



18 July 2014

Dr Richard Waller  
Secretary  
Victoria Branch  
Australian Salaried Medical Officers Federation  
293 Royal Parade PARKVILLE 3052

CC: Andrew Wehrens, Hayes Knight Audit Pty Ltd by email: [info@hayesknightaudit.com.au](mailto:info@hayesknightaudit.com.au)

Dear Dr Waller,

**Australian Salaried Medical Officers Federation - Victoria Branch  
Financial Report for the year ended 31 December 2013 - [FR2013/466]**

I acknowledge receipt of the financial report of the Australian Salaried Medical Officers Federation-Victoria Branch. The documents were lodged with the Fair Work Commission on 16 June 2014.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged.

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements.

Please note that the financial report for the year ending 31 December 2014 may be subject to an advanced compliance review.

I make the following comments to assist you when you next prepare a financial report. You are not required to take any further action in respect of the report lodged. The Fair Work Commission will confirm these concerns have been addressed prior to filing next year's report.

Auditor's report: declaration regarding going concern

Paragraph 45 of the current reporting guidelines, and paragraph 39 of the 4th edition, requires an auditor to include in the auditor's statement a declaration that as part of the audit of the financial statement they have concluded that management's use of the going concern basis of accounting in the preparation of the reporting unit's financial statements is appropriate. This declaration was not included in the auditor's statements.

Related party disclosures

I note that the report states that no related party transactions occurred. Both the payment to the President and the subscriptions received from the state association are likely to be related party transactions. While they are disclosed within the statements elsewhere, the requirements in relation to related parties do need to be satisfied. The relationship between ASMOF Vic and AMA Vic does not appear to be explicitly explained in the General Purpose Financial Report or in the Rules of the organisation. The Notes to the financial statements should explain or indicate the basis for such arrangements.

Additionally, the report should include a brief list of the related parties of the entity, regardless of whether transactions were undertaken with the related parties.

Changes to the reporting guidelines and model financial statement

A fourth edition of the General Manager's s.253 Reporting Guidelines was gazetted on 13 June 2014. These guidelines will apply to all financial reports that end on or after 30 June 2014. A model set of financial statements for the 2013-2014 financial year is also available on the Fair Work Commission website. The Fair Work Commission recommends reporting units use this model as it will assist in ensuring compliance with the *Fair Work (Registered Organisations) Act 2009*, the s.253 Reporting Guidelines and the Australian Accounting Standards.

The Reporting Guidelines and Model Financial Statements are available on the website here:  
<https://www.fwc.gov.au/registered-organisations/compliance-governance/financial-reporting>

If you have any queries regarding this letter, please contact me on (03) 8661 7974 or via email at [catherine.bebbington@fwc.gov.au](mailto:catherine.bebbington@fwc.gov.au).

Yours sincerely



**CATHERINE BEBBINGTON**  
Regulatory Compliance Branch

**FAIR WORK COMMISSION**

Tel: 03 8661 7974

Fax: 03 9655 0410

[catherine.bebbington@fwc.gov.au](mailto:catherine.bebbington@fwc.gov.au)

11 Exhibition Street, Melbourne Victoria 3000  
GPO Box 1994, Melbourne Victoria 3001

[www.fwc.gov.au](http://www.fwc.gov.au)

293 Royal Parade  
Parkville  
Victoria 3052  
ABN 44 240 621 986

Telephone  
9280 8722  
Facsimile  
9280 8786

President  
Dr Roderick McRae  
Chief Executive Officer  
Mr Geoff O'Kearney

**ASMOF**  
Australian Salaried Medical Officers' Federation  
[Victorian Branch]

16 June 2014

Richard Pfeiffer  
Senior Adviser  
Regulatory Compliance Branch  
GPO Box 1994  
Melbourne Vic 3001

via email: [orgs@fwc.gov.au](mailto:orgs@fwc.gov.au)

Dear Richard,

**Re: Financial Documents for Year Ended 31 December 2013**

Please find enclosed a copy of the Financial Documents for the financial year ending 31 December 2013 for ASMOF Victorian Branch.

The documents were presented at a meeting of Branch Council on 11 February 2014.

The documents were subsequently distributed to all financial members.

The reports were presented to a second meeting of Branch Council held on 10 June 2014.

If you have any queries about the enclosed documents, please contact me on 9280 8744

Yours sincerely



**Geoff O'Kearney**  
Chief Executive Officer

293 Royal Parade  
Parkville  
Victoria 3052  
ABN 44 240 621 986

Telephone  
9280 8722  
Facsimile  
9280 8786

President  
Dr Roderick McCabe  
Chief Executive Officer  
Mr Geoff O'Kearney

**ASMOF**  
Australian Salaried Medical Officers' Federation  
[Victorian Branch]

### **Certificate of Secretary or other Authorised Officer**

I, Dr Richard Waller, being the Branch Secretary of ASMOF Victorian Branch (the reporting unit) certify:

- that the documents lodged herewith are copies of the full report referred to in section 268 of the Fair Work (Registered Organisations ) Act 2009.
- that the full report was provided to members on 20 March 2014; and
- that the full report was presented to a meeting of the Committee of Management of the reporting unit on 10 June 2014, in accordance with section 266 of the Fair Work (Registered Organisations) Act 2009

