

THE AUSTRALIAN MEDICAL STUDENTS' ASSOCIATION LIMITED

ABN 67 079 544 513

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2013

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AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF THE AUSTRALIAN MEDICAL STUDENTS' ASSOCIATION LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2013 there have been:

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



Selina Stanford
Director
Moore Stephens

Dated at Canberra: 28 April 2014

Australian Medical Students' Association Limited

ABN 67 079 544 513

Directors' Report 2013

Your Directors present their report on the Company for the financial year ended 31 December 2013.

Directors

The names and particulars of the Directors of the Company during and since the end of the financial year are:

Name	Position, Qualifications and Experience	Eligible to Attend	Meetings Attended
Callum Potts	Member of AMSA Director, Australian Medical Students' Association 12 March 2012 – 02 March 2013	2	0
Daina Rudaks	Member of AMSA Director, Australian Medical Students' Association 12 March 2012 – 02 March 2013	2	1
Tom Crowhurst	National Coordinator 2010 Director, Australian Medical Students' Association 01 January 2010 – 02 March 2013	2	2

Michael McLaughlin	Convenor, AMSA Global Health Conference 2012 Director, Australian Medical Students' Association 05 October 2012 – 02 March 2013	2	0
Peter Neeskens	Convenor, AMSA Convention 2013 Director, Australian Medical Students' Association 05 October 2012 – 08 October 2013	7	7
Ian Olszewski	Convenor, AMSA Convention 2012 Director, Australian Medical Students' Association 02 March 2013 – 08 October 2013	5	5
Anna Barbouttis	Director, Australian Medical Students' Association 02 March 2013 – 08 October 2013	5	5
Joel Bedford	Director, Australian Medical Students' Association 02 March 2013 – 08 October 2013	5	5
Alexander Murphy	Treasurer 2013 Logistics Officer, AMSA Convention 2011 Director, Australian Medical Students' Association 01 January 2013 – 31 December 2013	8	6
Benjamin Veness	President 2013 Director, Australian Medical Students' Association 01 January 2013 – 31 December 2013	8	8
Patrick Tunney	Deputy Convenor, AMSA Convention 2013 Director, Australian Medical Students' Association 02 March 2013 – 24 March 2014	7	6
Huw Jarvis	Convenor, AMSA Global Health Conference 2013 Director, Australian Medical Students' Association 02 March 2013 – 24 March 2014	7	6

Akalya Mahendran	Deputy Convenor, AMSA Convention 2011 Director, Australian Medical Students' Association 02 March 2013 - 24 March 2014	7	5
James Johnston	Convenor, AMSA Convention 2014 Director, Australian Medical Students' Association 08 October 2013 - <i>ongoing</i>	2	2
Enis Kocak	Director, Australian Medical Students' Association 08 October 2013 - <i>ongoing</i>	2	2
John Cherry	Director, Australian Medical Students' Association 08 October 2013 - <i>ongoing</i>	2	1
Georgia Carroll	Sponsorship Officer 2013 Deputy Convenor, AMSA Global Health Conference 2014 Director, Australian Medical Students' Association 08 October 2013 - <i>ongoing</i>	2	2
Jessica Dean	President 2014 Director, Australian Medical Students' Association 01 January 2014 - <i>ongoing</i>	1	1
Siddharth Padmanabhan	Engagement and Promotions Officer 2014 Director, Australian Medical Students' Association 01 January 2014 - <i>ongoing</i>	1	1
Rahul Chatterjee	Convenor, AMSA Global Health Conference 2014 Director, Australian Medical Students' Association 24 March 2014 - <i>ongoing</i>	0	0
Alexander Robinson	Director, Australian Medical Students' Association 24 March 2014 - <i>ongoing</i>	0	0

Anna Grosse	Deputy Convenor, AMSA Convention 2014 Director, Australian Medical Students' Association 24 March 2014 - <i>ongoing</i>	0	0
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Company Secretary

Those holding the title of Company Secretary during 2013 were:

Name	Position, Qualifications and Experience
Helen Jentz	Executive Officer, Australian Medical Students' Association 2010 – 27 July 2013
Patrick Tunney	Director, Australian Medical Students' Association 27 July 2013 – 1 December 2013
Enis Kocak	Director, Australian Medical Students' Association 1 December 2013 - <i>ongoing</i>

Executive

The Executive is chosen by the AMSA members following a bid process.

