

MEDICAL SCIENTISTS ASSOCIATION OF VICTORIA

ABN 30 345 343 541

**ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2018**



MEDICAL SCIENTISTS ASSOCIATION OF VICTORIA
ABN 30 345 343 541

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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 15th day of August 2018.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 \$	2017 \$
Revenue from continuing operations	3	1,097,515	1,002,703
Other revenue	3	168,211	174,162
Expenses			
Administration expenses		(79,597)	(77,800)
Advertising and marketing expenses		(3,474)	(2,813)
Affiliation fee		(82,160)	(86,161)
Depreciation & amortisation		(28,921)	(31,030)
Member benefit expenses		(16,141)	(12,786)
Insurance		(41,683)	(44,420)
Legal and professional fee		(50,826)	(123,224)
Occupancy costs		(101,390)	(96,650)
Salaries and related expenses		(884,214)	(765,073)
Research expenses		(9,600)	-
Website expenses		(72)	(63)
Other expenses		(7,051)	(7,482)
		<u>(1,305,129)</u>	<u>(1,247,502)</u>
(Deficit) before income tax		(39,403)	(70,637)
Income tax expense		-	-
(Deficit) for the year		(39,403)	(70,637)
Other comprehensive income		-	-
Total comprehensive income for the year		<u>(39,403)</u>	<u>(70,637)</u>
Total comprehensive income for the year is attributable to:			
Members of the Medical Scientists Association of Victoria		<u>(39,403)</u>	<u>(70,637)</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 2018

	Note	2018 \$	2017 \$
ASSETS			
Current assets			
Cash and cash equivalents	5	816,316	670,969
Trade and other receivables	6	<u>156,882</u>	<u>188,743</u>
Total current assets		<u>973,198</u>	<u>859,712</u>
Non-current assets			
Property, plant and equipment	7	50,418	70,827
Intangible assets	8	<u>29,249</u>	<u>35,932</u>
Total non-current assets		<u>79,667</u>	<u>106,759</u>
Total assets		<u>1,052,865</u>	<u>966,471</u>
LIABILITIES			
Current liabilities			
Trade and other payables	9	56,857	39,922
Other liabilities	10	148,643	149,615
Employee benefit obligations	11	<u>203,835</u>	<u>125,654</u>
Total current liabilities		<u>409,335</u>	<u>315,191</u>
Non-current liabilities			
Employee benefit obligations	12	<u>198,935</u>	<u>167,282</u>
Total non-current liabilities		<u>198,935</u>	<u>167,282</u>
Total liabilities		<u>608,270</u>	<u>482,473</u>
Net assets		<u>444,595</u>	<u>483,998</u>
MEMBERS' FUND			
Accumulated surplus	13	<u>444,595</u>	<u>483,998</u>
Total members' fund		<u>444,595</u>	<u>483,998</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 2018

	Accumulated surplus \$	Reserves \$	Total \$
Balance at 1 July 2016	554,635	-	554,635
Total comprehensive income for the year	(70,637)	-	(70,637)
Transfer to reserve	-	-	-
Balance at 30 June 2017	<u>483,998</u>	<u>-</u>	<u>483,998</u>
Balance at 1 July 2017	483,998	-	483,998
Total comprehensive income for the year	(39,403)	-	(39,403)
Transfer to reserve	-	-	-
Balance at 30 June 2018	<u>444,595</u>	<u>-</u>	<u>444,595</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 2018

	Note	2018 \$	2017 \$
Cash flows from operating activities			
Receipts from members		902,260	855,493
Receipts from related entities		315,058	263,143
Sundry receipts and reimbursements		158,609	123,388
PI insurance reimbursements		-	150,246
Payments to suppliers and employees		(1,238,163)	(1,328,665)
Interest received		<u>9,412</u>	<u>10,027</u>
Net cash inflow from operating activities	18	<u>147,176</u>	<u>73,632</u>
Cash flows from investing activities			
Payment for property, plant and equipment		<u>(1,829)</u>	-
Net cash (outflow) from investing activities		<u>(1,829)</u>	-
Net increase in cash and cash equivalents		145,347	73,632
Cash and cash equivalents at beginning of financial year		<u>670,969</u>	<u>597,337</u>
Cash and cash equivalents at end of financial year	5(a)	<u>816,316</u>	<u>670,969</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 2018

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 2017.

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 2018

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 2018

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 2018

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 2018

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 2018

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.