**Signature:**



**Date:**

10/6/14

100 Collins Street  
Melbourne VIC 3000  
Australia  
Phone: +61 (0)3 9499 1366

**Telephone**  
03 9499 1366  
**Facsimile**  
03 9499 2299

**President**  
Dr. Andrew Murray  
**Chief Executive Officer**  
Dr. Geoffrey Chapman



## **AUSTRALIAN SALARIED MEDICAL OFFICERS' FEDERATION (VICTORIAN BRANCH)**

### **FINANCIAL STATEMENTS**

**31<sup>st</sup> December 2013**

#### **Contents**

Operating Report	1
Committee of Management's Statement	3
Statement of Profit or Loss and other Comprehensive Income	5
Statement of Financial Position	6
Statement of Changes in Equity	7
Cash Flow Statement	8
Recovery of Wages Activity	9
Notes to and Forming Part of the Financial Statements	10
Independent Audit Report	31

# AUSTRALIAN SALARIED MEDICAL OFFICERS' FEDERATION (VICTORIAN BRANCH)

## OPERATING REPORT

*for the period ended 31 December 2013*

The committee of management presents its report on the organisation for the financial year ended 31 December 2013.

### **Review of principal activities, the results of those activities and any significant changes in the nature of those activities during the year**

The principal activity of the organisation during the year was that of a registered trade union. No significant change occurred in the nature of those activities during the year.

### **Significant changes in financial affairs**

During the year the following significant changes in financial affairs occurred.

<b>Significant Change</b>	<b>Nature of Change</b>
Other expenses increased by 100%	The increase was primarily driven by the increase in the number of national conferences and increased expenditure on related travel and accommodation.
Trade payables decreased by 46%	The decrease in trade payables is primarily represented by GST of other expenses mentioned above.

### **Right of members to resign**

Subject to the rules of the organisation and Section 174 of the Fair Work (Registered Organisations) Act 2009, members have the rights to resign from membership of the organisation by written notice addressed to and delivered to the secretary of the organisation.

### **Officers & employees who are superannuation fund trustee(s) (include position details) or director of a company that is a superannuation fund trustee**

No officer and / or members of the organisation was a director during the period of a company that is a trustee of a superannuation fund, which require one or more of their directors to be a member of a registered organisation.

### **Number of members**

The number of persons that were at the end of the financial year recorded in the register of members for Section 230 of Fair Work (Registered Organisations) Act 2009 and who were taken to be members of the registered organisation under Section 244 of the Fair Work (Registered Organisations) Act 2009 was 1,463, (2012: 1,515).

### **Number of employees**

The number of persons who were at the end of the financial year employees of the organisation including both full and part-time employees measure on a full-time equivalent basis was Nil (2012: Nil).

# AUSTRALIAN SALARIED MEDICAL OFFICERS' FEDERATION (VICTORIAN BRANCH)

## OPERATING REPORT (cont)

*for the period ended 31 December 2013*

### Names of Committee of Management members and period positions held during the financial year

The persons who held office as members of the Committee of Management of the organisation at any time during the reporting period and to the date of this report (unless otherwise stated) were:-

Branch President	Dr. Roderick McRae
Vice President	Dr. Pearly Khaw
Branch Secretary	Dr. Richard Waller
Assistant Secretary / Treasurer	Dr. John Moloney
Branch Councillors	Dr. Arian Lasocki
	Dr. Andrew Nunn
	Dr. Stephen Parnis
	Dr. Allan Whitehead (Resigned 15/2/13)
	Dr. Bernadette Wilks
	Dr. Xavier Yu

Signature of designated officer: .....  .....

Name and title of designated officer: .Dr. Richard Waller – Branch Secretary

Dated: 11<sup>th</sup> day of February 2014

# AUSTRALIAN SALARIED MEDICAL OFFICERS' FEDERATION (VICTORIAN BRANCH)

## COMMITTEE OF MANAGEMENT'S STATEMENT

*for the period ended 31 December 2013*

On the 11<sup>th</sup> day of February 2014 the Committee of Management of the Australian Salaried Medical Officers' Federation Victorian Branch passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 31 December 2013:

The Committee of Management declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the General Manager;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the GPFR relates and since the end of that year:
  - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
  - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
  - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
  - (iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
  - (v) where information has been sought in any request by a member of the reporting unit or General Manager duly made under section 272 of the RO Act has been provided to the member or General Manager; and
  - (vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.
- (f) in relation to recovery of wages activity:
  - (i) the financial report on recovery of wages activity has been fairly and accurately prepared in accordance with the requirements of the reporting guidelines of the General Manager; and
  - (ii) the committee of management instructed the auditor to include in the scope of the audit required under subsection 257(1) of the RO Act all recovery of wages activity by the reporting unit from which revenues had been derived for the financial year in respect of such activity; and
  - (iii) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from monies recovered from employers on behalf of workers other than reported in the financial report on recovery of wages activity and the notes to the financial statements; and
  - (iv) that prior to engaging in any recovery of wages activity, the organisation has disclosed to members by way of a written policy all fees to be charged or reimbursement of expenses required for recovery of wages activity, and any likely request for donations or other contributions in acting for a worker in recovery of wages activity; and



**AUSTRALIAN SALARIED MEDICAL OFFICERS' FEDERATION (VICTORIAN BRANCH)**

**COMMITTEE OF MANAGEMENT'S STATEMENT (cont)**

*for the period ended 31 December 2013*

- (v) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from monies recovered from employers on behalf of workers until distributions of recovered money were made to the workers.

This declaration is made in accordance with a resolution of the Committee of Management.

Signature of designated officer: .....  .....