The names and particulars of the Executive during 2013 are:

Name	Position, Qualifications and Experience
Benjamin Veness	President Director, Australian Medical Students' Association 01 January 2013 – 31 December 2013
Richard Arnold	Vice President (External) 01 January 2013 – 31 December 2013

Steve Bartnik	Vice President (Internal) 01 January 2013 – 31 December 2013
Steve Hurwitz	Public Relations Officer 01 January 2013 – 31 December 2013
Samantha Stott	National Coordinator 01 January 2013 – 02 March 2013
Victoria Forsdick	Engagement and Promotions Officer 01 January 2013 – 02 March 2013 National Coordinator 02 March 2013 – 31 December 2013
Arran Schlosberg	Internal Communications Officer 01 January 2013 – 31 December 2013
Alexander Murphy	Treasurer Director, Australian Medical Students' Association 01 January 2013 – 31 December 2013
Georgia Carroll	Sponsorship Officer 01 January 2013 – 31 December 2013
Miranda Norquay	Sponsorship Officer 01 January 2013 – 31 December 2013
Eliza Wziontek	Events Coordinator 01 January 2013 – 31 December 2013
Sophie Alpen	Rural & Indigenous Officer 01 January 2013 – 31 December 2013
James Lawler	Global Health Officer 01 January 2013 – 31 December 2013
Arghya Gupta	Publications Officer

	01 January 2013 – 31 December 2013
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Operating Results

The operating result of the Company for the financial year was a profit after tax of \$20,195 (2012: loss of \$51,880).

Significant Changes in State of Affairs

In 2013, the AMSA Board voted to make the position of Chief Executive Officer within the Company redundant. This decision was based on a financial inability to continue to sustain the role.

Short and Long Term Objectives

The primary objectives of the Company are to:

1. Represent the interests of Medical Students to all relevant bodies
2. Facilitate interaction and collaboration between Medical Students and MedSocs;
and
3. Promote awareness among Medical Students of issues relevant to the study and practice of medicine.

The secondary objectives of the Company are to:

1. Advance the welfare of Medical Students;
2. Promote excellence in medical education;
3. Foster Medical Students' interest in areas relevant to medicine, including rural, Indigenous and global health and medical research;

4. Develop leadership and professionalism amongst Medical Students;
5. Facilitate the involvement of Medical Students in community health initiatives;
6. Participate in improving the Australian healthcare system; and
7. Cooperate and affiliate with other bodies having similar objects to the Company.

Short term objectives:

1. To investigate and implement innovative ways to promote AMSA's activities and advocacy through the effective use of AMSA's website, social media and face to face activities;
2. To use face to face opportunities at AMSA events to gain feedback from students on AMSA's activities and effectiveness;
3. To improve AMSA's support of its representatives and subcommittees;
4. To improve all aspects of AMSA's governance arrangements, including its official documents and governance structure; and
5. To establish mechanisms to develop, review and update AMSA policy.

Long term objectives:

6. To continue to provide and promote high quality AMSA events to Australia's medical students as opportunities to enhance professional and personal development;
7. To have in place a database with the email addresses of all medical students in Australia by 2015;
8. To provide high-quality membership benefits to medical students to provide incentives to engage with the Association;
9. To develop and implement financial strategies to ensure the sustainability of

AMSA;

10. To develop the capability to be in contact with all Australian medical students through a variety of media including email, the website, subcommittees and publications, in order to enhance medical student awareness of AMSA and student involvement; and
11. To develop and maintain strong stakeholder relationships to ensure and protect AMSA's position as the peak body and key voice on all matters pertaining to medical student issues.

Strategy For Achieving Objectives

1. Become One – to bring all aspects of AMSA under the one umbrella on a legal, functional and perceptual level;
2. Invest in Members; and
3. Student Ownership – to have AMSA recognised by all Australian medical students as their representative organisation.

