

MEDICAL SCIENTISTS ASSOCIATION OF VICTORIA

ABN 30 345 343 541

**ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2016**



TABLE OF CONTENTS

Financial Report	
Statement of Profit or Loss or Other Comprehensive Income	1
Balance Sheet	2
Statement of Changes in Equity	3
Statement of Cash Flows	4
Notes to the Financial Statements	5 – 19
Treasurer's Certificate	20
Committee of Management Certificate	21
Independent Auditor's Report	22

This financial report covers the Medical Scientists Association Of Victoria as an individual entity. The financial report is presented in the Australian currency.

Medical Scientists Association Of Victoria ("MSAV") is a trade union registered in Victoria, established and domiciled in Australia. The purpose of MSAV is promoting the union movements in the health service sector. The members of the Medical Scientists Association of Victoria are also the members of the Health Services Union of Australia - Victoria Branch No. 4.

The principal place of business is:
Medical Scientists Association of Victoria
Level 1, 62 Lygon Street
CARLTON SOUTH VIC 3053

The financial report was authorised for issue by the Secretary on behalf of the MSAV Executive on the 24th day of August 2016.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$	2015 \$
Revenue from continuing operations	3	1,005,891	1,010,012
Other revenue	3	289,964	134,631
Expenses			
Administration expenses		(67,031)	(56,220)
Advertising and marketing expenses		(4,407)	(4,839)
Affiliation fee		(70,595)	(72,522)
Depreciation & amortisation		(33,860)	(30,169)
Member benefit expenses		(5,776)	(13,824)
Insurance		(40,530)	(44,806)
Legal and professional fee		(180,527)	(87,295)
Occupancy costs		(95,290)	(86,061)
Salaries and related expenses		(756,404)	(744,514)
Website expenses		(540)	(34,813)
Other expenses		(6,470)	(6,829)
		<u>(1,261,430)</u>	<u>(1,181,892)</u>
Surplus (Deficit) before income tax		34,425	(37,249)
Income tax expense		-	-
Surplus (Deficit) for the year		34,425	(37,249)
Other comprehensive income		-	-
Total comprehensive income for the year		<u>34,425</u>	<u>(37,249)</u>
Total comprehensive income for the year is attributable to:			
Members of the Medical Scientists Association Of Victoria		<u>34,425</u>	<u>(37,249)</u>

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

MEDICAL SCIENTISTS ASSOCIATION OF VICTORIA
ABN 30 345 343 541

BALANCE SHEET
AS AT 30 JUNE 2016

	Note	2016 \$	2015 \$
ASSETS			
Current assets			
Cash and cash equivalents	5	597,337	693,361
Trade and other receivables	6	<u>275,066</u>	<u>124,340</u>
Total current assets		<u>872,403</u>	<u>817,701</u>
Non-current assets			
Property, plant and equipment	7	95,205	108,419
Intangible assets	8	<u>42,614</u>	<u>49,297</u>
Total non-current assets		<u>137,819</u>	<u>157,716</u>
Total assets		<u>1,010,222</u>	<u>975,417</u>
LIABILITIES			
Current liabilities			
Trade and other payables	9	87,348	73,166
Other liabilities	10	135,023	170,190
Provisions	11	<u>92,729</u>	<u>92,481</u>
Total current liabilities		<u>315,100</u>	<u>335,837</u>
Non-current liabilities			
Provisions	12	<u>140,487</u>	<u>119,370</u>
Total non-current liabilities		<u>140,487</u>	<u>119,370</u>
Total liabilities		<u>455,587</u>	<u>455,207</u>
Net assets		<u>554,635</u>	<u>520,210</u>
MEMBERS' FUND			
Accumulated surplus	13	<u>554,635</u>	<u>520,210</u>
Total members' fund		<u>554,635</u>	<u>520,210</u>

The above balance sheet should be read in conjunction with the accompanying notes.