Name and title of designated officer: .Dr. Richard Waller – Branch Secretary

Dated: 11<sup>th</sup> day of February 2014

## AUSTRALIAN SALARIED MEDICAL OFFICERS' FEDERATION (VICTORIAN BRANCH)

### STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the period ended 31 December 2013

	Notes	2013 \$	2012 \$
<b>Revenue</b>			
Membership subscriptions		-	-
Capitation fees	3A	7,315	7,575
Levies	3B	-	-
Interest	3C	813	752
Rental revenue	3D	-	-
Other revenue		-	-
<b>Total revenue</b>		<b>8,128</b>	<b>8,327</b>
<b>Other Income</b>			
Grants and donations	3D	-	-
<b>Total other income</b>		<b>-</b>	<b>-</b>
<b>Total income</b>		<b>8,128</b>	<b>8,327</b>
<b>Expenses</b>			
Employee expenses	4A	2,327	2,445
Capitation fees	4B	-	-
Affiliation fees	4C	-	-
Administration expenses	4D	944	953
Grants, donations or sponsorships	4E	-	-
Depreciation and amortisation	4F	-	-
Legal costs	4G	-	-
Audit fees	11	1,300	1,250
Other expenses	4H	1,853	-
Doubtful debts		-	-
<b>Total expenses</b>		<b>6,424</b>	<b>4,648</b>
<b>Profit for the year</b>		<b>1,704</b>	<b>3,679</b>
<b>Other comprehensive income</b>			
Items that will not be subsequently reclassified to profit or loss		-	-
<b>Total comprehensive income for the year</b>		<b>1,704</b>	<b>3,679</b>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes to the financial statements.

## AUSTRALIAN SALARIED MEDICAL OFFICERS' FEDERATION (VICTORIAN BRANCH)

### STATEMENT OF FINANCIAL POSITION

as at 31 December 2013

	Notes	2013 \$	2012 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5A	17,541	17,291
Trade and other receivables	5B	681	584
Term Deposit Investment		23,918	23,202
<b>Total current assets</b>		<b>42,140</b>	<b>41,077</b>
<b>Total assets</b>		<b>42,140</b>	<b>41,077</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade payables	6A	300	300
Other payables	6B	448	1,089
Employee provisions	7A	-	-
<b>Total current liabilities</b>		<b>748</b>	<b>1,389</b>
<b>Total liabilities</b>		<b>748</b>	<b>1,389</b>
<b>Net assets</b>		<b>41,392</b>	<b>39,688</b>
<b>EQUITY</b>			
Retained earnings		41,392	39,688
<b>Total equity</b>		<b>41,392</b>	<b>39,688</b>

The above statement of financial position should be read in conjunction with the accompanying notes to the financial statements.

## AUSTRALIAN SALARIED MEDICAL OFFICERS' FEDERATION (VICTORIAN BRANCH)

### STATEMENT OF CHANGES IN EQUITY

*for the period ended 31 December 2013*

	<b>Retained earnings</b>	<b>Total equity</b>
	\$	\$
Balance as at 1 January 2012	36,009	36,009
Profit for the year	3,679	3,679
Closing balance as at 31 December 2012	39,688	39,688
Profit for the year	1,704	1,704
<b>Closing balance as at 31 December 2013</b>	<b>41,392</b>	<b>41,392</b>

The above statement of changes in equity should be read in conjunction with the accompanying notes to the financial statements.

## AUSTRALIAN SALARIED MEDICAL OFFICERS' FEDERATION (VICTORIAN BRANCH)

### CASH FLOW STATEMENT

for the period ended 31 December 2013

	Notes	2013 \$	2012 \$
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Receipts from other reporting units / controlled entity(s)	8B	7,315	7,575
Interest		716	722
<b>Cash used</b>			
Employees		(2,327)	(2,445)
Suppliers		(2,088)	(1,250)
Payment to other reporting units / controlled entity(s)	8B	(2,650)	(2,035)
<b>Net cash from operating activities</b>	8A	<u>966</u>	<u>2,567</u>
<b>INVESTING ACTIVITIES</b>			
Investment in term deposit		(716)	(722)
<b>Net cash (used in) investing activities</b>		<u>(716)</u>	<u>(722)</u>
<b>FINANCING ACTIVITIES</b>			
<b>Net cash from / (used in) financing activities</b>		<u>-</u>	<u>-</u>
<b>Net increase in cash held</b>		<b>250</b>	<b>1,845</b>
Cash & cash equivalents at the beginning of the reporting period		<u>17,291</u>	<u>15,446</u>
<b>Cash &amp; cash equivalents at the end of the reporting period</b>	5A	<u><b>17,541</b></u>	<u>17,291</u>

The above statement of cash flows should be read in conjunction with the accompanying notes to the financial statements.

## AUSTRALIAN SALARIED MEDICAL OFFICERS' FEDERATION (VICTORIAN BRANCH)

### RECOVERY OF WAGES ACTIVITY\*

for the period ended 31 December 2013

	2013	2012
	\$	\$
Cash assets in respect of recovered money at beginning of year	-	-
<b>Receipts</b>		
Amounts recovered from employers in respect of wages etc.	-	-
Interest received on recovered money	-	-
<b>Total receipts</b>	-	-
<b>Payments</b>		
Deductions of amounts due in respect of membership for:		
12 months or less	-	-
Greater than 12 months	-	-
Deductions of donations or other contributions to accounts or funds of:		
The reporting unit:		
name of account	-	-
name of fund	-	-
Name of other reporting unit of the organisation:		
name of account	-	-
name of fund	-	-
Name of other entity:		
name of account	-	-
name of fund	-	-
Deductions of fees or reimbursement of expenses	-	-
Payments to workers in respect of recovered money	-	-
<b>Total payments</b>	-	-
Cash asset's in respect of recovered money at end of year	-	-
Number of workers to which the monies recovered relates	-	-
Aggregate payables to workers attributable to recovered monies but not yet distributed		
Payable balance	-	-
Number of workers the payable relates to	-	-

