2022
ANNUAL REPORT

AMA NEW SOUTH WALES

AUSTRALIAN MEDICAL ASSOCIATION (NSW) LIMITED

PRESIDENT, CHAIR OF THE BOARD REPORT

DR MICHAEL BONNING

After two years of an almost complete focus on COVID-19, the year of 2022 marked a turning point in the pandemic. Whilst the Omicron variant contributed to workforce shortages in hospitals, particularly in the early months of the year, the impact was less disruptive following the initial wave and a further relaxation in COVID rules.

As an association, we focused on supporting members by providing updated information on changing policies, as well as guidance on how to implement and respond to the new rules within your practices and workplaces.

AMA (NSW) used the time of consolidation to renovate the AMA (NSW) Offices. The renovation has created a modern, appealing work environment which has already been used as a home for events for doctors. The renovation has also been well received by staff encouraging a return to more normal working arrangements after the disruption of the work from home era.

The 2022 economy presented several ongoing challenges amid uncertainty for the local markets, with a surprisingly strong uplift in core inflation and higher interest rates. Despite this, AMA (NSW) finances remain healthy. Total revenue for the financial year to 31 December 2022 was recorded at $5.5m including $3.9m in operating revenue (2021: $4.1m) and $1.5m in non-operating investment revenue (2021: $1.9m).

The comprehensive loss result of $1.89m is due mainly to the change in fair value of investments held at balance date, with the unrealised loss of $1.88m recorded in the accounts at year end. Notwithstanding this adjustment to the investment values, the balance sheet remains strong with total assets valued at $19.75m. These funds are held in a range of asset classes including cash ($2.7m), financial assets ($9.0m), investment property ($4.8m) and property plant and equipment ($3.2m).

Since the 1st of January 2023 the portfolio has staged a strong recovery and is up by 3.75% over 2 months. This is equivalent to income and an uplift in capital value of $350K.

The total land and buildings are held at a cost of only $8.04 million in the AMA House site, which is an important asset in the ever-changing property landscape of St Leonards.

AMA (NSW) has been able to use our resources and expertise to continue to advocate on behalf of doctors and their communities. In 2022, we also witnessed the devastating impact of unprecedented floods in the Northern Rivers region. In addition to destroying thousands of homes, it completely wiped-out valuable health services. General practitioners, specialists, pharmacists, and allied health providers suffered huge losses both in terms of infrastructure and damage to medical equipment. As many were unable to access flood insurance prior to the disaster, they struggled to finance the rebuild of their practices. The grant funding available to flood-affected small businesses was insufficient and providers struggled to offer the same level of health services to patients and clients that they did prior to the disaster. Without space and equipment, access was impacted, and patients were missing out on important healthcare, including vaccinations, management of chronic conditions, and preventative healthcare measures such as skin checks. This put further pressure on hospitals in the region which were already struggling to meet demand. After months of inaction by government, AMA (NSW) gathered peak health associations in Lismore for an emergency health summit held in September 2022. The event attracted significant media attention and was followed with direct advocacy to State and Federal politicians. The lobbying efforts culminated in a co-contributed funding arrangement of $5m – the first of its kind to be delivered by the Commonwealth and State Government to assist disaster-impacted health service providers.

The AMA called on both levels of Government to also recognise a position statement which would see rural health services declared as emergency health services in the wake of a natural disaster, and as such provided with immediate grant funding to ensure the continuity of health services to patients.

In addition to this advocacy, AMA (NSW) has been focused on the significant workforce shortages in hospitals, the impact of which is contributing to reduced ability to meet the State's performance measures and increased burnout and stress among doctors.

We held several meetings with Medical Staff Council chairs who conveyed the experiences of doctors in their hospitals. Many expressed that senior doctors are frustrated by the lack of adequate resourcing and feeling overwhelmed.

Statistics from the Bureau of Health Information provides quantitative evidence that supports their experiences. Hospitals are getting busier as demand from our growing and ageing population increases.

AMA (NSW) has called for significant and sustained investment into elective surgery with an emphasis on using the public health system. While there was sound reasoning for the State to pay for public patients to receive treatment in private hospitals following COVID-19, the system needs to shift gears and allow these surgeries to be done in the public system.

In 2022, AMA (NSW) was active in lobbying the State on payroll tax.

AMA (NSW) has led campaign efforts around the State, distributing patient-facing resources for practices to put in waiting rooms to inform patients of the impact this tax will have on their care.

