Heather Millar, Eva O'Driscoll, Phil Harding, David Game and many others. The Road Safety Committee also contributes valuable input on behalf of the AMA(SA).

I would like to thank all the committee members who give up their time free of charge for the AMA and the profession generally and this includes members on the numerous Federal AMA committees as well. The average

medical person on the street needs to be further educated on the active representation they are receiving and unfortunately may not know about at present.

An extra special mention to Peter Ford who has done so much for the AMA both here and federally. He has spent a lot of time in airports and meetings and the profession should stand at attention to acknowledge his work and ongoing commitment. Special mention also to Chris Moy, last year's President's Award winner, for the continued hours he invests into providing submissions on behalf of the AMA and therefore the profession. Thanks also to Patricia Montanaro who has moved into the Vice President role smoothly and has already a regular slot on ABC radio.

It has been a very busy two years for me and I would like to say thanks to Joe Hooper, CEO, who continues to lead development of the AMA(SA). Thanks also to Claudia Baccanello who works as PA to both Joe and me. Claudia should be presented with a Medal of Honour for her work but also many thanks to Lucie, Eva, Stewart, Lisa and Tracey for their dedication and service to the AMA(SA) and our members.

Financial report I

The AMA(SA) Council is pleased to present the 2012 financial report for members' information. The AMA (SA) Inc remains in a stable financial position with a recorded overall surplus of \$171,266 at the end of December 2012, building on our \$46,568 surplus recorded in 2011.

The positive balance was achieved as a result of ongoing careful management of our assets and cashflow over the period. This includes our building investment in AMA and Newland House where we achieved 100% occupancy rates, returns from our relationships in the commercial sector, and a conservative fiscal approach over operation costs. Our preferred partner arrangements with Commonwealth Bank, Hood Sweeney and Norman Waterhouse Lawyers are now established and providing members with excellent discount benefits and services and providing a direct benefit to the AMA(SA).

Branch income

Branch income for the year totalled \$1,284,77 – this amounts to 9.49% more than budget.

Revenue from subscriptions increased from \$537,383 in 2011 to \$624,270 in 2012, with members falling by 2.9%.

Advertising in *medicSA* amounted to \$109,349 in 2012 compared to \$112,340 the previous year. The budgeted income for advertising in 2012 was \$94,000.

Seminar income is not considered this year as we are reconsidering our approach to the education market which is highly competitive and selective. Previous losses in education activities have led us to explore a new model for delivery which is sustainable into the future. As reported last year, this will involve a greater allegiance with partner organisations to provide targeted quality educational programs.

AMA House

Rental income increased from \$293,925 in 2011 to \$340,837 in 2012 due to a market review of several leases. Our professional property management approach has continued to deliver benefits to the Association.

Branch expenses

Expenses were down 2.7% compared to 2011 as a result of continued cost saving measures. Council expenditure and communication costs are reduced since the introduction of our teleconferencing facilities in 2011. Review of staffing positions and unfilled vacancies have contributed to some of these savings. There have been no attendances at interstate conferences and limited attendance at local conferences this year as we continue to focus on improving income and our reserves for future business and service development.

Auditors

Moore Stephens Assurance Adelaide Pty Ltd was appointed following the May 2011 AGM and have provided the 2012 audit report of our accounts. We recommend the auditors report to members.

Acknowledgement

The AMA(SA) Council thanks the Finance Committee for its work in overseeing the financial management in 2012. In particular, Dr Margaret Cowling who was treasurer until June 2012 and who remained on the finance committee for the remainder of the year, Drs Peter Sharley for acting as Chair, and Drs Peter Ford, John Wyett and Roger Sexton for their contributions. We also acknowledge Mr Andrew Craig who, after seven years, has retired as a Finance Committee member due to the incoming Executive Board, and Mr Les Davis who resigned in May 2012 after 20 years of service. Council also thanks Mr Joseph Hooper, CEO and accountant Mr Stewart Gillies for their valuable assistance and contribution.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
AUSTRALIAN MEDICAL ASSOCIATION (SA) INC.**

Report on the Financial Report

We have audited the accompanying financial report of Australian Medical Association (SA) Inc., which comprises the statement of financial position as at 31 December 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, notes comprising a summary of significant accounting policies and other explanatory information and the statement by officers of the association.