\*Statement required even though there was no recovery of wages activity

## AUSTRALIAN SALARIED MEDICAL OFFICERS' FEDERATION (VICTORIAN BRANCH)

### Index to the Notes of the Financial Statements *for the period ended 31 December 2013*

Note 1	Summary of Significant Accounting Policies
Note 2	Events after the Reporting Period
Note 3	Income
Note 4	Expenses
Note 5	Current Assets
Note 6	Current Liabilities
Note 7	Provisions
Note 8	Cash Flow
Note 9	Contingent Liabilities, Assets and Commitments
Note 10	Related Party Disclosures
Note 11	Remuneration of Auditors
Note 12	Financial Instruments
Note 13	Section 272 <i>Fair Work (Registered Organisations) Act 2009</i>

# AUSTRALIAN SALARIED MEDICAL OFFICERS' FEDERATION (VICTORIAN BRANCH)

## NOTES TO THE FINANCIAL STATEMENTS

*for the period ended 31 December 2013*

### Note 1 Summary of Significant Accounting Policies

#### 1.1 Basis of Preparation of the Financial Statements

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the *Fair Work (Registered Organisation) Act 2009*. For the purpose of preparing the general purpose financial statements, the Australian Salaried Medical Officers' Federation Victorian Branch is a not-for-profit entity.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost, except for certain assets and liabilities at measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

#### 1.2 Comparative amounts

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

#### 1.3 Significant Accounting Judgements and Estimates

There have not been any material accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

#### 1.4 New Australian Accounting Standards

##### *Adoption of New Australian Accounting Standard Requirements*

No accounting standard has been adopted earlier than the application date stated in the standard.

The accounting policies adopted are consistent with those of the previous financial year.

##### *Future Australian Accounting Standards Requirements*

There are no new standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to the future reporting period that are expected to have a future financial impact on the Australian Salaried Medical Officers' Federation Victorian Branch.



# AUSTRALIAN SALARIED MEDICAL OFFICERS' FEDERATION (VICTORIAN BRANCH)

## NOTES TO THE FINANCIAL STATEMENTS

*for the period ended 31 December 2013*

### Note 1 Summary of Significant Accounting Policies (continued)

#### 1.5 Revenue

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from subscriptions is accounted for on an accrual basis and is recorded as revenue in the year to which it relates.

Revenue from the sale of goods is recognised when, the risks and rewards of ownership have been transferred to the buyer, the entity retains no managerial involvement or effective control over the goods, the revenue and transaction costs incurred can be reliably measured, and it is probable that the economic benefits associated with the transaction will flow to the entity.

Donation income is recognised when it is received.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

Interest revenue is recognised on an accrual basis using the effective interest method.

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease.

#### 1.6 Gains

##### *Sale of assets*

Gains and losses from disposal of assets are recognised when control of the asset has passed to the buyer.

#### 1.7 Capitation fees and levies

Capitation fees and levies are to be recognised on an accrual basis and record as a revenue and/or expense in the year to which it relates.

#### 1.8 Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and termination benefits when it is probable that settlement will be required and they are capable of being measured reliably. Liabilities for short-term employee benefits (as defined in AASB 119 *Employee Benefits*) and termination benefits due within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability. Other long-term employee benefits are measured as the present value of the estimated future cash outflows to be made by the reporting unit in respect of services provided by employees up to reporting date.

# AUSTRALIAN SALARIED MEDICAL OFFICERS' FEDERATION (VICTORIAN BRANCH)

## NOTES TO THE FINANCIAL STATEMENTS

*for the period ended 31 December 2013*

### Note 1 Summary of Significant Accounting Policies (continued)

#### 1.8 Employee benefits (continued)

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Provision is made for separation and redundancy benefit payments. The reporting unit recognises a provision for termination when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations.

#### 1.9 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Where an asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability is recognised at the same time and for the same amount.

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

#### 1.10 Borrowing costs

All borrowing costs are recognised in profit and loss in the period in which they are incurred.

#### 1.11 Cash

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand, deposits held at call with bank, other short-term highly liquid investments with original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

# AUSTRALIAN SALARIED MEDICAL OFFICERS' FEDERATION (VICTORIAN BRANCH)

## NOTES TO THE FINANCIAL STATEMENTS

*for the period ended 31 December 2013*

### Note 1 Summary of Significant Accounting Policies (continued)

#### 1.12 Financial instruments

Financial assets and financial liabilities are recognised when the Australian Salaried Medical Officers' Federation Victorian Branch becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

#### 1.13 Financial assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised upon trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

##### ***Fair value through profit or loss***

Financial assets are classified as at fair value through profit or loss when the financial asset is either held for trading or it is designated as at fair value through profit or loss.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

# AUSTRALIAN SALARIED MEDICAL OFFICERS' FEDERATION (VICTORIAN BRANCH)

## NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 December 2013

### Note 1 Summary of Significant Accounting Policies (continued)

#### 1.13 Financial assets (continued)

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in the statement of comprehensive income.