THANK YOU I would like to acknowledge former AMA (NSW) President, Dr Danielle McMullen for her valued leadership of the State branch. She served on the NSW leadership team from 2020 to 2022, before moving on to her current position as Vice President of the AMA. I was privileged to take her place as head of the AMA (NSW) in May 2022, and feel honoured to be part of the Council and Board who are committed to improving the health system for patients and doctors. I would also like to recognise the AMA (NSW) Secretariat for their support and guidance as we navigate a changing political landscape in NSW.

CONTENTS

Directors' report

The directors of Australian Medical Association (NSW) Limited (the "Company") submit herewith the annual financial report of the Company for the financial year ended 31 December 2022. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

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

Name	**Particulars**
Dr Michael Bonning	President (appointed May 2022), Audit & Risk Committee Chair (resigned June 2022)
Dr Danielle McMullen	President (resigned May 2022), Director (resigned August 2022)
Dr Kathryn Austin	Vice President (appointed May 2022), Audit & Risk Committee Director (appointed August 2022)
Dr Andrew Zuschmann	Vice President (resigned May 2022), Director (resigned June 2022)
Dr Costa Boyages	Director, Chair PIC
Dr Sanjay Hettige	Director, DIT Director
Dr Fred Betros	Director, Chair HPC
Dr Theresa Ly	Director (appointed October 2022)
Dr Brian Fernandes	Director (appointed on June 2022)

The above named directors held office during the whole of the financial year and since the end of the financial year, unless otherwise stated.

Company secretary

Ms Dominique Egan was appointed as Company Secretary from 7 April 2022.

Principal activities

The Company's principal activity in the course of the financial year was to advance and maintain the professional freedom, welfare and interests of medical practitioners and their patients through effective advocacy in New South Wales, to represent the profession to the public and governments and to increase community awareness of health issues. During the financial year, there was no significant change in the nature of that activity.

Review of operations

The Company's operating revenue (as disclosed in Note 5) for the year was $3,995,022 (2021: 4,057,426).

The Company's operations resulted in a net loss of $1,893,081 (2021: profit of $1,233,610) as follows:

	2022 **$**	**2021** **$**
Loss from operations	(896,408)	(422,503)
Net (loss)/gain from investment fund (Note 20)	(996,673)	1,656,113
Net (loss)/profit	(1,893,081)	1,233,610

Changes in state of affairs

During the financial year, there was no significant change in the state of affairs of the Company other than that referred to in the financial statements or notes thereon.

Directors' report (continued)

Subsequent events

Subsequent to the year end, on 7 February 2023, the Company's business loan facility matured. On 3 March 2023, the Company has renegotiated its business loan facility with the same bank and a loan offer was signed whereby an extension in the loan maturity was granted to the Company for a further one year upto 7 February 2024.

No other matter or circumstance has occurred subsequent to year end that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

Future developments

Disclosure of information regarding likely developments in the operations of the Company in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Company. Accordingly, this information has not been disclosed in this report.

Dividends

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

Indemnification of officers and auditors

During the financial year, the Company paid a premium in respect of a contract insuring certain officers of the Company. The officers of the Company covered by the insurance policy include the directors, councillors and members of the Secretariat.

The liabilities insured include costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Company or a related body corporate.

The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor.

Directors' meetings

The following table sets out the number of directors' meetings held during the financial year and the number of meetings attended by each director (while they were a director). During the financial year, 8 board meetings were held.

	Board of Directors	
	Attended	**Held**
Dr Michael Bonning	8	8
Dr Danielle McMullen	5	5
Dr Kathryn Austin	6	8
Dr Andrew Zuschmann	3	3
Dr Costa Boyages	7	8
Dr Sanjay Hettige	6	8
Dr Fred Betros	7	8
Dr Amandeep Kaur Hansra	5	8
Dr Kean-Seng Lim	7	8
Dr Brian Fernandes	4	4
Dr Theresa Ly	2	2

Directors' Report

Auditor's independence declaration

The auditor's independence declaration is included on page 4 of the annual report.

This directors' report is signed in accordance with a resolution of directors made pursuant to s.298(2) of the *Corporations Act 2001*.

On behalf of the Directors

M Bonning

Dr Michael Bonning
President
Sydney, 28 March 2023

Deloitte.

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Australia

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The Board of Directors
Australian Medical Association (NSW) Limited
Level 6, 69 Christie Street
ST LEONARDS NSW 2065

28 March 2023

Dear Board Members

Australian Medical Association (NSW) Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Australian Medical Association (NSW) Limited.

