

Financial Report

AUSTRALIAN MEDICAL ASSOCIATION LIMITED
ABN 37 008 426 793
AND CONTROLLED ENTITIES

31 DECEMBER 2014

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Directors' report

Australian Medical Association Limited (the Company) and its controlled entities for the year ended 31 December 2014 and the auditor's report thereon.

DIRECTORS

The Directors of the Company at any time during or since the end of the financial year are:

Name and Qualifications	Experience and Special Responsibilities
<p>Dr Kathryn Austin B.Pharm B.Med GAICD</p>	<p>Director, Australian Medical Association Limited, 31 July 2014 - . AMANSW Charitable Foundation Director, July 2013 - . Fellow in Maternal Foetal Medicine Subspecialty Obstetrics and Gynaecology. Graduate Australian Institute of Company Directors, 2014. Australian Medical Association (NSW) Limited, Treasurer and Director, Board of Directors, July 2011 - 31 July 2014. Australian Medical Association (NSW) Limited, Audit and Risk Committee Chairman, 2013 - July 2014. State Representative, AMA Council of Doctors in Training, 2009 - 2012. HSMEAG Medications Advisory Group, 2012 - 2014. AMA DiT Representative, Ethics and Medicolegal Committee, 2010. NSW AMA Doctors In Training Committee (DiTs) Vice Chair 2009 and Chairperson, 2010 - 2012.</p>
<p>Dr Anthony Bartone MBBS, FRACGP, MBA</p>	<p>Director, Australian Medical Association Limited, 27 May 2012 - 25 May 2014 and 31 July 2014 - . Victorian State Branch Nominee. General Practitioner. President, Australian Medical Association (Victoria) Limited, May 2014 - . Director, Australian Medical Association (Victoria) Limited, May 2010 - . Treasurer, The Cosmetic Physicians Society of Australasia (CPSA), May 2009 - May 2014. AMA Victoria Nominee to Cancer Council of Victoria, 2013 - .</p>
<p>Dr Peter Beaumont MBBS, FAMA</p>	<p>Director, Australian Medical Association Limited, 1995 - 1996, 2005 - 2009 and 27 May 2012 - 25 May 2014. Northern Territory State Nominee. General Practitioner in Private Practice. Councillor, Australian Medical Association Northern Territory Incorporated, 2005 - . President, Australian Medical Association Northern Territory Incorporated, 2007 - 2009 and 2012 - . Treasurer, Australian Medical Association Limited, 1996. President, Australian Medical Association (Victoria) Limited, 1994 - 1996. Director, The Tasmanian Branch of the Australian Medical Association, 1978 - 1988.</p>
<p>Dr Richard Choong MB, BCH, BAO, LRCSI, LRCPI, FRACGP, FAMA</p>	<p>Director, Australian Medical Association Limited, 1 June 2008 - 31 July 2014. Western Australia Area Nominee. Medical Practitioner in General Practice. President, Australian Medical Association (WA) Incorporated, June 2012 - June 2014. Chairman, Australian General Practice Accreditation Limited, 2006 - . Director, Quality in Practice Pty Ltd, 2006 - .</p>

Directors' report

Name and Qualifications	Experience and Special Responsibilities
Dr James Churchill MBBS, BMedSc	Director, Australian Medical Association Limited, 1 January 2012 - 31 December 2012 and 1 January 2014 - 25 May 2014. Doctors in Training Special Interest Group Nominee. Doctor in Training (DiTs). Unaccredited Surgical Registrar, Austin Health. President, The Australian Medical Students' Association Limited, 2012.
Prof Robert Conyers MB, BS, BSc, DPhil, MBL, FRCPA, FFSc(RCPA), FAMA, FAICD, AFRACMA	Alternate Director, Australian Medical Association Limited, 1 May 2014 - 25 May 2014.
Dr John Davis MBBS, BSc (Hons), BMedSc, FAMA, GAICD	Director, Australian Medical Association Limited, 8 May 2011 - 25 May 2014.
Ms Jessica Dean BMedSci (Hons)	Director, Australian Medical Association Limited, 1 January 2014 - 25 May 2014. The Australian Medical Students' Association Nominee. Student, Bachelor of Medicine and Surgery/Bachelor of Laws. Director, The Australian Medical Students' Association, 2013 - 2014. President, The Australian Medical Students' Association, 1 January 2014 - 31 December 2014.
Prof Geoffrey Dobb BSc (Hons), MBBS, FRCP, FRCA, FANZCA, FCICM, FAMA	Director, Australian Medical Association Limited, 23 October 2002 - 25 May 2014 and 31 July 2014 - . Vice President, Australian Medical Association Limited, 28 May 2011 - 25 May 2014. Executive Councillor, Australian Medical Association Limited, 8 November 2009 - 25 May 2014. Clinical Professor, School of Medicine and Pharmacology, The University of Western Australia. Chair, Southern Country Health Service (WA) Governing Council. Head, Intensive Care, Royal Perth Hospital. Past President, Australian Medical Association (WA) Incorporated. Member, Australian Organ and Tissue Donation and Transplantation Advisory Council. Board Member, Australian Council on Healthcare Standards. Board Member, Health Training Australia, AMACIS.
Dr Iain Dunlop MBBS (Hons), FRANZCO, FRACS	Director, Australian Medical Association Limited, 30 May 2010 - . Chairman of Council, Australian Medical Association Limited, 24 May 2013 - 25 May 2014. Executive Councillor, Australian Medical Association Limited, 29 May 2011 - 24 May 2013. Ophthalmologist. Immediate past President, Australian Medical Association (ACT) Limited. Director, Vision 2020 Australia. Director, Sight For Life Foundation. Past Chairman, MSC, Sydney and Sydney Eye Hospital. Past President, Royal Australian and New Zealand College of Ophthalmologists. Chairman, Department of Health Ophthalmic Prostheses Clinical Advisory Group.