Principal Activities

The Company's principal activity during the year was to represent the general interests of medical students through advocacy and the promotion of awareness of all matters relating to medical education and practice. This also included:

1. **Strategic Plan:** AMSA released a strategic plan to guide its direction into the future.
2. **Events:** AMSA held three major events in 2013: the National Convention, the Global Health Conference and the National Leadership Development Seminar.
3. **Council Meetings:** AMSA Council met three times.
4. **Publications:** AMSA published
 - a. two editions of its print magazine *Panacea*;
 - b. its annual publication the *Intern and Residency Guide*;
 - c. the 2013 *AMSA Orange Guide*, a policy platform; and
5. **Advocacy:** ongoing representation of the interests of Australia's medical students.

How AMSA's activities assisted in achieving its objectives

1. **Strategic Plan:** the strategic plan refocused the direction of the Company to bring it into a position to better achieve its objectives.
2. **Events:** three high quality events provided high quality programs for professional and personal development. All three events returned a profit for AMSA.
3. **Council Meetings:** Council produced several public policy statements throughout the year.
4. **Publications:** each *Panacea* edition was distributed to all Australian Medical Schools.
5. **Advocacy:** AMSA's ongoing investment in advocacy has enhanced the Company's reputation as the peak body for medical student interests in Australia

Performance Measures

National Convention, Global Health Conference and the National Leadership Development Seminar are required to provide a profit to the Company.

AMSA currently has no formalized performance measures. Over the longer term the Company aims to develop and implement these, with an annual review process.

Review of Operations

The operations of the Company during the financial year included representing Australian medical students through advocacy and promotion of awareness of matters relating to medical education and practice. A vast majority of the Company's activity and consequently

revenue and expenditure during the year were related to their two main events, the AMSA National Convention and Global Health Conference.

The administrative activities of the Company are supported by the Australian Medical Association Limited.

After Balance Date Events

No matters or circumstance have arisen since the end of the financial year which significantly affected, or may significantly affect, the operations of the company.

Future Developments

No major developments are expected that are likely to impact on the future operations of the company.

Environmental Issues

The Company operations are not regulated by any significant environmental regulation under the law of the Commonwealth of Australia.

Dividends Paid or Recommended

The Company is a company limited by guarantee. It is prohibited by its constitution from paying dividends to members.

Indemnification of Officers or Auditor

During or since the end of the financial year, the Company has given indemnity or entered an agreement to indemnify, or paid or agreed to pay insurance premiums to insure each of the directors and officers against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director or officer of the Company, other than conduct involving a wilful breach of duty in relation to the Company.

Proceedings on Behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

Members' Contribution

The Company is incorporated under the Corporations Act 2001 and is limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the Company. As at 31 December 2013 the collective liability of members was \$200 (2012: \$200).

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 31 December 2013 has been received and is included immediately following the Directors' Report.

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



Director, Enis Kocak

Dated: 28 April 2014



Director, Alexander Robinson

Dated: 28 April 2014

Directors' Declaration

The Directors declare that:

- The attached financial statements and notes thereto comply with accounting standards;
- the attached financial statements and notes thereto give a true and fair view of the financial position and performance of the company;
- In the Directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001; and
- In the Directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become payable.

Signed in accordance with a resolution of the Directors made pursuant to s. 295(5) of the Corporations Act 2001.

On Behalf of the Directors

A handwritten signature in black ink, appearing to read 'E. Kocak', written in a cursive style.

Director, Enis Kocak

Dated: 28/04/2014

A handwritten signature in black ink, appearing to read 'A. Robinson', written in a cursive style.

Director, Alexander Robinson

Dated: 28/04/2014

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE AUSTRALIAN MEDICAL STUDENTS' ASSOCIATION LIMITED

ABN 67 079 544 513

Report on the Financial Report

We have audited the accompanying financial statements of the Australian Medical Students' Association Limited (the company), which comprises the statement of financial position as at 31 December 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the company.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors 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 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 the *Corporations Act 2001*.

Basis for Qualified Opinion

Management has used a different method to calculate the tax payable on non-member income in 2013 compared to the method applied in prior years. The company has obtained professional advice regarding their calculations and has determined that the method used in the 2013 calculation is correct. The company has not yet recalculated their prior year tax balances using the appropriate method and until these calculations have been completed the amount of the potential misstatement in the financial statements is unable to be quantified.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial report of Australian Medical Students Association Limited is in accordance with the Corporations Act 2001, including:

- i. giving a true and fair view of the company's financial position as at 31 December 2013 and of its performance for the year ended on that date; and
- ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.