(p) 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 2018

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 judgements 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 applied 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.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT equipment.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

3: Revenue

	2018	2017
	\$	\$
From continuing operations		
Members subscription	821,208	763,129
Industrial services	<u>276,307</u>	<u>239,574</u>
	<u>1,097,515</u>	<u>1,002,703</u>
Other revenue		
Interest	9,412	10,027
Directors fee	122,734	103,413
Legal fee reimbursement	12,092	54,999
HSU Fee reimbursements	14,253	-
Other revenue	<u>9,720</u>	<u>5,723</u>
	<u>168,211</u>	<u>174,162</u>
	<u>1,265,726</u>	<u>1,176,865</u>

4: Expenses

	2018	2017
	\$	\$
The (deficit) for the year includes the following specific expenses:		
Loss on disposals of property, plant and equipment	-	31
<i>Depreciation of non-current assets</i>		
Office equipment and furniture	1,046	1,261
Leasehold improvement	18,275	18,275
Computer equipment	<u>2,917</u>	<u>4,812</u>
	<u>22,238</u>	<u>24,348</u>
<i>Amortisation of non-current assets</i>		
Software	<u>6,683</u>	<u>6,682</u>
	<u>28,921</u>	<u>31,030</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

5: Current assets – Cash and cash equivalents

	2018	2017
	\$	\$
Cash at bank	278,314	142,294
Deposit at call	538,002	528,675
	<u>816,316</u>	<u>670,969</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:

	2018	2017
	\$	\$
Balances as above	816,316	670,969
Bank overdrafts	-	-
Balances per statement of cash flows	<u>816,316</u>	<u>670,969</u>

6: Current assets – Trade and other receivables

	2018	2017
	\$	\$
Prepayments	6,527	42,572
Other receivables	150,355	146,171
	<u>156,882</u>	<u>188,743</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 2018

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

	2018 \$	2017 \$
Leasehold improvements		
At cost	182,715	182,715
Less accumulated depreciation	<u>(142,259)</u>	<u>(123,984)</u>
	<u>40,456</u>	<u>58,731</u>
Plant and equipment		
Computer equipment		
At cost	46,364	44,535
Less accumulated depreciation	<u>(42,724)</u>	<u>(39,807)</u>
	<u>3,640</u>	<u>4,728</u>
Furniture, fixtures and equipment		
At cost	24,649	24,649
Less accumulated depreciation	<u>(18,327)</u>	<u>(17,281)</u>
	<u>6,322</u>	<u>7,368</u>
Total property, plant and equipment	<u><u>50,418</u></u>	<u><u>70,827</u></u>

(a) Non-current assets pledged as security

None of the non-current assets are pledged as security

(b) Movements in carrying amounts

2017	Leasehold improvements \$	Furniture, fixtures and equipment \$	Computer equipment \$	Total \$
Opening net book amount	77,006	8,629	9,570	95,205
Disposals	-	-	(30)	(30)
Depreciation	<u>(18,275)</u>	<u>(1,261)</u>	<u>(4,812)</u>	<u>(24,348)</u>
Closing net book amount	<u>58,731</u>	<u>7,368</u>	<u>4,728</u>	<u>70,827</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

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

(b) Movements in carrying amounts (Continued)

2018	Leasehold improvements	Furniture, fixtures and equipment	Computer equipment	Total
	\$	\$	\$	\$
Opening net book amount	58,731	7,368	4,728	70,827
Additions	-	-	1,829	1,829
Depreciation	<u>(18,275)</u>	<u>(1,046)</u>	<u>(2,917)</u>	<u>(22,238)</u>
Closing net book amount	<u>40,456</u>	<u>6,322</u>	<u>3,640</u>	<u>50,418</u>

8: Non-current assets – Intangibles

	2018 \$	2017 \$
Software	<u>29,249</u>	<u>35,932</u>

Details of the entity's intangible assets and their carrying amounts are as follows:

	2018 \$	2017 \$
Opening net book amount	35,932	42,614
Amortisation	<u>(6,683)</u>	<u>(6,682)</u>
Closing net book amount	<u>29,249</u>	<u>35,932</u>

9: Current liabilities – Trade and other payables

	2018 \$	2017 \$
<i>Unsecured:</i>		
Trade creditors	9,316	4,771
Other payables	<u>47,541</u>	<u>35,151</u>
	<u>56,857</u>	<u>39,922</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

	2018 \$	2017 \$
<i>Unsecured:</i>		
Income received in advance	<u>148,643</u>	<u>149,615</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

11: Current liabilities – Employee benefit obligations

	2018 \$	2017 \$
Employee benefits	<u>203,835</u>	<u>125,654</u>

12: Non-current liabilities – Employee benefit obligations

	2018 \$	2017 \$
Employee benefits	<u>198,935</u>	<u>167,282</u>

Movement of provisions

	Current \$	Non- current \$	Total \$
Balance at 1 July 2016	92,729	140,487	233,216
Charged to income statement	32,925	26,795	59,720
Balance at 30 June 2017	<u>125,654</u>	<u>167,282</u>	<u>292,936</u>
Charged to income statement	78,181	31,653	109,834
Balance at 30 June 2018	<u>203,835</u>	<u>198,935</u>	<u>402,770</u>

13: Accumulated surplus

	2018 \$	2017 \$
<i>Movements in the accumulated surplus were as follows:</i>		
Balance 1 July	483,998	554,635
Net (deficit) for the year	<u>(39,403)</u>	<u>(70,637)</u>
Balance 30 June	<u>444,595</u>	<u>483,998</u>

14: Contingencies

There are no known contingent assets or liabilities at 30 June 2018.