Directors' report

Name and Qualifications	Experience and Special Responsibilities
Dr Elizabeth Feeney MBBS, MHL, FANZCA, FAICD, FAMA	Director, Australian Medical Association Limited, 6 November 2010 - Chairperson, Board, Australian Medical Association Limited, 25 May 2014 - Treasurer, Australian Medical Association Limited, 24 May 2013 - 25 May 2014. Anaesthetist. Director, Australasian Medical Publishing Company Proprietary Limited, 4 June 2013 - Director, Australian Medical Association (NSW) Limited, 2003 - 2011. Director, Australian Society of Anaesthetists, 2004 - 2012.
Dr Michael Gannon MBBS (WA), MRCPI, FRANZCOG	Director, Australian Medical Association Limited, 27 May 2012 - 25 May 2014. Western Australia State Nominee. Lead Obstetrician, Perinatal Loss Service, King Edward Memorial Hospital. President, Australian Medical Association (WA) Incorporated. Head of Department, Obstetrics and Gynaecology, St John of God Hospital Subiaco. RANZCOG Representative, Perinatal and Infant Mortality Committee. Member, Cases Committee, MDA National Insurance.
Prof Gary Geelhoed MBBS, FRACP, FACEM, MD	Director, Australian Medical Association Limited, 1 June 2008 - 25 May 2014. Paediatricians Craft Group Nominee. Medical Practitioner. Past President, Australian Medical Association (WA) Incorporated. Chief Medical Officer, Western Australia.
Dr Michael Gliksman BMed (Hons), LLB, MPH, PhD, FAFOEM (RACP), FAFPHM (RACP)	Director, Australian Medical Association Limited, 12 September 2011 - 25 May 2014. New South Wales State Nominee. Physician. Chairman, Australian Medical Association (NSW) Limited, Professional Ethics Committee. Past Vice President, Australian Medical Association (NSW) Limited.
Assoc Prof Timothy Greenaway MBBS, FRACP, PhD	Alternate Director, Australian Medical Association Limited, 1 May 2014 - 25 May 2014.

Directors' report

Name and Qualifications	Experience and Special Responsibilities
Assoc Prof John Gullotta AM BMed (Hons), BPharm (Syd) FRACGP, FAMA	Director, Australian Medical Association Limited, 29 May 2005 - 25 May 2014. New South Wales / Australian Capital Territory Area Nominee. General Practitioner in Private Practice, Matraville, New South Wales. Branch Councillor, Australian Medical Association (NSW) Limited, 2010 - . President, Australian Medical Association (NSW) Limited, 2004 - 2006. Director and Branch Councillor, Australian Medical Association (NSW) Limited, 1996 - 2009. Adjunct Associate Professor, Central Clinical School. Faculty of Medicine, University of Sydney, 2005 - . Member, Code of Conduct Committee, Medicines Australia, 2003 - . Member, Advisory Committee on Non Prescription Medicines (ACNM), 2007 - . Member, Advisory Committee on Medicines Scheduling (ACMS), 2010 - . Chairman Advisory Board, AMA NSW Charitable Foundation, 2006 - .
Dr Steven Hambleton MBBS, FAMA	Director, Australian Medical Association Limited, 31 May 2009 - 25 May 2014. President, Australian Medical Association Limited, 28 May 2011 - 25 May 2014. Vice President, Australian Medical Association Limited, 31 May 2009 - 28 May 2011. General Practitioner in Private Practice. Director, AMA Commercial Pty Ltd, 21 June 2011 - 25 May 2014. Director, Actraint No. 110 Pty Limited, 31 May 2009 - 25 May 2014. Director, AMA Pty Limited, 31 May 2009 - 25 May 2014. Director, Australasian Medical Publishing Company Proprietary Limited, 14 August 2009 - . Chairman, Australasian Medical Publishing Company Proprietary Limited, 16 June 2011 - 25 May 2014. Director, AMA NT Pty Ltd, 7 July 2011 - 25 May 2014. Acting CEO, The Queensland Branch of Australian Medical Association, October 2008 - December 2008. President, The Queensland Branch of Australian Medical Association, June 2005 - June 2006. President, AMA Q Foundation, 2009 - . GP Member, National Immunisation Committee, May 2006 - 2010. Committee Member, Pharmaceutical Benefits Advisory Committee, 2007 - 2009.
Dr Bradley Horsburgh MBBS, FRACS, FRANZCO	Director, Australian Medical Association Limited, 31 May 2013 - 25 May 2014. Ophthalmologist Craft Group Nominee. Ophthalmologist. President, Royal Australian and New Zealand College of Ophthalmologists (RANZCO), November 2014 - . Director, Royal Australian and New Zealand College of Ophthalmologists (RANZCO). Vice President, Treasurer, Royal Australian and New Zealand College of Ophthalmologists (RANZCO). Past President, Australian Society of Ophthalmologists.