Council's Responsibility for the Financial Report

The Council of the association are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements (including Australian Accounting Interpretations) and the Associations Incorporation Act (SA) 1985 and for such internal control as the Council determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

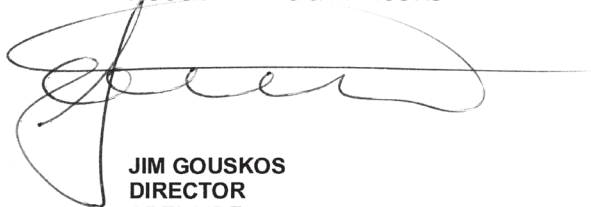
In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

Opinion

In our opinion, the financial report of Australian Medical Association (SA) Inc. is in accordance with the Associations Incorporations Act (SA) 1985, including:

- a) giving a true and fair view of the association's financial position as at 31 December 2012 and of its performance for the period ended on that date; and
- b) complying with Australian Accounting Standards – Reduced Disclosure Requirements (including Australian Accounting Interpretations) and the Associations Incorporations Act (SA) 1985.

**MOORE STEPHENS ASSURANCE ADELAIDE PTY LTD
ACCOUNTANTS & ADVISORS**



**JIM GOUSKOS
DIRECTOR
ADELAIDE**

Dated, this 8th day of March 2013

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Financial Report | AMA(SA) Inc

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	2012 \$	2011 \$
Revenue	2	<u>1,284,777</u> 1,284,777	<u>1,191,177</u> 1,191,177
Employee benefits expense		(530,094)	(584,713)
Depreciation and amortisation expenses		(14,951)	(14,946)
Advertising		(11,400)	(6,430)
Rates and taxes		(80,974)	(71,499)
Presidential allowance		(53,220)	(54,003)
Printing and stationery		(10,616)	(87,279)
Insurance		(9,098)	(9,694)
Postage		(4,718)	(23,981)
Repairs and maintenance		(8,745)	(30,746)
Strata Levy		(65,262)	(57,656)
Telephone		(13,383)	(13,590)
Other expenses from ordinary activities	3	(247,723)	(158,145)
Legal fees		(9,240)	(10,523)
Prizes/Awards	15	(2,000)	-
Profit before income tax		223,353	67,972
Income tax (expense)		<u>(52,087)</u>	<u>(21,404)</u>
Profit for the year		<u>171,266</u>	<u>46,568</u>
Other comprehensive income			
Net gain on revaluation of building		-	15,000
Other comprehensive income for the year, net of tax		-	<u>15,000</u>
Total comprehensive income for the year		<u>171,266</u>	<u>61,568</u>
Total comprehensive income attributable to members of the entity		<u>171,266</u>	<u>61,568</u>

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2012

	Note	2012 \$	2011 \$
ASSETS			
Current assets			
Cash and cash equivalents	6	613,980	524,506
Trade and other receivables	7	21,620	30,201
Other current assets	8	7,931	34,004
Total Current Assets		<u>643,531</u>	<u>588,711</u>
Non-current assets			
Property, plant and equipment	9	4,082,915	4,097,866
Deferred tax assets	13	282,142	334,229
Total Non-Current Assets		<u>4,365,057</u>	<u>4,432,095</u>
TOTAL ASSETS		<u>5,008,588</u>	<u>5,020,806</u>
LIABILITIES			
Current liabilities			
Trade and other payables	10	583,946	768,388
Other current liabilities	11	44,704	44,704
Total Current Liabilities		<u>628,650</u>	<u>813,092</u>
Non-current liabilities			
Long-term employee benefits	12	14,807	13,849
Deferred tax liabilities	13	317,250	317,250
Total Non-Current Liabilities		<u>332,057</u>	<u>331,099</u>
TOTAL LIABILITIES		<u>960,707</u>	<u>1,144,191</u>
NET ASSETS		<u>4,047,881</u>	<u>3,876,615</u>
EQUITY			
Reserves		991,105	973,396
Retained earnings		3,056,776	2,903,219
TOTAL EQUITY		<u>4,047,881</u>	<u>3,876,615</u>