Selina Stanford
Director
Moore Stephens

Dated at Canberra: 28 April 2014

THE AUSTRALIAN MEDICAL STUDENTS' ASSOCIATION LIMITED
(ABN) 67 079 544 513

	Note	2013 \$	2012 \$
STATEMENT OF COMPREHENSIVE INCOME			
FOR THE YEAR ENDED 31 DECEMBER 2013			
Revenue	2	<u>1,824,936</u>	<u>1,563,829</u>
Publications		(5,589)	(8,508)
Events		(84,836)	(91,666)
Meetings		(118,805)	(140,691)
Conventions and conferences		(1,404,003)	(1,168,943)
Executive		(15,141)	(29,574)
Administration costs	3	(132,606)	(170,645)
Affiliation fees		<u>(3,825)</u>	<u>(514)</u>
		<u>(1,764,805)</u>	<u>(1,610,541)</u>
Profit before income tax		<u>60,131</u>	<u>(46,712)</u>
Income tax benefit / (expense)	5(a)&(b)	<u>(39,936)</u>	<u>(5,168)</u>
Profit / (loss) for the year		<u>20,195</u>	<u>(51,880)</u>
Total comprehensive income attributable to members		<u>20,195</u>	<u>(51,880)</u>

The accompanying notes form part of these financial statements.

THE AUSTRALIAN MEDICAL STUDENTS' ASSOCIATION LIMITED
(ABN) 67 079 544 513

	Note	2013 \$	2012 \$
STATEMENT OF FINANCIAL POSITION			
AS AT 31 DECEMBER 2013			
CURRENT ASSETS			
Cash and cash equivalents	6	281,090	236,753
Receivables	7	52,271	143,534
Other current assets	8	85,620	74,346
Deferred tax asset	5(c)	6,125	5,114
TOTAL CURRENT ASSETS		<u>425,106</u>	<u>459,747</u>
NON CURRENT ASSETS			
Plant and equipment	9	2,902	3,337
TOTAL NON CURRENT ASSETS		<u>2,902</u>	<u>3,337</u>
TOTAL ASSETS		<u>428,008</u>	<u>463,084</u>
CURRENT LIABILITIES			
Payables	10	12,022	40,134
Unearned revenue	11	2,460	38,182
Provision for income tax		44,259	24,875
Employee benefits	12	-	10,821
TOTAL CURRENT LIABILITIES		<u>58,741</u>	<u>114,012</u>
TOTAL LIABILITIES		<u>58,741</u>	<u>114,012</u>
NET ASSETS		<u>369,267</u>	<u>349,072</u>
EQUITY			
Retained profit		369,267	349,072
TOTAL EQUITY		<u>369,267</u>	<u>349,072</u>

The accompanying notes form part of these financial statements.

THE AUSTRALIAN MEDICAL STUDENTS' ASSOCIATION LIMITED
(ABN) 67 079 544 513

	Note	2013	2012
		\$	\$
STATEMENT OF CHANGES IN EQUITY			
FOR THE YEAR ENDED 31 DECEMBER 2013			
RETAINED EARNINGS			
Balance carried forward from previous period		349,072	400,952
Profit / (loss) attributable to the entity		<u>20,195</u>	<u>(51,880)</u>
Balance at 31 December		<u><u>369,267</u></u>	<u><u>349,072</u></u>

The accompanying notes form part of these financial statements.

THE AUSTRALIAN MEDICAL STUDENTS' ASSOCIATION LIMITED
(ABN) 67 079 544 513

	Note	2013 \$	2012 \$
STATEMENT OF CASH FLOWS			
FOR THE YEAR ENDED 31 DECEMBER 2013			
Cash Flows from Operating Activities			
Receipts from operations		2,071,149	1,718,061
Interest received		9,330	10,261
Payments to suppliers		(2,014,580)	(1,768,357)
Income tax paid		(21,562)	-
Net cash used in operating activities	16(a)	<u>44,337</u>	<u>(40,035)</u>
Cash Flows from Investing Activities			
Net movement in cash and cash equivalents		44,337	(40,035)
Cash and cash equivalents at the beginning of the year		<u>236,753</u>	<u>276,788</u>
Cash and cash equivalents at the end of the year	6	<u><u>281,090</u></u>	<u><u>236,753</u></u>

The accompanying notes form part of these financial statements.