Directors' report

Name and Qualifications	Experience and Special Responsibilities
<p>Dr Leonie Katekar MBBS, BSc(Med), MBioethics, FRACMA, GAICD</p>	<p>Director, Australian Medical Association Limited, 31 July 2014 - Medical Administration and Health Informatics. Councillor, Australian Medical Association Northern Territory Incorporated, 2011 - Inaugural Board Director, HealthDirect Australia (formerly National Health Call Centre Network), 2007 - 2011. Chief Executive Officer and Medical Advisor, Top End Division of General Practice, 2001 - 2008.</p>
<p>Clinical Prof Makhan Khangure MBBS, MRCP FRCP, RANZCR</p>	<p>Director, Australian Medical Association Limited, 30 May 2010 - 25 May 2014. Radiologists Craft Group Nominee. Radiologist. Past President, The Royal Australian and New Zealand College of Radiologists. Director, Australian Medical Association (WA) Incorporated. Member, The Royal Australian and New Zealand College of Radiologists. Chief Accreditation Officer for vocational training in radiology. Member, Education Board, The Royal Australian and New Zealand College of Radiologists. Member Panel of Clinical Experts, DOHA Prosthesis List Advisory Committee. Councillor, Specialist Medical Review Council (part time) Under Veterans' Entitlement Act. Member Working Group MBS Review - Imaging for Low Back Pain.</p>
<p>Dr Omar Khorshid MBBS, FRACS, FAOrthA, Adv Dip Mgt</p>	<p>Director, Australian Medical Association Limited, 2005 - 2008 and 30 May 2010 - 24 May 2014. Orthopaedic Craft Group Nominee. Orthopaedic Surgeon, Fremantle Hospital, Head of Department Rockingham General Hospital. Medical Co-director Surgical and Specialist Services Division, Rockingham General Hospital. Chair, WA Regional Training Committee, Australian Orthopaedic Association.</p>
<p>Dr Richard Kidd BHB, MBChB, Dip Obs, FAMA, Specialist VR General Practitioner</p>	<p>Director, Australian Medical Association Limited, 17 June 2011 - Queensland Area Nominee. General Practitioner with special interests in Aged Care, Mental Health, Palliative Care and Medical Education. Director, Board member, The Queensland Branch of Australian Medical Association, June 2007 - June 2014 and December 2014 - President, The Queensland Branch of Australian Medical Association, 2011 - 2012. Chair, The Queensland Branch of Australian Medical Association, Council of General Practice. Director, PeachTree. Director GPpartners, May 2007 - June 2010.</p>

Directors' report

Name and Qualifications	Experience and Special Responsibilities
Assoc Prof Robyn Langham MBBS, PhD, FRACP, GAICD	Director, Australian Medical Association Limited, 23 May 2013 - 25 May 2014. Victoria Area Nominee. Nephrologist. Director, Australian Medical Association (Victoria) Limited. Director, Australian Association Consultant Physicians.
Prof Stephen Lee AM MBBS (Hons 1), DDM (Sydney), FACD, FAMA	Director, Australian Medical Association Limited, 1 October 2002 - 25 May 2014. Dermatologists Craft Group Nominee. Clinical Professor in Dermatology, Sydney Medical School, The University of Sydney. Visiting Professor, China Medical University, China. Head, Department of Dermatology, Concord Repatriation General Hospital, Sydney. Senior Visiting Dermatologist, Royal Prince Alfred Hospital, Sydney.
Dr Helen McArdle BMedSc, MBBS, MPH, FAFOEM, FRACMA, FAICD	Director, Australian Medical Association Limited, 20 March 2013 - 25 May 2014 and 31 July 2014 -. Tasmania Area Nominee. Specialist Medical Administrator and Occupational Physician. Director, The Tasmanian Branch of the Australian Medical Association. Deputy Chairman, Southern Cross Care (TAS) Inc. Chairman, Post Graduate Medical Council of Tasmania. Medical Practitioner. Fellow of the Australian Institute of Company Directors.
Dr Andrew Miller MBBS (Hons) (UNSW), BSc(Med) (Hons) UNSW, FACD	Director, Australian Medical Association Limited, 27 May 2012 - 25 May 2015. Dermatologist. President, Australian Medical Association (ACT) Limited. Head of Department, Dermatology Department, The Canberra Hospital. Chairman, NSW Faculty, Australasian College of Dermatologists. Graduate of the Australian Institute of Company Directors.
Dr Patricia Montanaro MBBS, FRACGS	Director, Australian Medical Association Limited, 21 August 2013 - 25 May 2014. South Australia / Northern Territory Area Nominee. General Practitioner. President, Australian Medical Association (South Australia) Incorporated.
Dr Brian Morton AM MBBS, FRACGP, FAMA	Director, Australian Medical Association Limited, 20 June 2006 - 25 May 2014. General Practitioners' Craft Group Nominee. General Practitioner in Private Practice. Past President, Australian Medical Association (NSW) Limited. Councillor, Australian Medical Association (NSW) Limited. Past Director and Board Member, Australian Medical Association (NSW) Limited. Deputy Director, Professional Services Review Panel.