**STATEMENT OF CHANGES IN EQUITY FOR
THE YEAR ENDED 31 DECEMBER 2012**

	Retained Earnings \$	Reserves \$	Total \$
Balance at 1 January 2011	2,856,651	958,396	3,815,047
Total comprehensive income for the year			
Profit attributable to members of the entity	46,568	-	46,568
Other comprehensive income for the year			
Net gain on revaluation of building	-	15,000	15,000
Total other comprehensive income for the year	-	15,000	15,000
Total comprehensive income for the year	46,568	15,000	61,568
Balance at 31 December 2011	<u>2,903,219</u>	<u>973,396</u>	<u>3,876,615</u>
Balance at 1 January 2012	2,903,219	973,396	3,876,615
Total comprehensive income for the year			
Profit attributable to members of the entity	171,266	-	171,266
Total comprehensive income for the year	<u>171,266</u>	<u>-</u>	<u>171,266</u>
Transfer to/from	(17,709)	17,709	-
Balance at 31 December 2012	<u>3,056,776</u>	<u>991,105</u>	<u>4,047,881</u>

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	2012 \$	2011 \$
Cash flows from operating activities:			
Receipts from members, tenants and others		1,282,602	1,212,946
Payment to suppliers and employees		(1,255,971)	(1,090,996)
Interest received		10,756	-
Income tax paid		52,087	21,404
Net cash provided by operating activities		<u>89,474</u>	<u>143,354</u>
Cash flow from financing activities:			
Repayment of borrowings		-	(100,000)
Net cash (used in)/ provided by financing activities		<u>-</u>	<u>(100,000)</u>
Net cash increase in cash held		89,474	43,354
Cash and cash equivalents at the beginning of the financial year		524,506	481,152
Cash and cash equivalents at the end of the financial year	6	<u>613,980</u>	<u>524,506</u>

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

Australian Medical Association (SA) Inc has elected to early adopt the pronouncements AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Accounting Standards arising from Reduced Disclosure Requirements to the annual reporting period beginning 1 January 2012.

The financial statements are general purpose financial statements that have been prepared accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board and the Associations Incorporation Act 1985. The Association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting Policies

(a) Income Tax

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred tax assets relating to temporary differences and unused tax losses are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Association will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law. Non-member income of the Association is only assessable for tax, as member income is excluded under the principle of mutuality.

(b) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Property

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present.

The cost of fixed assets constructed within the Association includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Association and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated over their useful lives to the entity commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rates
Furniture and fittings	7.5-20%
Computer equipment	33%

The assets' residual value and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation relating to that asset are transferred to retained earnings.

(c) Leases

Lease income from operating leases where AMA SA is the lessor is recognised in income on a straight-line basis over the lease term (refer Note 14). The respective leased assets are included in the statement of financial position based on their nature.

(d) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Association commits itself to either purchase or sell the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified "at fair value through profit or loss" in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in the statement of comprehensive income.

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

(i) Financial assets at fair value through profit or loss

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, where they are derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period, which will be classified as non-current assets.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Association's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period, which will be classified as current assets.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

(v) Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment

At the end of each reporting period, the Association assesses whether there is objective evidence that a financial asset has been impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence that impairment as a result of one or more events (a "loss event") has occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Association recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Derecognition

Financial assets are derecognised where the contractual right to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in statement of comprehensive income.

(e) Impairment of Assets

At the end of each reporting period, the Association assesses whether there is any indication that an asset may be impaired. The assessment will consider both external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of that asset, being the higher of the asset's fair value less costs to sell and its value-in-use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is immediately recognised in statement of comprehensive income.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an individual asset, the Association estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where an impairment loss on a revalued asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

(f) Accounts Payable and Other Payables

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Association during the reporting period that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability

(g) Employee Benefits

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy any vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

(h) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position

(i) Revenue

Revenue from the rendering of services is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax (GST).

(j) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(k) 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.

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.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(l) Critical Accounting Estimates and Judgements

Management evaluates estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within AMA (SA).

Key Estimates – Impairment

The Association assesses impairment at the end of each reporting period by evaluating conditions and events specific to AMA SA that may be indicative of impairment triggers. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in use calculations performed in assessing the recoverable amounts incorporate a number of key estimates.