THE AUSTRALIAN MEDICAL STUDENTS' ASSOCIATION LIMITED
(ABN) 67 079 544 513
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

Note 1: Summary of Significant Accounting Policies

The financial statements are for The Australian Medical Students' Association Limited (the "Company") as an individual entity. The Australian Medical Students' Association Limited is a company limited by guarantee, incorporated and domiciled in Australia. The registered office and principal place of business of the Company is Level 1, 42 Macquarie Street, Barton, ACT 2600.

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) and the *Corporations Act 2001*. The Company is a not-for-profit entity for the purposes of application of Australian Accounting Standards.

Any new accounting standards that have been issued but are not yet effective at balance date have not been applied in the preparation of these financial statements. The possible impacts of the initial application of these accounting standards have not been assessed.

The financial statements are presented in Australian dollars and has been prepared on an accruals basis. They 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 following is a summary of the material accounting policies adopted by the Company in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

Accounting Policies

(a) Current Tax

Current tax is calculated by reference to the amount of income tax payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which unused tax losses and tax offsets can be utilised.

(b) Plant and Equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses. The carrying amount of plant and equipment is reviewed annually by Directors to assess impairment in accordance with Note 1(c) below.

The following plant and equipment are depreciated using the diminishing value method.

Depreciation is charged at the following rates:

<u>Class of Fixed Assets</u>	<u>Rates</u>
Computer hardware	40%
Printers and faxes	40%

The following plant and equipment is depreciated on a straight-line basis over the estimated useful life of the asset.

<u>Class of Fixed Assets</u>	<u>Rates</u>
Furniture and fittings	5%

All assets' residual values and useful lives are reviewed and adjusted if appropriate, at each financial year end.

(c) Impairment

At each reporting date, the Company reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. As a not-for-profit entity, value in use for the company, according to AASB 136 Impairment of Assets, is depreciated replacement cost. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

THE AUSTRALIAN MEDICAL STUDENTS' ASSOCIATION LIMITED
(ABN) 67 079 544 513
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

Note 1: Statement of Significant Accounting Policies (continued)

(d) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and deposits held at call with banks.

(e) Comparative Figures

Where necessary, comparative figures have been adjusted to conform to changes in presentation in these financial statements.

(f) Revenue and Expense Recognition

When the Company acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognised is the net amount of commission made by the Company.

Conventions, sponsorship and event income are recognised as revenue on completion of the event. Income received prior to the holding of the event is recognised as income in advance (liabilities, unearned income). Expenses incurred prior to the event are recognised as prepayments (other current assets).

Interest income is recognised as it accrues in profit and loss, using the effective interest method.

All revenues and expenses are stated net of the amount of goods and services tax (GST).

(g) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of the Goods and Services Tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current liability in the Statement of Financial Position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows, arising from investing and financing activities, which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(h) Employee Benefits

Employee benefits comprise wages and salaries, annual and non-accumulating sick leave, and contributions to superannuation plans.

Liabilities for wages and salaries expected to be settled within 12 months of balance date are recognised in other payables in respect of employees services up to the reporting date. Liabilities for annual leave in respect of employees services up to the reporting date which are expected to be settled within 12 months of balance date are recognised as employee benefits (current liability). Both liabilities are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

The Company pays contributions to certain defined contribution superannuation plans. Contributions are recognised in the Statement of Comprehensive Income when they are due.

(i) Financial Instruments

Initial Recognition and Measurement

Financial instruments are initially measured at fair value which includes transaction costs when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

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

Financial Liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

THE AUSTRALIAN MEDICAL STUDENTS' ASSOCIATION LIMITED
(ABN) 67 079 544 513
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

Note 1: Statement of Significant Accounting Policies (continued)

(j) Critical Accounting Estimates and Judgements

The Directors evaluate 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 the Company.

Key estimates - Impairment

The Company assesses impairment at each reporting date by evaluating conditions specific to the Company that may lead to impairment of assets. Should an impairment indicator exist, the determination of the recoverable amount of the asset may require incorporation of a number of key estimates. No impairment indicators were present at 31 December 2013.