MEDICAL SCIENTISTS ASSOCIATION OF VICTORIA
ABN 30 345 343 541

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016

	Accumulated surplus \$	Reserves \$	Total \$
Balance at 1 July 2014	557,459	-	557,459
Total comprehensive income for the year	(37,249)	-	(37,249)
Transfer to reserve	-	-	-
Balance at 30 June 2015	<u>520,210</u>	<u>-</u>	<u>520,210</u>
Balance at 1 July 2015	520,210	-	520,210
Total comprehensive income for the year	34,425	-	34,425
Transfer to reserve	-	-	-
Balance at 30 June 2016	<u>554,635</u>	<u>-</u>	<u>554,635</u>

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

**MEDICAL SCIENTISTS ASSOCIATION OF VICTORIA
ABN 30 345 343 541**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2016**

	Note	2016 \$	2015 \$
Cash flows from operating activities			
Receipts from members		795,901	802,871
Receipts from related entities		245,775	400,815
Sundry receipts and reimbursements		130,892	97,493
Payments to suppliers and employees		(1,267,597)	(1,326,028)
Interest received		13,317	18,339
Net cash (outflow) from operating activities	18	<u>(81,712)</u>	<u>(6,510)</u>
Cash flows from investing activities			
Payment for property, plant and equipment		(14,312)	-
Payment for non-current assets		-	(24,562)
Net cash (outflow) from investing activities		<u>(14,312)</u>	<u>(24,562)</u>
Net (decrease) in cash and cash equivalents		(96,024)	(31,072)
Cash and cash equivalents at beginning of financial year		<u>693,361</u>	<u>724,433</u>
Cash and cash equivalents at end of financial year	5(a)	<u><u>597,337</u></u>	<u><u>693,361</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1: Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board. Medical Scientists Association Of Victoria ("MSAV") is a not-for-profit entity for the purpose of preparing the financial statements.

Compliance with Australian Accounting Standards – Reduced Disclosure Requirements

The financial statements of the MSAV comply with the Australian Accounting Standards – Reduced Disclosure Requirements as issued by the Australian Accounting Standards Board (AASB).

New and amended standards adopted by the MSAV

The MSAV adopts all of the new and revised Standards and Interpretations issued by the Australian Accounting Board (AASB) that are relevant to the operations and effective for the current annual reporting period.

Early adoption of standards

The MSAV has not elected to apply any pronouncements before their operative date in the annual reporting period beginning 1 July 2015.

Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- available-for-sale financial assets, financial assets and liabilities (including derivative instruments) certain classes of property, plant and equipment and investment property – measured at fair value
- assets held for sale – measured at fair value less cost of disposal, and
- retirement benefit obligations – plan assets measured at fair value.

Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the MSAV's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1: Summary of significant accounting policies (Continued)

(b) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of amounts collected on behalf of third parties.

The MSAV recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the MSAV's activities as described below. The amount of revenue is not considered to be reliably measurable until all relating contingencies have been resolved. The MSAV bases its estimates on historical results, taking into consideration the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major operating activities as follows:

Members subscriptions

The subscription year runs 1 July to 30 June. Most of the subscriptions are payable annually in advance. Only those membership fees and subscription payments that are attributable to the current financial year are recognised as revenue. Fees and subscription payments that relate to future periods are shown in the Balance Sheet as subscription and fees in advance under the heading of other current liabilities.

Revenue is recognised for the major operating activities as follows:

Industrial services

Industrial service revenue is recognised when the right to receive the revenue has been established.

Directors fee

Directors fee revenue is recognised when the right to receive the revenue has been established.

Interest income

Interest income is recognised on a time proportion basis using the effective interest method. When a receivable is impaired, the MSAV reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income.

Other revenue

Other revenue is recognised when the right to receive the revenue has been established.

All revenue is stated net of the amount of Goods and Services Tax (GST).

(c) Income tax

No provision for income tax has been raised as the entity is exempt from income tax under Section 50-5 of the Income Tax Assessment Act 1997.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1: Summary of significant accounting policies (Continued)

(d) Cash and cash equivalents

For statement of cash flows presentation purposes, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

(e) Trade Receivables

The terms of trade are 30 days from invoice date. Receivables are recognised and carried at original invoice amount less any allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

(f) Investment in other financial assets

Classification

The MSAV classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date. The MSAV does not hold any investments in the following categories: financial assets at fair value through profit or loss, held-to-maturity investments and available-for-sale financial assets

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet.