Directors' report

Name and Qualifications	Experience and Special Responsibilities
<p>Assoc Prof David Mountain MBBS, FACEM</p>	<p>Director, Australian Medical Association Limited, 28 May 2006 - 25 May 2014. Emergency Physicians Craft Group Nominee. Emergency Physician. Academic Emergency Medicine Physician, Staff specialist Sir Charles Gairdner Hospital/ University of WA. prev councillor/examiner for ACEM. Past President, Australian Medical Association (WA) Incorporated. Spokesperson on Emergency Medicine and a Specialist in Emergency Medicine.</p>
<p>Dr Andrew Mulcahy BMedSc, MBBS, FFARACS, FANZCA</p>	<p>Director, Australian Medical Association Limited, 5 June 2013 - 25 May 2014. Anaesthetist Craft Group Nominee. Specialist Anaesthetist in Private Practice. Member, Tasmanian Medical Board. Past Member, Medical Council of Tasmania. Past Board Member, Medical Protection Society of Tasmania. Past President, Australian Society of Anaesthetists.</p>
<p>Assoc Prof Brian Owler MBBS, PhD, FRACS, GAICD</p>	<p>Director, Australian Medical Association Limited, 29 May 2011 - . President, Australian Medical Association Limited, 25 May 2014 - . Neurosurgeon. Director, AMA Commercial Pty Ltd, 25 May 2014 - . Director, AMA Pty Limited, 25 May 2014 - . Director, AMA NT Pty Ltd, 25 May 2014 - . Director, Actraint No. 110 Pty Limited, 25 May 2014 - . Executive Councillor, Australian Medical Association Limited, 26 May 2013 - 25 May 2014. President, Australian Medical Association (NSW) Limited, June 2012 - 13 May 2014.</p>
<p>Dr Stephen Parnis MBBS, DipSurgAnat, FACEM, GAICD</p>	<p>Director, Australian Medical Association Limited, 29 May 2011 - . Vice President, Australian Medical Association Limited, 25 May 2014 - . Executive Councillor, Australian Medical Association Limited, 26 May 2013 - 25 May 2014. Director, AMA Pty Limited, 25 May 2014 - . Director, Actraint No. 110 Pty Limited, 25 May 2014 - . Salaried Doctors Special Interest Group Nominee. Emergency Physician, John Fawkner Private Hospital and St Vincent's Hospital Melbourne. President, Australian Medical Association (Victoria) Limited, May 2012 - May 2014. Vice President, Australian Medical Association (Victoria) Limited, 2006 - May 2012. Director, Australian Medical Association (Victoria) Limited, 2006 - 2014. State and Federal Councillor, Australian Salaried Medical Officers Federation, 2009 - .</p>