	2013	2012
	\$	\$
Note 2: Revenue		
<u>Operating activities:</u>		
Sponsorship	162,395	164,838
Publications advertising	9,727	2,250
Events	94,004	87,687
Sitting fees	27,533	12,890
Delegate reimbursement	15,979	6,514
Conventions	1,486,677	1,229,188
Affiliation fees	17,652	44,166
Other	1,639	6,035
	<u>1,815,606</u>	<u>1,553,568</u>
<u>Non operating activities:</u>		
Interest	9,330	10,261
	<u>1,824,936</u>	<u>1,563,829</u>

Note 3: Operating Expenses

Operating expenses include the following amounts:

<u>Administration expenses:</u>		
Other secretariat expenses	25,988	44,880
Depreciation	435	699
Communications	2,606	8,469
Postage, printing and stationery	1,490	1,185
Insurance premiums	7,495	7,775
Impairment allowance and write off of receivables	25,470	-
Payroll expenses	69,122	107,637
	<u>132,606</u>	<u>170,645</u>

Note 4: Auditors Remuneration

Remuneration of the auditor for:

Auditing or reviewing the financial statements	<u>7,900</u>	<u>8,400</u>
	<u>7,900</u>	<u>8,400</u>

THE AUSTRALIAN MEDICAL STUDENTS' ASSOCIATION LIMITED
(ABN) 67 079 544 513
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

	2013	2012
	\$	\$
Note 5: Income Tax		
(a) Tax expense comprises:		
Current tax expense / (benefit) in respect of the current year	40,946	(5,114)
Deferred tax expense / (income) relating to temporary differences	(1,010)	6,487
Adjustments for prior years	-	3,795
Total income tax expense / (benefit)	<u>39,936</u>	<u>5,168</u>

(b) The prima facie income tax expense on pre-tax accounting profit from operations reconciles to the income tax expense in the financial statements as follows:

Net surplus from ordinary activities before income tax	60,131	(46,712)
Income tax expense calculated at 30%	18,039	(14,014)
Effect of expenses that are not deductible in determining taxable profit	39,986	359,836
Effect of revenue that is exempt from taxation	(11,965)	(350,936)
Tax effect of temporary timing differences	(6,125)	-
Effect of deferred tax income relating to reversal of temporary differences	-	6,487
Over provided in prior years	-	(9,751)
Under provided in prior years	-	13,546
Income tax expense in Statement of Comprehensive Income	<u>39,936</u>	<u>5,168</u>

The applicable weighted average effective tax rates are as follows:

The tax rate used in the above reconciliation is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law. There has been no change in the corporate tax rate when compared with the previous reporting period.

(c) Deferred tax balances

	Opening balance	Charged to income	Charged to equity	Change to income tax rate	Total
	\$	\$	\$	\$	\$
2013					
Temporary differences:					
Receivables	-		6,125	-	6,125
Payables	-		-	-	-
Unearned revenue	-		-	-	-
Provision for employee benefits	-		-	-	-
Tax losses	5,114	(5,114)	-	-	-
	<u>5,114</u>	<u>(5,114)</u>	<u>6,125</u>	<u>-</u>	<u>6,125</u>

Presented on the statement of financial position as:

Deferred tax asset attributable to continuing operations	6,125
Deferred tax liability attributable to continuing operations	-
	<u>6,125</u>

2012

Temporary differences:

Receivables	43	(43)	-	-	-
Payables	-		-	-	-
Unearned revenue	1,725	(1,725)	-	-	-
Provision for employee benefits	701	(701)	-	-	-
Tax losses	4,018	1,096	-	-	5,114
	<u>6,487</u>	<u>(1,373)</u>	<u>-</u>	<u>-</u>	<u>5,114</u>

Presented on the statement of financial position as:

Deferred tax asset attributable to continuing operations	5,114
Deferred tax liability attributable to continuing operations	-
	<u>5,114</u>

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	2013	2012
	\$	\$
Note 6: Cash and Cash Equivalents		
Cash at bank	281,090	236,753
	<u>281,090</u>	<u>236,753</u>

Note 7: Receivables

CURRENT		
Trade and other debtors	61,710	78,951
Allowance for impairment	(21,316)	(143)
Sundry debtors	6,112	64,726
GST receivable	5,764	-
	<u>52,271</u>	<u>143,534</u>

(i) Allowance for Impairment of Receivables

Current trade receivables are generally on 30 day terms.