Recognition and derecognition

Regular purchases and sales of investments are recognised on trade-date - the date on which the MSAV commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the MSAV has transferred substantially all the risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method. Unrealised gains and losses arising from changes in the fair value of non-monetary securities classified as available-for-sale are recognised in equity in the available-for-sale investments revaluation reserve. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the income statement as gains and losses from investment securities.

Fair value

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the MSAV establishes fair value by using valuation techniques. These include reference to the fair values of recent arm's length transactions, involving the same instruments or other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1: Summary of significant accounting policies (Continued)

(f) Investment in other financial assets (Continued)

Impairment

The MSAV assesses at each balance date whether there is objective evidence that a financial asset is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss - is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

(g) Fair value measurements

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the entity is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates.

Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices or dealer quotes for similar instruments.
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments

(h) Property, plant and equipment

Each class of property, plant and equipment is carried at historical cost less any accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of items.

Depreciation

The depreciable amount of all fixed assets including buildings are depreciated over their estimated useful lives to the MSAV commencing from the time the asset is held ready for use.

Class of fixed asset	Depreciation rate	Depreciation basis
Computer equipment	33.3 - 66.67%	Diminishing value
Leasehold improvement	10%	Straight line
Furniture and fittings	7.5 – 22.5%	Diminishing value

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1: Summary of significant accounting policies (Continued)

(i) Intangibles assets

Recognition of other intangible assets

Acquired intangible assets

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and install the specific software.

Subsequent measurement

All intangible assets are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives, as these assets are considered finite. Residual values and useful lives are reviewed at each reporting date. The following useful lives are applied:

- software: 5 - 10 years

Amortisation has been included within depreciation and amortisation

Subsequent expenditures on the maintenance of computer software and brand names are expensed as incurred.

When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset, and is recognised in profit or loss within other income or other expenses.

(j) Website costs

The primary focus of the MSAV web sites is as an advertising and information tool for the entity and its members. The website is not considered as an internally generated intangible asset. All development, maintenance and operational expenditure have been treated as expenses incurred in the period.

(k) Trade and other payables

These amounts represent liabilities for goods and services provided to the MSAV prior to the end of the financial year and which are unpaid. These amounts are unsecured and are usually paid within 30 days of recognition.

(l) Goods and Service Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense.

Receivables and payables in the balance sheet are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the balance sheet.

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

Commitments and contingencies are disclosed inclusive of GST.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1: Summary of significant accounting policies (Continued)

(m) Employee benefits

(i) Short-term benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and RDO expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave and RDO is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables

(ii) Other long-term employee benefit obligations

The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

(n) Functional and presentation currency

Items included in the financial report are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial report is presented in Australian dollars, which is the MSAV's functional and presentation currency.

(o) Comparative figures

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

(o) Impairment of assets

Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

2: Critical accounting estimates and judgements

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the MSAV and that are believed to be reasonable under the circumstances.

(a) Critical accounting estimates and assumptions

The MSAV makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. None of the estimates and assumptions are expected to have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(b) Critical judgments in applying the MSAV's accounting policies

The following are the critical judgments that management has made in the process of applying the MSAV's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Employee entitlements

Management judgements is applies in determining the following key assumptions in the calculation of long service leave at balance date:

- future increase in wages and salaries;
- future on-costs rates; and
- experience of employees departures and period of service.