##### *Held-to-maturity investments*

Financial assets with fixed or determinable payments and fixed maturity dates that the reporting unit has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

##### *Available-for-sale*

Listed shares and listed redeemable notes held by the reporting unit that are traded in an active market are classified as available-for-sale and are stated at fair value. The reporting unit also has investments in unlisted shares that are not traded in an active market but that are also classified as available-for-sale financial assets and stated at fair value. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the reporting unit right to receive the dividends is established. The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

##### *Loan and receivables*

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

##### *Effective interest method*

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly

# AUSTRALIAN SALARIED MEDICAL OFFICERS' FEDERATION (VICTORIAN BRANCH)

## NOTES TO THE FINANCIAL STATEMENTS

*for the period ended 31 December 2013*

### **Note 1 Summary of Significant Accounting Policies (continued)**

#### **1.13 Financial assets (continued)**

discounts estimated future cash receipts through the expected life of the financial asset, or, when appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest rate basis except for debt instruments other than those financial assets that are recognised at fair value through profit or loss.

#### ***Impairment of financial assets***

Financial assets, other than those at fair value through profit or loss, are assessed for impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the reporting units past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

# AUSTRALIAN SALARIED MEDICAL OFFICERS' FEDERATION (VICTORIAN BRANCH)

## NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 December 2013

### Note 1 Summary of Significant Accounting Policies (continued)

#### 1.13 Financial assets (continued)

In respect of available-for-sale equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of available-for-sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

#### *Derecognition of financial assets*

The reporting unit derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

#### 1.14 Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

#### *Fair value through profit or loss*

Financial liabilities are classified as at fair value through profit or loss when the financial liability is either held for trading or it is designated as at fair value through profit or loss.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss

# AUSTRALIAN SALARIED MEDICAL OFFICERS' FEDERATION (VICTORIAN BRANCH)

## NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 December 2013

### Note 1 Summary of Significant Accounting Policies (continued)

#### 1.14 Financial Liabilities (continued)

incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the statement of comprehensive income.

##### *Other financial liabilities*

Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

##### *Derecognition of financial liabilities*

The reporting unit derecognises financial liabilities when, and only when, the reporting units obligations are discharged, cancelled or they expire. The difference between the carrying amounts of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

#### 1.15 Contingent Liabilities and Contingent Assets

Contingent liabilities and contingent assets are not recognised in the statement of financial position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

#### 1.16 Plant and Equipment

##### *Asset Recognition Threshold*

Plant and equipment are recognised initially at cost in the Statement of Financial Position. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

##### *Depreciation*

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful life using, in all cases, the straight line method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	2013	2012
No assets were held by the reporting entity	N/A	N/A

# AUSTRALIAN SALARIED MEDICAL OFFICERS' FEDERATION (VICTORIAN BRANCH)

## NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 December 2013

### Note 1 Summary of Significant Accounting Policies (continued)

#### 1.16 Plant and Equipment (continued)

##### *Derecognition*

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss.

#### 1.17 Intangibles

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful life. The estimated useful lives and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

##### *Derecognition*

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit and loss when the asset is derecognised.

#### 1.18 Impairment for non-financial assets

All assets are assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the reporting unit was deprived of the asset, its value in use is taken to be its depreciated replacement cost.

#### 1.19 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.



# AUSTRALIAN SALARIED MEDICAL OFFICERS' FEDERATION (VICTORIAN BRANCH)

## NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 December 2013

### Note 1 Summary of Significant Accounting Policies (continued)

#### 1.20 Taxation

The Australian Salaried Medical Officers' Federation Victorian Branch is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 however still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

### Note 2 Events after the reporting period

There were no events that occurred after 31 December 2013, or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of Australian Salaried Medical Officers' Federation Victorian Branch.

	2013	2012
	\$	\$
<b>Note 3: Income</b>		
<b>Note 3A: Capitation fees*</b>		
AMA Victoria	7,315	7,575
<b>Total capitation fees</b>	<u>7,315</u>	<u>7,575</u>
<b>Note 3B: Levies*</b>		
Levies	-	-
<b>Total levies</b>	<u>-</u>	<u>-</u>
<b>Note 3C: Interest</b>		
Deposits	813	752
<b>Total interest</b>	<u>813</u>	<u>752</u>

## AUSTRALIAN SALARIED MEDICAL OFFICERS' FEDERATION (VICTORIAN BRANCH)

### NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 December 2013

	2013	2012
	\$	\$
<b>Note 3: Income (continued)</b>		
<b>Note 3D: Grants or donations*</b>		
Grants	-	-
Donations	-	-
<b>Total grants or donations</b>	<u>-</u>	<u>-</u>
<b>Note 4: Expenses</b>		
<b>Note 4A: Employee expenses*</b>		
<b>Holders of office:</b>		
Wages and salaries	-	-
Superannuation	-	-
Leave and other entitlements	-	-
Separation and redundancies	-	-
Other employee expenses	2,327	2,445
<b>Subtotal employee expenses holders of office</b>	<u>2,327</u>	<u>2,445</u>
<b>Employees other than office holders:</b>		
Wages and salaries	-	-
Superannuation	-	-
Leave and other entitlements	-	-
Separation and redundancies	-	-
Other employee expenses	-	-
<b>Subtotal employee expenses employees other than office holders</b>	<u>-</u>	<u>-</u>
<b>Total employee expenses</b>	<u>2,327</u>	<u>2,445</u>
<b>Note 4B: Capitation fees*</b>		
Capitation fees	-	-
<b>Total capitation fees</b>	<u>-</u>	<u>-</u>

The Australian Salaried Medical Officers' Federation Victorian Branch did not pay capitation fees to branches.