Movement in the allowance for impairment of receivables is as follows:

Allowance for impairment as at 31 December 2013:	
Opening balance	143
Charge for the year	21,173
Allowance for impairment as at 31 December 2013:	<u>21,316</u>

(ii) Ageing of Receivables

	Past due and impaired	Current	30 - 60 days	>90 days	Total
2013					
Trade and other debtors (Incl. GST)	-	5,836	17,042	44,597	67,475
Other receivables	-	6,112	-	-	6,112
Total receivables	<u>-</u>	<u>11,948</u>	<u>17,042</u>	<u>44,597</u>	<u>73,587</u>
2012					
Trade and other debtors (Incl. GST)	143	6,976	24,306	47,526	78,951
Other receivables	-	64,726	-	-	64,726
	<u>143</u>	<u>71,702</u>	<u>24,306</u>	<u>47,526</u>	<u>143,677</u>

	2013	2012
	\$	\$
Note 8 : Other Current Assets		
Prepayments	85,620	74,346
	<u>85,620</u>	<u>74,346</u>

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	2013	2012
	\$	\$
Note 9 : Plant and Equipment		
Furniture and fittings - at cost	3,195	3,195
Less accumulated depreciation	<u>(706)</u>	<u>(546)</u>
	<u>2,489</u>	<u>2,649</u>
Computer hardware - at cost	880	880
Less accumulated depreciation	<u>(851)</u>	<u>(832)</u>
	<u>29</u>	<u>48</u>
Printers and faxes - at cost	3,354	3,354
Less accumulated depreciation	<u>(2,970)</u>	<u>(2,714)</u>
	<u>384</u>	<u>640</u>
	<u>2,902</u>	<u>3,337</u>

2013

<u>Movements in carrying amounts:</u>	Opening WDV	Additions	Disposals	Depreciation	Closing WDV
Furniture and fittings	2,649	-	-	(160)	2,489
Computer hardware	48	-	-	(19)	29
Printers and faxes	640	-	-	(256)	384
	<u>3,337</u>	-	-	<u>(435)</u>	<u>2,902</u>

2012

<u>Movements in carrying amounts:</u>	Opening WDV	Additions	Disposals	Depreciation	Closing WDV
Furniture and fittings	2,809	-	-	(160)	2,649
Computer hardware	280	-	(120)	(112)	48
Printers and faxes	1,067	-	-	(427)	640
	<u>4,156</u>	-	<u>(120)</u>	<u>(699)</u>	<u>3,337</u>

Note 10: Payables

CURRENT	2013	2012
<u>Unsecured liabilities:</u>	\$	\$
Trade and other creditors	-	18,117
Accrued expenses	12,022	13,697
Net GST payable / (receivable)	<u>-</u>	<u>8,320</u>
	<u>12,022</u>	<u>40,134</u>

Note 11: Unearned Revenue

Income in advance	174	20,000
Unexpended grants	<u>2,286</u>	<u>18,182</u>
	<u>2,460</u>	<u>38,182</u>

Note 12: Employee Benefits

CURRENT		
Liability for annual leave	<u>-</u>	<u>10,821</u>

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Note 13: Related Party Disclosure

(a) Directors

The following were Directors of the Company at any time during the reporting period:

Callum Potts
Daina Rudaks
Tom Crowhurst
Michael McLaughlin
Peter Neeskens
Ian Olszewski
Anna Barbouttis
Joel Bedford
Alexander Murphy
Benjamin Veness
Huw Jarvis
Akalya Mahendran
James Johnston
Enis Kocak
John Cherry
Georgia Carroll

The Directors did not receive any remuneration directly or indirectly from the Company or any related body corporate for management of the Company, other than reimbursements of expenses incurred on behalf of the Company.

(b) Key Management Personnel

The Directors of the Company and the Chief Executive Office (who ceased employment during 2013) were the only key management personnel.

Note 14: Operating Activities

The Company is the peak representative body for all Australian medical students. It represents the general interests of medical students through advocacy and the promotion of awareness of all matters relating to medical education and practice. This is done through the company's publications, its website and the conduct of seminars, workshops and other events such as the Company's National Convention and Global Health Conference.