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2016

3: Revenue

	2016 \$	2015 \$
From continuing operations		
Members subscription	758,714	752,846
Industrial services	247,177	257,166
	<u>1,005,891</u>	<u>1,010,012</u>
Other revenue		
Interest	13,317	18,339
Directors fee	98,721	78,566
Legal fee reimbursement	170,354	30,429
Other revenue	7,572	7,297
	<u>289,964</u>	<u>134,631</u>
	<u>1,295,855</u>	<u>1,144,643</u>

4: Expenses

	2016 \$	2015 \$
The surplus (deficit) for the year includes the following specific expenses:		
Loss on disposals of property, plant and equipment	349	-
<i>Depreciation of non-current assets</i>		
Office equipment and furniture	1,222	1,022
Leasehold improvement	18,275	18,257
Computer equipment	7,680	6,725
	<u>27,177</u>	<u>26,004</u>
Software	6,683	4,165
	<u>33,860</u>	<u>30,169</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

5: Current assets – Cash and cash equivalents

	2016 \$	2015 \$
Cash at bank	183,647	122,943
Deposit at call	413,690	570,418
	<u>597,337</u>	<u>693,361</u>

(a) Reconciliation to cash at the end of the year

The above figures are reconciled to cash at the end of the financial year as shown in the statement of cash flows as follows:

	2016 \$	2015 \$
Balances as above	597,337	693,361
Bank overdrafts	-	-
Balances per statement of cash flows	<u>597,337</u>	<u>693,361</u>

6: Current assets – Trade and other receivables

	2016 \$	2015 \$
Prepayments	3,395	35,173
Other receivables	271,671	89,167
	<u>275,066</u>	<u>124,340</u>

(a) Other receivables

Other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. If collection of the amounts is expected in one year or less they are classified as current assets. These amounts generally arise from transactions during the usual operating activities of the MSAV. Interest may be charged at commercial rates where the terms of repayment exceed six months. Collateral is not normally obtained.

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2016

7: Non-current assets – Property, plant and equipment

	2016 \$	2015 \$
Leasehold improvements		
At cost	182,715	182,715
Less accumulated depreciation	<u>(105,709)</u>	<u>(87,434)</u>
	<u>77,006</u>	<u>95,281</u>
Plant and equipment		
Computer equipment		
At cost	48,273	43,308
Less accumulated depreciation	<u>(38,703)</u>	<u>(36,975)</u>
	<u>9,570</u>	<u>6,333</u>
Furniture, fixtures and equipment		
At cost	24,649	22,010
Less accumulated depreciation	<u>(16,020)</u>	<u>(15,205)</u>
	<u>8,629</u>	<u>6,805</u>
Total property, plant and equipment	<u>95,205</u>	<u>108,419</u>

(a) Non-current assets pledged as security

None of the non-current assets are pledged as security

(b) Movements in carrying amounts

2015	Leasehold improvements \$	Furniture, fixtures and equipment \$	Computer equipment \$	Total \$
Opening net book amount	113,538	7,827	13,058	134,423
Additions	-	-	-	-
Disposals	-	-	-	-
Depreciation	<u>(18,257)</u>	<u>(1,022)</u>	<u>(6,725)</u>	<u>(26,004)</u>
Closing net book amount	<u>95,281</u>	<u>6,805</u>	<u>6,333</u>	<u>108,419</u>

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2016

7: Non-current assets – Property, plant and equipment (Continued)

(b) Movements in carrying amounts (Continued)

2016	Leasehold improvements	Furniture, fixtures and equipment	Computer equipment	Total
	\$	\$	\$	\$
Opening net book amount	95,281	6,805	6,333	108,419
Additions	-	3,257	11,055	14,312
Disposals	-	(211)	(138)	(349)
Depreciation	(18,275)	(1,222)	(7,680)	(27,177)
Closing net book amount	<u>77,006</u>	<u>8,629</u>	<u>9,570</u>	<u>95,205</u>

8: Non-current assets – Intangibles

	2016 \$	2015 \$
Software	<u>42,614</u>	<u>49,297</u>

9: Current liabilities – Trade and other payables

	2016 \$	2015 \$
<i>Unsecured:</i>		
Trade creditors	51,253	37,274
Other payables	<u>36,095</u>	<u>35,892</u>
	<u>87,348</u>	<u>73,166</u>

The carrying amounts of other payables are assumed to be the same as their fair values, due to their short-term nature.