The financial statements were authorised for issue on 12 April 2013 by the Council of the Association

	2012 \$	2011 \$
NOTE 2 REVENUE		
Operating Revenue		
- interest	10,756	6,801
- rent	340,837	293,925
- advertising (medical review)	109,349	112,340
- member subscriptions	624,270	537,383
- sundry revenue	179,856	240,728
- funds received from wind up of Southern Suburbs Medical Association	19,709	-
Total revenue	<u>1,284,777</u>	<u>1,191,177</u>

NOTE 3 PROFIT FOR THE YEAR

Expenses		
- bad debts	(9,675)	3,674
- finance costs	7,128	8,546

NOTE 4 INCOME TAX EXPENSE

a. The components of tax expense comprise:		
Current tax	52,087	21,404
b. The prima facie tax on profit before income tax is reconciled to the income tax as follows:		
Prima facie tax payable on profit before income tax at 30% (2011: 30%)	61,693	24,892
Less:		
Tax effect of:		
- other non-temporary differences	(21,939)	-
- Adjustment to opening balance	<u>12,333</u>	<u>(3,488)</u>
Income tax attributable to the Association	<u>52,087</u>	<u>21,404</u>
c. Tax effect relating to other comprehensive income		
Current tax	-	-
Deferred tax	-	4,500

NOTE 5 KEY MANAGEMENT PERSONNEL COMPENSATION

The totals of remuneration paid to key management personnel (KMP) of the Association during the year are as follows:

	2012 \$	2011 \$
Key management personnel compensation	<u>245,869</u>	<u>236,312</u>

Other KMP transactions

For details of other transactions with KMP, refer to Note 16: Related Party Transactions.

NOTE 6 CASH AND CASH EQUIVALENTS

Cash on hand	300	300
Cash at bank	<u>613,680</u>	<u>524,206</u>
	<u>613,980</u>	<u>524,506</u>

Reconciliation of cash

Cash at the end of the financial year as shown in the Statement of cash flows is reconciled to items in the statement of financial position as follows:

Cash and cash equivalents	<u>613,980</u>	<u>524,506</u>
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NOTE 7 TRADE AND OTHER RECEIVABLES

Trade receivables		23,620	45,445
Less: Provision for doubtful debts	7a	<u>(2,000)</u>	<u>(15,244)</u>
		<u>21,620</u>	<u>30,201</u>

7a. Provision for doubtful debts

Movement in the provision for doubtful debts is as follows:

	Opening balance \$	Charge for the year \$	Amounts written off \$	Closing balance \$
	1 Jan 2011			31 Dec 2011
Current trade receivables	<u>11,625</u>	<u>3,619</u>	-	<u>15,244</u>
	Opening balance \$	Charge for the year \$	Amounts written off \$	Closing balance \$
	1 Jan 2012			31 Dec 2012
Current trade receivables	<u>15,244</u>	-	<u>13,244</u>	<u>2,000</u>

7b. Financial assets classified as loans and receivables

Trade and other receivables			
- Total current		21,620	30,201
- Total non-current		-	-
		<u>21,620</u>	<u>30,201</u>
Financial assets	17	<u>21,620</u>	<u>30,201</u>

NOTE 8 OTHER CURRENT ASSETS

Prepayments	7,931	7,284
Other	<u>-</u>	<u>26,720</u>
	<u>7,931</u>	<u>34,004</u>

NOTE 9 PROPERTY, PLANT AND EQUIPMENT

Land and Buildings

Newland House - At Independent Valuation 2011	1,480,000	1,480,000
AMA House - At Independent Valuation 2011	<u>2,430,000</u>	<u>2,430,000</u>
Total Land and Buildings	<u>3,910,000</u>	<u>3,910,000</u>

Furniture and Equipment

Branch - at cost	245,244	245,244
less: Accumulated Depreciation	<u>(188,403)</u>	<u>(174,310)</u>
	<u>56,841</u>	<u>70,934</u>

AMA - at cost	76,430	76,430
less: Accumulated Depreciation	<u>(73,356)</u>	<u>(72,498)</u>
	<u>3,074</u>	<u>3,932</u>