## AUSTRALIAN SALARIED MEDICAL OFFICERS' FEDERATION (VICTORIAN BRANCH)

### NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 December 2013

	2013	2012
	\$	\$
<b>Note 4: Expenses (continued)</b>		
<b>Note 4D: Administration expenses</b>		
Consideration to employers for payroll deductions*	-	-
Compulsory levies*	-	-
Fees / allowances - meeting and conferences*	-	-
Conference and meeting expenses*	839	803
Consultants, bookkeeping and labour hire	-	-
Office expenses	-	-
Information communications technology	-	-
Bank Charges	105	150
<b>Subtotal administration expense</b>	<b>944</b>	<b>953</b>
Operating lease rentals:		
Property expenses – Rent	-	-
<b>Total administration expenses</b>	<b>944</b>	<b>953</b>
<b>Note 4E: Grants, donations or sponsorships*</b>		
Grants	-	-
Sponsorship	-	-
<b>Total grants or donations</b>	<b>-</b>	<b>-</b>
<b>Note 4F: Legal costs*</b>		
Litigation	-	-
Other legal matters	-	-
<b>Total legal costs</b>	<b>-</b>	<b>-</b>
<b>Note 4G: Other expenses</b>		
Penalties - via RO Act or RO Regulations*	-	-
Travel and accommodation	1,853	-
<b>Total other expenses</b>	<b>1,853</b>	<b>-</b>

## AUSTRALIAN SALARIED MEDICAL OFFICERS' FEDERATION (VICTORIAN BRANCH)

### NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 December 2013

	2013	2012
	\$	\$
<b>Note 5: Current Assets</b>		
<b>Note 5A: Cash and Cash Equivalents</b>		
Cash at bank	17,541	17,291
<b>Total cash and cash equivalents</b>	<b>17,541</b>	<b>17,291</b>
<b>Note 5B: Trade and Other Receivables</b>		
Receivables from other reporting unit[s]*	-	-
<b>Subtotal receivables from other reporting unit[s]</b>	<b>-</b>	<b>-</b>
Less provision for doubtful debts*	-	-
<b>Total provision for doubtful debts</b>	<b>-</b>	<b>-</b>
<b>Total receivable from other reporting unit[s] (net)</b>	<b>-</b>	<b>-</b>
<b>Other receivables:</b>		
Other trade receivables	681	584
<b>Total other receivables</b>	<b>681</b>	<b>584</b>
<b>Total trade and other receivables (net)</b>	<b>681</b>	<b>584</b>
<b>Note 6: Current Liabilities</b>		
<b>Note 6A: Trade payables</b>		
Trade creditors and accruals	300	300
<b>Subtotal trade creditors</b>	<b>300</b>	<b>300</b>
Payables to other reporting unit[s]*	-	-
<b>Subtotal payables to other reporting unit[s]</b>	<b>-</b>	<b>-</b>
<b>Total trade payables</b>	<b>300</b>	<b>300</b>
Settlement is usually made within 30 days.		
GST payable	448	1,089
<b>Total other payables</b>	<b>448</b>	<b>1,089</b>
Total other payables are expected to be settled in:		
No more than 12 months	448	1,089
More than 12 months	-	-
<b>Total other payables</b>	<b>448</b>	<b>1,089</b>

## AUSTRALIAN SALARIED MEDICAL OFFICERS' FEDERATION (VICTORIAN BRANCH)

### NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 December 2013

	2013	2012
	\$	\$
<b>Note 7: Provisions</b>		
<b>Note 7A: Employee Provisions*</b>		
<b>Office Holders:</b>		
Annual leave	-	-
Long service leave	-	-
<b>Subtotal employee provisions—office holders</b>	<u>-</u>	<u>-</u>
<b>Employees other than office holders:</b>		
Annual leave	-	-
Long service leave	-	-
<b>Subtotal employee provisions—employees other than office holders</b>	<u>-</u>	<u>-</u>
<b>Total employee provisions</b>	<u>-</u>	<u>-</u>
Current	-	-
<b>Total employee provisions</b>	<u>-</u>	<u>-</u>
<b>Note 8: Cash Flow</b>		
<b>Note 8A: Cash Flow Reconciliation</b>		
<b>Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement:</b>		
<b>Cash and cash equivalents as per:</b>		
Cash flow statement	17,541	17,291
Balance sheet	17,541	17,291
<b>Difference</b>	<u>-</u>	<u>-</u>
<b>Reconciliation of profit to net cash from operating activities:</b>		
Profit for the year	1,704	3,679
<b>Adjustments for non-cash items</b>		
<b>Changes in assets/liabilities</b>		
(Increase) / decrease in receivables	(97)	(30)
Increase / (decrease) in supplier payables	(641)	(1,082)
<b>Net cash from / (used in) operating activities</b>	<u>966</u>	<u>2,567</u>

## AUSTRALIAN SALARIED MEDICAL OFFICERS' FEDERATION (VICTORIAN BRANCH)

### NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 December 2013

	2013	2012
	\$	\$

**Note 8: Cash Flow (continued)**

**Note 8B: Cash flow information\***

**Cash inflows**

AMA Victoria	7,315	7,575
<b>Total cash inflows</b>	<b>7,315</b>	<b>7,575</b>

**Cash outflows**

AMA Victoria	2,650	2,035
<b>Total cash outflows</b>	<b>2,650</b>	<b>2,035</b>

**Note 9: Contingent Liabilities, Assets and Commitments**

**Note 9A: Commitments and Contingencies**

**Operating lease commitments—as lessee**

Future minimum rentals payable under non-cancellable operating leases as at 31 December are as follows:

Within one year	-	-
After one year but not more than five years	-	-
More than five years	-	-
	-	-

**Other contingent assets or liabilities**

In the opinion of the Committee of Management, there have been no transactions or events that have occurred which would give rise to any contingent liability or asset.