15: 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

16: Commitments

	2018	2017
	\$	\$
(a) Operating lease commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements:		
Payable		
- not later than one year	107,014	101,171
- later than one year but within five years	133,832	215,678
	<u>240,846</u>	<u>316,849</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.

17: Related party transactions

(i) *Transactions with related parties*

	2018	2017
	\$	\$
(a) Sales of goods and services:		
<i>Industrial service income</i>		
from related entities	276,307	239,574
(b) Purchases of goods and services:		
<i>Capitation fee & Industrial fee paid</i>		
HSU Victoria No 4 Branch	72,594	76,820
(c) Superannuation contributions		
Defined contribution superannuation contributions on behalf of employees	67,626	60,672

(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 2018

17: Related party transactions (Continued)

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

<i>Name</i>	<i>Position</i>
Maxwell Cowey	President
Maria Bisignano	Vice-President
Peter Wells	Treasurer
Paul Elliott	Secretary
Rosemary Kelly	Assistant Secretary
Nikkie Shelton (resigned 16 August 2017)	Councillor
Catherine Durkin	Councillor
Sandra Feleppa	Councillor
Sofie Modulon	Councillor
Eileen Kelly	Councillor
Daniel Masters	Councillor

(iii) *Transactions with key management personnel and remuneration*

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

	2018	2017
	\$	\$
Short term benefits	<u>351,890</u>	<u>327,603</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 2018

18: Cash flow information

	2018	2017
	\$	\$
Reconciliation of cash flow from operations with the (deficit) for the year		
(Deficit) for the year	(39,403)	(70,637)
<i>Non-cash flows in (deficit)</i>		
Depreciation & amortisation	28,921	31,030
Loss on disposal of fixed assets	-	31
<i>Changes in assets and liabilities</i>		
Decrease in trade and other receivables	31,860	86,322
Increase (Decrease) in payables	15,963	(32,834)
Increase in provisions	109,835	59,720
Cash flows from operations	<u>147,176</u>	<u>73,632</u>

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, 15th of August 2015

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 2018;
- (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: *Secretary*



Name: *ROSEMARY KELLY*

Position *Assistant Secretary*

Dated this *15/8/2018*

All correspondence to

PO Box 2390
BRIGHTON NORTH VIC 3186E bgl@bglpartners.com.au

T (03) 9525 2511

F (03) 9525 2829

W bglpartners.com.au

ABN 96 006 935 459

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

Report on Audit of the Financial Report

Opinion

We have audited the financial report of the Medical Scientists Association of Victoria ("MSAV") which comprises the balance sheet as at 30 June 2018, 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 Committee of Management.

In our opinion:

the accompanying financial report of the Medical Scientists Association of Victoria:

- a) presents fairly, in all material respects, the financial position of Medical Scientists Association of Victoria as at 30 June 2018 and the results of its operations, its changes in equity and cash flows for the year then ended; and
- b) complying the Australian Accounting Standards – Reduced Disclosure Requirements.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report.

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

Independence

We are independent of the MSAV in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES110 *Code of Ethics for Professional Accountants* (the "Code") that are relevant to our audit of the financial report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

CHARTERED ACCOUNTANTS
AUSTRALIA + NEW ZEALAND

Liability limited by a scheme approved under professional standards legislation

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

Committee of Management's responsibility for the financial report

The Committee of Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and for such internal control as the Committee of Management determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee of Management is responsible for assessing MSAV's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee of Management either intend to liquidate MSAV or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibility for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.

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

Auditor 's responsibility for the audit of the financial report (Continued)

- Conclude on the appropriateness of the Committee of Management use of the going concern basis of accounting in the preparation of the financial report. We also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events and conditions that may cast significant doubt on the MSAV's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the disclosures in the financial report about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial report. However, future events or conditions may cause the MSAV to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- Obtain sufficient appropriate audit evidence regarding the financial information of the MSAV or business activities within the MSAV to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

BGL Partners
Chartered Accountants

I. A. Hinds - C.A. – Partner

15 August 2018
MelbourneCHARTERED ACCOUNTANTS
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