Antiques and Paintings - At Valuation	113,000	113,000
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Total Furniture and Equipment	<u>172,915</u>	<u>187,866</u>
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Total property, plant and equipment	<u>4,082,915</u>	<u>4,097,866</u>
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(a) Movements in Carrying Amounts

	Buildings	Furniture and Equipment	Total
Balance at 1 January 2012	3,910,000	187,866	4,097,866
Additions	-	-	-
Disposals	-	-	-
Depreciation expense	-	(14,951)	(14,951)
Revaluation increments	-	-	-
Carrying amount at 31 December 2012	<u>3,910,000</u>	<u>172,915</u>	<u>4,082,915</u>

NOTE 10 TRADE AND OTHER PAYABLES

CURRENT

Unsecured liabilities		
Trade payables	33,045	13,386
Employee benefits	21,668	17,323
Subscription in advance	468,552	630,899
Sundry creditors and accruals	<u>60,681</u>	<u>106,780</u>
	<u>583,946</u>	<u>768,388</u>

a. Financial liabilities at amortised cost classified as trade and other payables

Trade and other payables		
- Total current	583,946	768,388
- Total non-current	-	-
	<u>583,946</u>	<u>768,388</u>
Less subscriptions in advance	(468,552)	(630,899)
Less employee benefits	<u>(21,668)</u>	<u>(17,323)</u>

Financial liabilities as trade and other payables	17	<u>93,726</u>	<u>120,166</u>
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Collateral pledged

No collateral has been pledged for any of the trade and other payable balances.

NOTE 11 OTHER CURRENT LIABILITIES

CURRENT

Other current liabilities	<u>44,704</u>	<u>44,704</u>
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NOTE 12 LONG TERM EMPLOYEE BENEFITS

Long-term employee benefits	<u>14,807</u>	<u>13,849</u>
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A provision has been recognised for employee benefits relating to long service leave for employees. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria for employee benefits has been included in Note 1.

NOTE 13 TAX

	Opening Balance \$	Charge Directly to Equity \$	Recognised in Income \$	Closing Balance \$
NON-CURRENT				
Deferred tax liability				
Fair value gain	312,750	-	4,500	317,250
Balance at 31 December 2011	<u>312,750</u>	-	<u>4,500</u>	<u>317,250</u>
Fair value gain	317,250	-	-	317,250
Balance at 31 December 2012	<u>317,250</u>	-	-	<u>317,250</u>
Deferred tax assets				
Provisions	16,453	-	(1,530)	14,923
Carried forward tax losses	<u>334,680</u>	-	<u>(15,374)</u>	<u>319,306</u>
Balance at 31 December 2011	<u>351,133</u>	-	<u>(16,904)</u>	<u>334,229</u>
Provisions	14,923	-	(3,381)	11,542
Deferred expenditure	-	-	2,496	2,496
Carried forward tax losses	<u>319,306</u>	-	<u>(51,202)</u>	<u>268,104</u>
Balance at 31 December 2012	<u>334,229</u>	-	<u>(52,087)</u>	<u>282,142</u>

NOTE 14 LEASE COMMITMENTS	2012	2011
	\$	\$
Leases as Lessor		
Minimum lease payments under non-cancellable operating leases of property held (see Note 9) not recognised in the financial statements are receivable as follows:		
within one year	322,963	322,963
between 1 and 5 years	<u>204,162</u>	<u>284,658</u>
	<u>527,125</u>	<u>607,621</u>

NOTE 15 RESERVES

Asset Revaluation Reserve (a)	950,950	950,950
De Crespigny Memorial Fund (b)	3,668	4,668
Listerian Oration Fund (c)	3,662	3,662
Frank S Hone Memorial Fund (d)	13,116	14,116
Association Reserve (e)	<u>19,709</u>	-
	<u>991,105</u>	<u>973,396</u>

(a) Asset Revaluation Reserve		
Movements during the financial year:		
Opening balance	950,950	935,950
Revaluation of building	-	15,000
Closing Balance	<u>950,950</u>	<u>950,950</u>

The asset revaluation reserve records revaluations of non-current assets

(b) De Crespigny Memorial Fund		
Movements during the financial year:		
Opening balance	4,668	4,668
Transfer to retained earnings	<u>(1,000)</u>	-
Closing Balance	<u>3,668</u>	<u>4,668</u>

The De Crespigny Memorial Fund records funds held for the annual provision of a prize award to the student at The University of Adelaide who, at the final examination for the degrees of Bachelor of Medicine and Bachelor of Surgery, gains the highest marks in the clinical section of the subject medicine.