**Note 10 Related Party Disclosures**

**Note 10A: Related Party Transactions for the Reporting Period**

There were no transactions that have been entered into with related parties during the year (2012: \$Nil).

**Terms and conditions of transactions with related parties**

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2013, the Australian Salaried Medical Officers' Federation Victorian Branch has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2012: \$Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

## AUSTRALIAN SALARIED MEDICAL OFFICERS' FEDERATION (VICTORIAN BRANCH)

### NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 December 2013

	2013	2012
	\$	\$
<b>Note 10: Related Party Disclosures (continued)</b>		
<b>Note 10B: Key Management Personnel Remuneration for the Reporting Period</b>		
<b>Short-term employee benefits</b>		
Other Employee Expenses (Honorarium – Branch President)	2,327	2,445
<b>Total short-term employee benefits</b>	<u>2,327</u>	<u>2,445</u>
<b>Total</b>	<u>2,327</u>	<u>2,445</u>

### Note 11 Remuneration of Auditors

#### Value of the services provided

Financial statement audit services 2011	-	1,250
Financial statement audit services 2012	1,300	-
<b>Total remuneration of auditors</b>	<u>1,300</u>	<u>1,250</u>

### Note 12 Financial Instruments

#### Credit Risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to financial loss to the organisation.

Credit risk is managed through maintaining procedures (such as the utilisation of systems for the approval, granting and removal of credit limits, regular monitoring of exposure against such limits and monitoring of the financial stability of significant customers and counterparties) ensuring, to the extent possible, that members and counterparties to transactions are of sound credit worthiness.

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying amount and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

There is no collateral held by the organisation securing amounts receivable and other debtors.

The Australian Salaried Medical Officers' Federation Victorian Branch has no significant concentrations of credit risk with any single counterparty or group of counterparties.

#### Liquidity Risk

Liquidity risk arises from the possibility that the Australian Salaried Medical Officers' Federation Victorian Branch might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The organisation manages this risk through the following mechanisms:

- Only investing surplus cash with major financial institutions
- Proactively monitoring the recovery of accounts receivable.

# AUSTRALIAN SALARIED MEDICAL OFFICERS' FEDERATION (VICTORIAN BRANCH)

## NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 December 2013

	2013	2012
	\$	\$

### Note 12: Financial Instruments (continued)

#### Interest Rate Risk

The financial instruments that expose the association to interest rate risk is limited to cash at bank and term deposits.

Cheque Account	1.3%	1.8%
Term Deposit	3.2%	3.2%

#### Other Price Risk

Other price risk relates to the risk that fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices.

The organisation does not have any material exposure to other price risk.

### Note 12A: Categories of Financial Instruments

#### Financial Assets

Loans and receivables:

Trade and other receivables	681	584
<b>Total</b>	<b>681</b>	<b>584</b>

#### Carrying amount of financial assets

681	584
-----	-----

#### Financial Liabilities

Other financial liabilities:

Trade and other payables	748	1,389
<b>Total</b>	<b>748</b>	<b>1,389</b>

#### Carrying amount of financial liabilities

748	1,389
-----	-------



## AUSTRALIAN SALARIED MEDICAL OFFICERS' FEDERATION (VICTORIAN BRANCH)

### NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 December 2013

#### Note 12: Financial Instruments (continued)

##### Note 12B: Fair Value of Financial Instruments

	Carrying amount 2013 \$	Fair value 2013 \$	Carrying Amount 2012 \$	Fair value 2012 \$
<b>Financial Assets</b>				
Loans and receivables	681	681	584	584
<b>Total</b>	<b>681</b>	<b>681</b>	<b>584</b>	<b>584</b>
<b>Financial Liabilities</b>				
Other financial liabilities	748	748	1,389	1,389
<b>Total</b>	<b>748</b>	<b>748</b>	<b>1,389</b>	<b>1,389</b>

##### Note 12C: Credit Risk

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted. The reporting units maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is represented by the carrying amount of those assets as indicated in the balance sheet.

The following table illustrates the entity's gross exposure to credit risk, excluding any collateral or credit enhancements.

	2013 \$	2012 \$
<b>Financial assets</b>		
Loans and receivables	681	584
<b>Total</b>	<b>681</b>	<b>584</b>
<b>Financial liabilities</b>		
Other financial liabilities	748	1,389
<b>Total</b>	<b>748</b>	<b>1,389</b>

Currently the Australian Salaried Medical Officers' Federation Victorian Branch does not hold any collateral as security nor credit enhancements relating to any of its financial assets.

##### Credit quality of financial instruments not past due or individually determined as impaired

	Not Past Due Nor Impaired 2013 \$	Past due or impaired 2013 \$	Not Past Due Nor Impaired 2012 \$	Past due or impaired 2012 \$
Loans and receivables	681	-	584	-
<b>Total</b>	<b>681</b>	<b>-</b>	<b>584</b>	<b>-</b>

# AUSTRALIAN SALARIED MEDICAL OFFICERS' FEDERATION (VICTORIAN BRANCH)

## NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 December 2013

### Note 12: Financial Instruments (continued)

#### Note 12C: Credit Risk (continued)

##### Ageing of financial assets that were past due but not impaired for 2013

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$	\$	\$	\$	\$
Trade receivables	681	-	-	-	681
<b>Total</b>	<b>681</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>681</b>

There were no receivables that were past due but not impaired.