Directors' report

Name and Qualifications	Experience and Special Responsibilities
Dr Gino Pecoraro MBBS, MRACOG, FRACOG	Director, Australian Medical Association Limited, 18 June 2010 - 25 May 2014. Obstetrician and Gynaecologist Craft Group Nominee. Obstetrician and Gynaecologist. President, The Queensland Branch of Australian Medical Association, June 2010 - June 2011. Director, The Royal Australian and New Zealand College of Obstetricians and Gynaecologists, 2008 - 2014.
Dr Christian Rowan MBBS (QLD) MDipITrade (Mon), FRACGP, FARGP, FACRRM, FRACMA, FACHAM (RACP)	Director, Australian Medical Association Limited, 24 June 2013 - 25 May 2014. Queensland State Nominee. President, The Queensland Branch of Australian Medical Association, 2013 - 2014. President-Elect 2012 - 2013. Director, The Queensland Branch of the Australian Medical Association, 2011 - 2014. Addiction Medicine Specialist. Medical Administrator. Deputy Chief Medical Officer, Uniting Care Health. Director of Medical Services, St Andrew's War Memorial Hospital. Medical Director, Addiction Sciences Queensland.
Dr Beverly Rowbotham MBBS (Hons 1), MD, FRACP, FRCPA, FFSc (RCPA), GAICD	Director, Australian Medical Association Limited, 30 May 2010 - 25 May 2014. Pathologists Specialty Group Nominee. Haematologist and Pathologist. Director, Avant Mutual Group Limited, 1 July 2010 - . Director, Royal College of Pathologists of Australasia Quality Assurance Programs Pty Ltd, July 2010 - . Past President, Royal College of Pathologists of Australasia. Former Director and Chair, The Association for Childhood Language and related Disorders, 2000 - 2012. Past Member, Medical Services Advisory Committee. Member, NPAAC.
Dr Peter Sharley OAM MBBS, Dip RACOG, Dip Av Med, Dip Bus Mgt, GAICD, FANZCA, FCICM	Director, Australian Medical Association Limited, 26 May 2011 - 25 May 2014 and 31 July 2014 - . South Australia State Nominee. Medical Practitioner. Board Member, Doctors Health SA. Board Member and Councillor, Australian Medical Association (South Australia) Incorporated. Chairman, SA Post Graduate Medical Association. Co-opted Board Member, College of Intensive Care Medicine.
Dr Gregory Slater MBBS (Hons), FRANZCR, MAICD	Alternate Director, Australian Medical Association Limited, 11 March 2014 - 12 March 2014.
Dr Saxon Smith MBChB, MHL, GAICD, FACD	Alternate Director, Australian Medical Association Limited, 11 March 2014 - 12 March 2014 and 22 May 2014 - 23 May 2014.

Directors' report

Name and Qualifications	Experience and Special Responsibilities
Dr Richard Whiting FRACP	Director, Australian Medical Association Limited, 27 May 2012 - 25 May 2014. Physicians Craft Group Nominee. Consultant Physician. Director, Australian Association of Consultant Physicians. Director, Napier Street Aged Care Services. Past President, Australian Medical Association (Victoria) Limited. Former Board Chair, AMA Services Vic Ltd. Former Senior Medical Advisor to Victorian Health Minister.
Dr Anne Wilson MBBS	Alternate Director, Australian Medical Association Limited, 11 March 2014 - 12 March 2014.
Dr Choong-Siew Yong MBBS, FRANZCP, FAMA, Cert. Child and Adol. Psych.	Director, Australian Medical Association Limited, 29 May 2000 - 27 May 2007 and 1 June 2008 - 25 May 2014. Psychiatrists Craft Group Nominee. Psychiatrist. Vice President, Australian Medical Association Limited, May 2005 - 27 May 2007. President, Australian Medical Association (NSW) Limited, 2002 - 2004. Chairman, Health Committee Medical Council of NSW, 2011 - . Chairman, CME Committee, Royal Australian and New Zealand College of Psychiatrists, 2011 - . Member, Hunter Postgraduate Medical Institute Board of Directors, 2011 - 2014.

Directors' report

PRINCIPAL ACTIVITIES

Australian Medical Association Limited (AMA) is a public company limited by guarantee. The AMA represents and advocates for the registered medical practitioners of Australia and the medical students of Australia. The members of the AMA are simultaneously members of the State and Territory AMAs which are separate legal entities.

The principal activities during the reporting year, as set out in the Constitution adopted during the year, were to:

- preserve, maintain, promote and advance the intellectual, philosophical, social, political, economic and legal interests of Members; and
- promote the wellbeing of patients and take an active part in the promotion of health care programs for the benefit of the community and to participate in the resolution of major social and community health issues.

The AMA provides services and communications to its members. Through a subsidiary the AMA publishes and circulates the *Medical Journal of Australia*. Within the Consolidated Group (the Group) the AMA owns property and also provides services to members in the Northern Territory.

STRATEGIC DIRECTION

In late 2013 the national leadership of the AMA considered the strategic direction for the coming year. The leadership identified a series of strategic objectives to make the AMA a more effective organisation in the short term, to underpin longer term growth.

The agreed strategic direction for the AMA is evidenced in:

- Taking leadership in medico-political policy development, advocacy, and communication;
- Engaging collaboratively with State and Territory AMAs to deliver a more efficient and seamless member experience;
- Building membership through increased relevance to all sectors of the doctor community;

- Modernising the governance of the AMA to provide for a more efficient, sustainable and agile organisation;
- Evaluating financial investments and commercial partnerships to derive maximum benefit and reduce reliance on membership fees; and
- Creating a high performance workplace with committed and engaged staff.

The strategic direction was endorsed by the Federal Council of the AMA with a longer term strategic plan developed in August 2014 for the following period.

REVIEW AND RESULT OF OPERATIONS

The consolidated profit after income tax was \$3,288,598 (2013: \$1,051,154).