Note 15: Company Details

The Company is a company limited by guarantee and does not issue share capital. The Memorandum of Association prevents the distribution of funds to the Company's members. In the event of winding up or dissolution of the company, if there remains, after satisfaction of all its debt and liabilities, any property at all, that property must not be paid to or distributed among members of the Company, but must be given or transferred to another institution or company having objects similar to the objects of the Company and whose Memorandum of Association or constitution prohibits the distribution of its or their income and property among its or their members to an extent at least as great as is imposed on the Company. The institution or institutions to receive those surplus assets is or are to be decided by the members of the Company at or before the time of the dissolution and if the members do not do so, it is to be decided by application to the Supreme Court of the State in which the registered office of the Company shall be for the time being, for determination.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

	2013 \$	2012 \$
Note 16: Cash Flow Reconciliation		
<u>(a) Reconciliation of Cash Flows from Operating Activities</u>		
Net profit / (loss) after tax	20,195	(51,880)
Add/(less) non-cash items		
Depreciation	435	699
Net loss/(profit) on disposal of PPE	-	120
Impairment of receivables	21,174	-
Changes in operating assets and liabilities:		
(Increase) / Decrease - Receivables	70,090	(42)
(Increase) / Decrease - Other current assets	(11,275)	(10,967)
(Increase) / Decrease - Deferred tax asset	(1,011)	1,373
(Decrease) / Increase - Trade and other payables	(28,112)	(4,793)
(Decrease) / Increase - Unearned revenue	(35,722)	13,432
(Decrease)/Increase - Employee benefits	(10,821)	8,227
(Decrease) / Increase - Provision for income tax	19,384	3,796
Cash flows from operating activities	<u>44,337</u>	<u>(40,035)</u>

(b) Unused Credit Facilities

The Company has business credit cards with a combined limit of \$30,000. As at 31 December 2013 the unused balance on these cards was \$30,000 (2012: \$59,348).

Note 17: Financial Risk Management

(a) Financial Risk Management Policies

The Company's principal financial instruments comprise cash at bank, receivables and accounts payable. These financial instruments arise from the operations of the Company.

The Company does not have any derivative instruments at 31 December 2013.

It is, and has been throughout the period under review, the Company's policy that no trading in financial instruments shall be undertaken.

Financial Risk Exposures and Management

The main risks arising from the Company's financial instruments are interest rate risk, liquidity risk, and credit risk. The policies for managing each of these risks are summarised below.

Interest Rate Risk

The Company's exposure to market risk for changes in interest rates relates primarily to the Company's holdings of cash and cash equivalents.

The Company's policy is to manage its interest income is through regularly reviewing the interest rate being received on cash and cash equivalents and comparing this return to the market.

Liquidity Risk

The Company is reliant on ongoing financial support from the Australian Medical Association Limited (AMA) to continue its current activities. The company manages its liquidity to ensure that it has sufficient cash and cash equivalent holdings to meet all short, medium and long term requirements.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

Note 17: Financial Risk Management (continued)

Credit risk

The Company provides credit to trade receivables. Information regarding credit risk of receivables is included in note 7.

With respect to credit risk arising from the other financial assets of the Company, which comprise cash and cash equivalents, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

The Company does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Company.

The Company manages credit risk by maintaining cash deposits with established financial institutions.

(b) Net fair values

The net fair value of financial assets and liabilities approximates the values shown in the statement of financial position and the notes thereto.

Note 18: Subsequent Events

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 Company, the results of those operations or the state of affairs of the Company in subsequent financial years, other than the significant changes to the world economic climate that may impact on the operations of the Company.

The financial statements were authorised for issue on the date of signing of the attached Directors' report.

Note 19: Commitments Receivable

The Company entered into a Memorandum of Understanding (Mou) with the Australian Medical Association Limited (AMA) for the period 1 January 2013 to 31 December 2013 whereby AMA would provide various support to the Company, both in the form of cash and in-kind contributions. The company is currently negotiating a new Mou with the AMA for the period 1 January 2014 to 31 December 2014. As a result no commitment is receivable as at 31 December 2013 from the AMA.