##### Ageing of financial assets that were past due but not impaired for 2012

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$	\$	\$	\$	\$
Trade receivables	584	-	-	-	584
<b>Total</b>	<b>584</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>584</b>

There were no receivables that were past due but not impaired.

### Note 13D: Liquidity Risk

Liquidity risk arises when the Australian Salaried Medical Officers' Federation Victorian Branch is unable to meet its financial obligations as they fall due. The Australian Salaried Medical Officers' Federation Victorian Branch operates under a policy of settling financial obligations within 30 days and in the event of a dispute, make payments within 30 days from the date of the resolution. It also continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding cash and cash equivalents. The reporting unit' exposure to liquidity risk is deemed insignificant based on prior periods data and current assessment of risk. Maximum exposure to liquidity risk is the carrying amounts of financial liabilities.

#### Contractual maturities for financial liabilities 2013

	On Demand	< 1 year	1– 2 years	2– 5 years	>5 years	Total
		\$	\$	\$	\$	\$
Trade payables	-	748	-	-	-	748
<b>Total</b>	<b>-</b>	<b>748</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>748</b>

#### Contractual maturities for financial liabilities 2012

	On Demand	< 1 year	1– 2 years	2– 5 years	>5 years	Total
		\$	\$	\$	\$	\$
Trade payables	-	1,389	-	-	-	1,389
<b>Total</b>	<b>-</b>	<b>1,389</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,389</b>

# AUSTRALIAN SALARIED MEDICAL OFFICERS' FEDERATION (VICTORIAN BRANCH)

## NOTES TO THE FINANCIAL STATEMENTS

*for the period ended 31 December 2013*

### **Note 12: Financial Instruments (continued)**

#### **Note 12E: Market Risk**

The Australian Salaried Medical Officers' Federation Victorian Branch does not have any material exposure to market risk.

### **Note 13: Section 272 Fair Work (Registered Organisations) Act 2009**

In accordance with the requirements of the *Fair Work (Registered Organisations) Act 2009*, the attention of members is drawn to the provisions of subsections (1) to (3) of section 272, which reads as follows:

Information to be provided to members or the General Manager of Fair Work Australia:

- (1) A member of a reporting unit, or the General Manager of Fair Work Australia, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- (3) A reporting unit must comply with an application made under subsection (1).

**\* Specific disclosure requirements of the RO Act and or RO regulations even if amount is nil.**



**Hayes Knight Audit**  
chartered accountants - your partners in success

**Hayes Knight Audit Pty Ltd**  
ABN: 86 005 105 975

Level 12, 31 Queen St,  
Melbourne, VIC 3000

T: 03 8613 8888 F: 03 8613 8800

Email: [info@hayesknightaudit.com.au](mailto:info@hayesknightaudit.com.au)

[www.hayesknight.com.au](http://www.hayesknight.com.au)

Registered Audit Company 291969

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
AUSTRALIAN SALARIED MEDICAL OFFICERS' FEDERATION (VICTORIAN BRANCH)**

**Scope**

***General purpose financial report***

The general purpose financial report comprises the statement of profit or loss and other comprehensive income, statement of financial position, statement of changes in equity, cash flow statement, recovery of wages activity, notes to the financial statements and the committee of management's statement of the Australian Salaried Medical Officers' Federation Victorian Branch for the year ended 31 December 2013.

***Committee of Management's responsibility***

The committee of management of the reporting unit is responsible for the preparation and presentation of the financial report in accordance with the Fair Work (Registered Organisations) Act 2009. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect frauds and errors and for the accounting policies and accounting estimates inherent in the financial report.

***Audit approach***

We conducted an independent audit in order to express an opinion to the members of reporting unit. Our audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatements. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, and the inherent limitation of internal controls and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with Australian Accounting Standards and other mandatory financial reporting requirements in Australia and the Fair Work (Registered Organisations) Act 2009, a view which is consistent with our understanding of reporting unit's financial position and of its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures which include, examining on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report and assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the committee of management.



**Hayes Knight Audit**  
chartered accountants - your partners in success

**Hayes Knight Audit Pty Ltd**  
ABN: 86 005 105 975

Level 12, 31 Queen St,  
Melbourne, VIC 3000

T: 03 8613 8888 F: 03 8613 8800

Email: [info@hayesknightaudit.com.au](mailto:info@hayesknightaudit.com.au)

[www.hayesknight.com.au](http://www.hayesknight.com.au)

Registered Audit Company 291969

**INDEPENDENT AUDITOR'S REPORT (cont)**  
**TO THE MEMBERS OF**  
**AUSTRALIAN SALARIED MEDICAL OFFICERS' FEDERATION (VICTORIAN BRANCH)**

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance of the internal controls.

***Independence***

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

***Opinion***

In our opinion the financial report presents fairly, in all material respects, the financial position of the Australian Salaried Medical Officers' Federation Victorian Branch as at 31 December 2013 and of its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards and the requirements of the Fair Work (Registered Organisations) Act 2009.

*Hayes Knight Audit*

**HAYES KNIGHT AUDIT PTY LTD**  
**Chartered Accountants**  
**Melbourne**  
**Dated: 4<sup>th</sup> day of March 2014**

*Andrew Wehrens*

**Andrew Wehrens FCA**  
**Registered Company Auditor 176520**  
**Fellow of the Institute of Chartered**  
**Accountants in Australia - 79117**  
**Holder of a Current Certificate of Public Practice**