The operations of the Group during the financial year included: promoting the interests of the medical profession in the medico-political arena and more widely; advocating for patient health and the health of the community; servicing members through the provision of a range of membership services and benefits; publishing, among other things, the highly recognised and peer reviewed scientific journal, the *Medical Journal of Australia*; the management and rental of commercial properties; and maintenance and operation of a comprehensive data base containing both member and non-member information.

DIVIDENDS

The Constitution of the Company does not permit the distribution of dividends to members.

STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Group during the financial year under review which are not disclosed in the financial statements.

Directors' report

EVENTS SUBSEQUENT TO BALANCE DATE

No matter or circumstance has arisen since the end of the financial year to the date of this report which has significantly affected or may significantly affect the operations of the economic entity, the results of those operations or the state of affairs of the economic entity in subsequent financial years.

LIKELY DEVELOPMENTS

The change in the governance structure of the Company in 2014, will enable a more rigorous review of the Company's corporate arrangements including audit and risk; investment strategy; corporate benefits for members; and significant investment in digital projects and offerings in 2015.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's independence declaration as required under s307C of the Corporations Act 2001 is set out on page 65.

INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

Indemnification

Since the end of the previous financial year, the Group has not indemnified or made a relevant agreement indemnifying against a liability of any person who is or has been an officer or auditor of the Group.

Insurance premiums

During the financial year the Company has paid premiums on behalf of the entities in the Group in respect of Directors' and Officers' Liabilities and Professional Indemnity for the year ended 31 December 2014. Such insurance premiums insure against certain liability (subject to specific exclusions) of persons who are or have been Directors or Executive Officers of the Company and its subsidiaries.

During the financial year the Company has paid premiums to insure the above Directors, together

with Officers of the Group, against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct whilst acting in the capacity of Directors and Officers of the Group, other than conduct involving a wilful breach of duty in relation to the Group.

INFORMATION ON DIRECTORS

The composition of the Board of Directors changed markedly as a consequence of the new Constitution adopted by the Members at the AGM on 24 May 2014. Prior to the adoption of the new Constitution the Board comprised 33 medically qualified Directors, with a further Director at an advanced stage of medical study.

Prior to the changes to the Constitution, the Directors included four Executive Officers appointed at the Company's 2013 National Conference, State representatives appointed by the eight State and Territory AMAs, six Area Representatives from the State geographical areas, a Representative elected from each of the 13 Craft Groups embracing Physicians, Paediatricians, Orthopaedic Surgeons, Psychiatrists, General Practitioners, Pathologists, Radiologists, Surgeons, Ophthalmologists, Obstetricians and Gynaecologists, Anaesthetists, Dermatologists and Emergency Physicians, as well as two Special Interest Groups - full time Salaried Doctors (including academic and research doctors), Doctors in Training and a representative of The Australian Medical Students' Association Limited.

An Interim Board of Directors was appointed on 24 May 2014 for a period ending 31 July 2014 pending establishment of a permanent Board under the new Constitution.

The Interim Board was made up of six medically-qualified Directors, including the President and Vice President.

From 31 July 2014 the Board was made up of 11 medically qualified Directors, including the President and Vice President, one Director nominated by each State and Territory AMA and one Director nominated by the AMA Council of Doctors in Training

Under the new Constitution the Directors are required to be appointed on the basis of their skills and experience.

Directors' report

DIRECTORS' INTERESTS

Since the end of the previous financial year no Director has received or become entitled to receive a benefit, other than:

(a) a benefit included in the aggregate amount of emoluments received or due and receivable by Directors shown in the financial statements (Note 22);

(b) the fixed salary of an employee of the Company or an entity in the Group;

by reason of a contract made by the Company or a related corporation with the Director, or with a firm of which he/she is a member, or with a company in which he/she has a substantial financial interest.

DIRECTORS' MEETING ATTENDANCE

Directors' meetings held during 2014 reflected the changes in the Constitution adopted by the Members at the AGM held on 24 May 2014.

Prior to the AGM Federal Councillors met as the Board from 1 January 2014 to 24 May 2014. During the period 24 May 2014 to 31 July 2014 nominated Directors of an Interim Board held office. The Interim Board was replaced on 31 July 2014 and those Directors held office, and made up the Board at the date of this Directors' Report.

During the year ended 31 December 2014, Federal Council, sitting as the Board of Australian Medical Association Limited met twice, with its Executive Council meeting eight times. The Interim Board met four times and the Board, sitting at the date of this Directors' Report, met eight times.

The Finance Committee met three times during 2014. The last meeting of the Finance Committee was held in May 2014, with that Committee's responsibilities passing to the Board from 24 May 2014. The Audit and Risk Committee met twice during 2014, with an expanded Charter from 31 July 2014, as a Committee of the new Board.