10: Current liabilities – other liabilities

	2016 \$	2015 \$
<i>Unsecured:</i>		
Income received in advance	<u>135,023</u>	<u>170,190</u>

11: Current liabilities – Provisions

	2016 \$	2015 \$
Employee benefits	<u>92,729</u>	<u>92,481</u>

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2016

12: Non-current liabilities – Provisions

		2016 \$	2015 \$
Employee benefits		<u>140,487</u>	<u>119,370</u>
Movement of provisions	Current	Non-current	Total
	\$	\$	\$
Balance at 1 July 2014	110,394	105,625	216,019
Charged to income statement	(17,913)	13,745	(4,168)
Balance at 30 June 2015	<u>92,481</u>	<u>119,370</u>	<u>211,851</u>
Charged to income statement	248	21,117	21,365
Balance at 30 June 2016	<u>92,729</u>	<u>140,487</u>	<u>233,216</u>

13: Accumulated surplus

	2016 \$	2015 \$
<i>Movements in the accumulated surplus were as follows:</i>		
Balance 1 July	520,210	557,459
Net surplus (deficit) for the year	<u>34,425</u>	<u>(37,249)</u>
Balance 30 June	<u>554,635</u>	<u>520,210</u>

14: Contingencies

There are no known contingent assets or liabilities at 30 June 2016.

15: Commitments

	2016 \$	2015 \$
(a) Operating lease commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements:		
Payable		
- not later than one year	98,343	10,780
- later than one year but within five years	<u>316,849</u>	<u>12,276</u>
	<u>415,192</u>	<u>23,056</u>

General description of leasing arrangement:

The property lease is a non-cancellable lease with a five-year term, with rent payable monthly in advance. An option exists to renew the lease at the end of the five-year term for an additional term of five years.

The equipment lease is a non-cancellable lease with a five-year term, with rent payable monthly in advance.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

16: Events occurring after the reporting date

No matter or circumstance has arisen since the end of the financial year to the date of this report, that has or may significantly affect the activities of the MSAV, the results of those activities or the state of affairs of the MSAV in the ensuing or any subsequent financial year.

17: Related party transactions

(i) Transactions with related parties

	2016	2015
	\$	\$
(a) Sales of goods and services:		
<i>Industrial service income</i>		
from related entities	247,177	257,166
(b) Purchases of goods and services:		
<i>Capitation fee & Industrial fee paid</i>		
HSU Victoria No 4 Branch	63,299	65,377
(c) Superannuation contributions		
Defined contribution superannuation contributions on behalf of employees	62,975	106,404

(d) Outstanding balances arising from sales and purchases of goods and services:

These balances are disclosed in the "Trade receivables" and "Trade payables" notes to the accounts. No provision for impairment has been raised in relation to any of these outstanding balances and no expense has been recognised in respect of bad or doubtful debts due from related parties.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

17: Related party transactions (Continued)

(ii) The names of the MSAV Council who have held office during the year are:

Name	Position
Maxwell Cowey	President
Maria Bisignano	Vice-President
Peter Wells	Treasurer
Paul Elliott	Executive officer
Rosemary Kelly	Assistant Executive officer
Darrow Wendoloski **	Councillor
Leanne Augusteyn **	Councillor
Daniel Masters **	Councillor
Nikkie Shelton	Councillor
Catherine Durkin	Councillor
Sandra Feleppa	Councillor
Sofie Modulon	Councillor
Daneeta Hennessy **	Councillor

** resigned during 2015/2016

(iii) Transactions with key management personnel and remuneration

(a) The aggregate compensation made to key management personnel by the MSAV is as follows:

	2016	2015
	\$	\$
Short term benefits	<u>353,122</u>	<u>334,055</u>

(b) There are no loans between key management personnel and the MSAV.