(c) Listerian Oration Fund		
Movements during the financial year:		
Opening balance	3,662	3,662
Interest	-	-
Closing Balance	<u>3,662</u>	<u>3,662</u>

The Listerian Oration Fund records funds held for the Listerian Oration.

(d) Frank S Hone Memorial Fund		
Movements during the financial year:		
Opening balance	14,116	14,116
Transfer to retained earnings	<u>(1,000)</u>	-
Closing Balance	<u>13,116</u>	<u>14,116</u>

The Frank S Hone Memorial Fund records funds held for the annual provision of a prize award to the candidate at The University of Adelaide who, in passing the final examination for the degrees of Bachelor of Medicine and Bachelor of Surgery, attains the highest marks in that section which relates to the subject Medicine.

(e) Association Reserve		
Movements during the financial year:		
Opening balance	-	-
Transfers from retained earnings	<u>19,709</u>	-
Closing Balance	<u>19,709</u>	-

Purpose: funds specially set aside to assist other medical associations.

NOTE 16 RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions and no more favourable than those available to other parties unless otherwise stated.

NOTE 17 FINANCIAL RISK MANAGEMENT

Australian Medical Association (SA) Inc.'s financial instruments consist mainly of deposits with banks, local money market instruments and loans.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	2012	2011
	\$	\$
Financial assets		
Cash and cash equivalents	613,980	524,506
Loans and receivables	<u>21,620</u>	<u>30,201</u>
Total financial assets	<u>635,600</u>	<u>554,707</u>
Financial liabilities		
Financial liabilities at amortised cost:		
- trade and other payables	93,726	120,166
- borrowings	-	-
Total financial liabilities	<u>93,726</u>	<u>120,166</u>

NOTE 18 EVENTS AFTER THE REPORTING PERIOD

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the entity, the results of those operations, or the state of affairs of the entity in future financial years.

NOTE 19 CONTINGENT LIABILITIES

There were no contingent liabilities for Australian Medical Association (SA) Inc. At balance date.

NOTE 20 ASSOCIATION DETAILS

The principal place of business is:
Australian Medical Association (SA) Inc.
80 Brougham Place
NORTH ADELAIDE SA 5006

Report of the Councillors |

In accordance with section 35(5) of the Associations Incorporation Act, (SA) 1985, the Council of Australian Medical Association (SA) Inc hereby states that during the financial year ended 31 December 2012:-

- no officer of Australian Medical Association (SA) Inc.
- no firm of which an officer is a member; and
- no body corporate in which an officer has a substantial financial interest,

has received or become entitled to receive a benefit as a result of a contract between the officer, firm or body corporate and Australian Medical Association (SA) Inc. except for the following:-

The President of the Australian Medical Association (SA) Inc. receives an allowance for the loss of time as President in carrying out his duties on behalf of the Association. The amount paid to Dr P Sharley for 2012 was \$53,220.

- no officer of the Australian Medical Association (SA) Inc. has received directly or indirectly from the Association any payment or other benefit of a pecuniary value.


Statement by Officers of the Association |

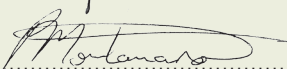
In the opinion of the Councillors of the Association the financial report as set out on pages 2 to 16:

- Presents a true and fair view of the financial position of Australian Medical Association (SA) Inc. as at 31 December 2012 and its performance for the year ended on that date in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board.

At the date of this statement there are reasonable grounds to believe that Australian Medical Association (SA) Inc. will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Council and is signed for and on behalf of the Council by:

President: 

Vice President: 

Dated this 7th day of March 2012



SOUTH AUSTRALIA

**AUSTRALIAN MEDICAL ASSOCIATION
(South Australia) Inc.**

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