The number of Directors' meetings each Director was eligible to attend and actually attended:

	Federal Council		Executive Council		Interim Board		Board	
	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended
Assoc Prof Brian Owler	2	2	8	7	4	4	8	8
Dr Steven Hambleton	2	2	8	8				
Dr Stephen Parnis	2	2	8	8	4	4	8	7
Prof Geoffrey Dobb	2	2	8	8			8	7
Dr Elizabeth Feeney	2	2	8	8	4	4	8	8
Dr Iain Dunlop	2	2	8	7	4	4	8	8
Dr Kathryn Austin							8	8
Dr Anthony Bartone	2	2					8	7
Dr Richard Choong	2	2			4	4		
Dr Leonie Katekar							8	7
Dr Richard Kidd	2	2			4	4	8	8

Directors' report

	Federal Council		Executive Council		Interim Board		Board	
	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended
Dr Helen McArdle	2	2					8	8
Dr Peter Sharley	2	1					8	7
Dr Peter Beaumont	2	2						
Dr James Churchill	2	2						
Prof Robert Conyers (alt)	2	2						
Dr John Davis	2	0						
Ms Jessica Dean	2	2						
Dr Michael Gannon	2	2						
Prof Gary Geelhoed	2	1						
Dr Michael Gliksman	2	0						
Assoc Prof Timothy Greenaway (alt)	2	2						
Assoc Prof John Gullotta	2	2						
Dr Bradley Horsburgh	2	2						
Clinical Prof Makhan Khangure	2	1						
Dr Omar Khorshid	2	2						
Assoc Prof Robyn Langham	2	2						
Prof Stephen Lee	2	1						
Dr Andrew Miller	2	1						
Dr Patricia Montenaro	2	2						
Dr Brian Morton	2	2						
Assoc Prof David Mountain	2	2						
Dr Andrew Mulcahy	2	1						
Dr Gino Pecoraro	2	2						
Dr Christian Rowan	2	2						
Dr Beverley Rowbotham	2	0						
Dr Gregory Slater (alt)	1	1						
Dr Saxon Smith (alt)	2	2						
Dr Richard Whiting	2	1						
Dr Anne Wilson (alt)	1	1						
Dr Choong-Siew Yong	2	1						

Directors' report

Directors:	Audit and Risk Committee		Finance Committee	
	Eligible to Attend	Attended	Eligible to Attend	Attended
Dr Elizabeth Feeney	1	0	3	3
Clinical Prof Makhan Khangure	1	1		
Assoc Prof Brian Owler	1	1	3	2
Dr Beverley Rowbotham	1	0		
Dr Peter Sharley	1	1	3	3
Dr Iain Dunlop	1	1	3	3
Dr Leonie Katekar	1	1		
Dr Anthony Bartone			3	2
Dr Richard Choong			3	2
Prof Geoffrey Dobb			3	1
Dr Steven Hambleton			3	2
Dr Andrew Miller			3	2

There are a number of other committees on which Directors of the Company sit. Details of these committees are included elsewhere in the annual report.

Australian Medical Association Limited is a company limited by guarantee. If the Company is wound up, each member of the Company, and each person who ceased to be a member in the preceding year, undertakes to contribute to the payment of debts and liabilities, and the costs, charges and expenses of winding up the Company, and to the adjustment of rights of contributories amongst themselves, of an amount not exceeding two dollars.

Signed in accordance with a resolution of the Directors.



Assoc Prof Brian Owler
Director
Australian Medical Association Limited



Dr Elizabeth Feeney
Director
Australian Medical Association Limited

Dated this 23rd day of April 2015.

Statement of comprehensive income

For the year ended 31 December 2014

	Note	CONSOLIDATED	
		2014 \$	2013 \$
Revenue		20,323,111	20,088,568
Other income		3,821,999	226,839
	2	24,145,110	20,312,407
Employee benefits expense		(11,563,136)	(10,786,885)
Depreciation and amortisation expense		(732,314)	(736,446)
Impairment losses on receivables		-	(14,193)
Cost of goods sold		(32,759)	(49,044)
Finance costs		(81,243)	(120,670)
Production costs - <i>Medical Journal of Australia</i>		(1,182,825)	(1,233,610)
Financial assistance - States and Territories		(42,113)	(83,389)
Federal Council and committees		(587,550)	(636,780)
Secretariat travel and accommodation		(446,876)	(387,657)
Production and publications		(149,635)	(150,121)
National Conference		(393,686)	(455,093)
Outside bodies and overseas affiliations		(230,257)	(250,005)
Campaigns and projects		(158,219)	(151,043)
Cost of collection contribution		(201,360)	(194,572)
Insurance		(186,376)	(173,817)
Consultants		(533,855)	(694,656)
Communication costs		(210,338)	(208,061)
Office and administration costs		(449,203)	(435,617)
Sponsorship and commission		(15,007)	(60,878)
Other expenses	2	(2,825,973)	(2,437,332)
		(20,022,725)	(19,259,869)
Profit before income tax		4,122,385	1,052,538
Income tax expense	4	(833,787)	(1,384)
Profit for the year		3,288,598	1,051,154
Other comprehensive income			
Revaluation of property, plant and equipment		-	-
Income tax on other comprehensive income		-	-
Other comprehensive income for the year, net of income tax		-	-
Total comprehensive income for the year		3,288,598	1,051,154