(c) There were no transactions between the officers of MSAV other than those relating to their membership of MSAV and reimbursement by MSAV in respect of expenses incurred by them in the performance of their duties. Such transactions have been on conditions no more favourable than those which is reasonable to expect would have been adopted by parties at arm's length.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

18: Cash flow information

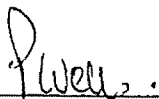
	2016 \$	2015 \$
Reconciliation of cash flow from operations with the surplus (deficit) for the year		
Surplus (Deficit) for the year	34,425	(37,249)
<i>Non-cash flows in surplus</i>		
Depreciation	33,860	30,169
Loss on disposal of fixed assets	349	-
<i>Changes in assets and liabilities</i>		
(Increase) Decrease in trade and other receivables	(150,726)	72,665
(Decrease) in payables	(20,984)	(67,927)
Increase (Decrease) in provisions	21,364	(4,168)
Cash flows from operations	<u>(81,712)</u>	<u>(6,510)</u>

MEDICAL SCIENTISTS ASSOCIATION OF VICTORIA
ABN 30 345 343 541

TREASURER'S CERTIFICATE

I, Peter Wells, being the officer responsible for keeping the accounting records of Medical Scientists Association Of Victoria certify that in my opinion:

- (a) the attached accounts show a true and fair view of the financial affairs of Medical Scientists Association Of Victoria as at the end of the financial year;
- (b) a record has been kept of all moneys paid by, or collected from members and all moneys so paid or collected have been credited to the bank account to which those moneys are to be credited in terms of the rules of Medical Scientists Association Of Victoria;
- (c) before any expenditure was incurred, approval of the incurring of the expenditure was obtained in accordance with the rules of Medical Scientists Association Of Victoria;
- (d) with regard to funds of Medical Scientists Association Of Victoria raised by compulsory levies or voluntary contributions from members or other funds other than the general fund operated in accordance with the rules, no payments were made out of such funds for purposes other than those for which the fund was operated;
- (e) no loans or other financial benefits, other than remuneration in respect of their full time employment with Medical Scientists Association Of Victoria, were made to persons holding office in Medical Scientists Association Of Victoria.



Treasurer – Peter Wells

Dated this

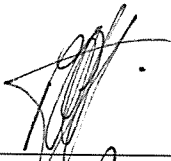
Wednesday, August 24, 2016


**MEDICAL SCIENTISTS ASSOCIATION OF VICTORIA
ABN 30 345 343 541**

COMMITTEE OF MANAGEMENT CERTIFICATE

We being two members of the Committee of Management of Medical Scientists Association Of Victoria do state on behalf of the Committee and in accordance with a resolution passed by the Committee that:

- (a) in the opinion of the Committee of Management the attached accounts show a true and fair view of the financial affairs of Medical Scientists Association Of Victoria as at 30 June 2016;
- (b) in the opinion of the Committee of Management meetings of the Committee were held during the financial year in accordance with the rules of Medical Scientists Association Of Victoria;
- (c) as at the date of this statement there are reasonable grounds to believe that the Medical Scientists Association Of Victoria will be able to pay its debts as and when they fall due;
- (d) the accounts of Medical Scientists Association Of Victoria have been made out in accordance with applicable Australian Accounting Standards – Reduced Disclosure Requirements, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

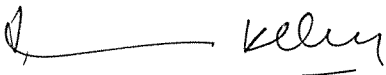


Name

Paul Elliott

Position:

Executive Officer



Name:

ROSEMARY KELLY

Position

Assistant Executive Officer

Dated this

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MEDICAL SCIENTISTS ASSOCIATION OF VICTORIA

Report on the financial report

We have audited the accompanying financial report of Medical Scientists Association of Victoria ("MSAV"), which comprises the balance sheet as at 30 June 2016, the statement of profit or loss and other 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 Statement by the Committee of Management.

MSAV Executive's responsibility for the financial report

The MSAV Executive is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the MSAV Constitution, and for such internal control as management determines 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 judgment, 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 MSAV'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 MSAV's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by the MSAV Executive and Management.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MEDICAL SCIENTISTS ASSOCIATION OF VICTORIA (Continued)

Independence

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

Opinion

In our opinion, the financial report present fairly, in all material respects the financial position of Medical Scientists Association of Victoria as at 30 June 2016 and of its performance and its cash flows for the year then ended in accordance with the Australian Accounting Standards – Reduced Disclosure Requirements and the MSAV Constitution.



BGL Partners
Chartered Accountants



I. A. Hinds - C.A. – Partner

24 August 2016
Melbourne