(Notes to and forming part of these financial statements are annexed)

Statement of financial position

As at 31 December 2014

	Note	CONSOLIDATED	
		2014 \$	2013 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	4,345,905	5,025,403
Trade and other receivables	6	9,884,189	1,808,581
Inventories	7	42,928	35,085
Prepayments		571,112	459,800
Income tax receivable	12	-	612,633
TOTAL CURRENT ASSETS		14,844,134	7,941,502
NON-CURRENT ASSETS			
Other investments	8	1	1
Intangible assets	9	50,218	52,204
Investment properties	10	823,962	937,353
Property, plant and equipment	11	9,915,030	12,163,358
Deferred tax assets	13	134,201	181,261
TOTAL NON-CURRENT ASSETS		10,923,412	13,334,177
TOTAL ASSETS		25,767,546	21,275,679
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	14	3,474,057	2,335,917
Interest bearing loans and borrowings	15	1,013,000	293,000
Employee benefits	16	1,358,209	1,260,816
Income tax payable	12	246,745	-
TOTAL CURRENT LIABILITIES		6,092,011	3,889,733
NON-CURRENT LIABILITIES			
Interest bearing loans and borrowings	15	-	1,013,000
Employee benefits	16	103,884	89,893
TOTAL NON-CURRENT LIABILITIES		103,884	1,102,893
TOTAL LIABILITIES		6,195,895	4,992,626
NET ASSETS		19,571,651	16,283,053
EQUITY			
Asset revaluation reserves		4,794,167	4,794,167
Retained earnings		14,777,484	11,488,886
TOTAL EQUITY		19,571,651	16,283,053

(Notes to and forming part of these financial statements are annexed)

Statement of changes in equity

For the year ended 31 December 2014

	Attributed to equity holders of the parent		
	Retained Earnings \$	Asset Revaluation Reserves \$	Total Equity \$
CONSOLIDATED			
At 1 January 2013	10,437,732	4,794,167	15,231,899
Profit for the year	1,051,154	-	1,051,154
Other comprehensive income	-	-	-
At 31 December 2013	11,488,886	4,794,167	16,283,053
Profit for the year	3,288,598	-	3,288,598
Other comprehensive income	-	-	-
At 31 December 2014	14,777,484	4,794,167	19,571,651

(Notes to and forming part of these financial statements are annexed)

Statement of cash flows

For the year ended 31 December 2014

	Note	CONSOLIDATED	
		2014 \$	2013 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Membership subscriptions received		12,649,304	11,754,221
Commissions received		1,155,248	1,179,723
Other receipts, including sales and subscriptions		8,331,945	10,043,177
Interest received		152,717	150,271
Interest paid		(81,243)	(120,670)
Income tax paid - net		72,651	(427,042)
Payments to suppliers and employees		(20,347,387)	(21,141,608)
NET CASH FLOW PROVIDED BY OPERATING ACTIVITIES	21(b)	<u>1,933,235</u>	<u>1,438,072</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for intangible assets		(20,523)	(2,491)
Payments for investment properties		-	(1,186)
Payments for property, plant and equipment		(2,337,330)	(252,549)
Proceeds from sale of property, plant and equipment		13,947	2,000
Proceeds from other investments		24,000	35,173
Dividends received		173	160
NET CASH FLOW USED IN INVESTING ACTIVITIES		<u>(2,319,733)</u>	<u>(223,893)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of bank borrowings		(293,000)	(273,000)
NET CASH FLOW USED IN FINANCING ACTIVITIES		<u>(293,000)</u>	<u>(273,000)</u>
Net increase / (decrease) in cash held		(679,498)	941,179
Cash and cash equivalents at the beginning of the year		5,025,403	4,084,224
Cash and cash equivalents at the end of the year	5	<u><u>4,345,905</u></u>	<u><u>5,025,403</u></u>

(Notes to and forming part of these financial statements are annexed)

Notes to and forming part of the financial statements

For the year ended 31 December 2014

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements and notes represent those of Australian Medical Association Limited (the Company) and its controlled entities.

The separate financial statements of the parent entity, Australian Medical Association Limited, have not been presented within this financial report as permitted by amendments made to the *Corporations Act 2001*.

Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The company 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. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards (IFRS). 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 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 financial statements were approved by the Board on 23 April 2015.

(a) Principles of consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Australian Medical Association Limited at the end of the reporting period. A controlled entity is any entity over which Australian Medical Association Limited has the power to govern the financial and operating policies so as to obtain benefits from its activities.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities is included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 20 to the financial statements.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated in full on consolidation.

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are shown separately within the equity section of the consolidated statement of financial position and statement of comprehensive income. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.