As lead audit partner for the audit of the financial statements of Australian Medical Association (NSW) Limited for the financial year ended 31 December 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Carlo Pasqualini
Partner
Chartered Accountants

Deloitte Touche Tohmatsu
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Independent Auditor's Report
to the members of Australian Medical Association (NSW) Limited

Opinion

We have audited the financial report of Australian Medical Association (NSW) Limited (the "Entity"), which comprises the statement of financial position as at 31 December 2022, 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, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of the Entity, is in accordance with the *Corporations Act 2001*, including:

i. giving a true and fair view of the Entity's financial position as at 31 December 2022 and of its financial performance for the year then ended; and

ii. complying with *Australian Accounting Standards – Simplified Disclosures* and the *Corporations Regulations 2001*.

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 are independent of the Entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Entity, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Other Information

The Directors are responsible for the other information. The other information comprises the Director's Report included in the annual report for the year ended 31 December 2022 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

The directors' Responsibilities for the Financial Report

The directors are responsible for the preparation of the financial report that gives a true and fair view in accordance with *Australian Accounting Standards – Simplified Disclosures* and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Deloitte.

Auditor's Responsibilities 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 the 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 the Australian Auditing Standards, we exercise professional judgement 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 Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity 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 report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Carlo Pasqualini
Partner
Chartered Accountants
Sydney, 28 March 2023

Directors' report

The directors declare that:

(a) in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;

(b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with Accounting standards – Simplified disclosure requirements and giving a true and fair view of the financial position and performance of the Company.

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

On behalf of the Directors

M Bonning

Dr Michael Bonning
President
Sydney, 28 March 2023

Statement of profit or loss and other comprehensive income for the financial year ended 31 December 2022

	Note	Year ended 31/12/2022 $	Year ended 31/12/2021 $
Revenue	5	5,500,985	5,991,420
Employee benefits expenses		(2,427,479)	(2,358,705)
Depreciation and amortisation expense	7(b)	(257,238)	(236,727)
Depreciation expense related to the investment property	7(b)	(272,039)	(274,023)
Legal fees		(129,128)	(179,862)
Magazine production and distribution		(66,401)	(62,365)
Audit fees		(65,625)	(42,000)
Membership development costs		(118,170)	(305,798)
Insurance costs		(88,705)	(70,349)
Meeting costs		(46,607)	(18,544)
Seminar costs		(131,827)	(3,826)
Telephone expenses		(23,466)	(36,311)
Travel and entertainment expenses		(41,898)	(13,818)
Printing and postage		(24,927)	(34,584)
Computer network and database expenses		(290,739)	(330,577)
Administration and Sinking fund levies – Christie Street		(295,949)	(298,125)
Other expenses	6	(787,997)	(792,302)
Loss on disposal of assets	7 (a)	(405,821)	(155)
Finance costs	7(b)	(44,145)	(36,025)
Change in fair value of investments		(1,875,905)	336,286
(Loss)/profit before tax		(1,893,081)	1,233,610
Income tax expense	4(d)	-	-
(Loss)/profit for the year		(1,893,081)	1,233,610
Other comprehensive income		-	-
Total comprehensive (loss)/income for the year		**(1,893,081)**	**1,233,610**

Notes to the financial statements are included on pages 12 to 31.

Statement of financial position as at year 31 December 2022

	Note	31/12/2022 $	31/12/2021 $
Current assets			
Cash and cash equivalents	8	2,515,510	2,771,057
Trade and other receivables	9	54,404	96,426
Other assets	13	140,413	176,877
Total current assets		2,710,327	3,044,360
Non-current assets			
Other financial assets	10	8,998,560	11,356,121
Investment property	11	4,807,552	5,079,592
Property, plant and equipment	12	3,233,288	2,465,417
Total non-current assets		17,039,400	18,901,130
Total assets		19,749,727	21,945,490
Current liabilities			
Trade and other payables	14	1,433,776	1,459,561
Provisions	15	465,520	553,436
Borrowings	17	1,129,938	74,285
Contract liabilities	16	734,905	848,629
Total current liabilities		3,764,139	2,935,911
Non-current liabilities			
Provisions	15	13,064	10,360
Borrowings	17	-	1,133,614
Total non-current liabilities		13,064	1,143,974
Total liabilities		3,777,203	4,079,885
Net assets		**15,972,523**	**17,865,605**
Equity			
Retained earnings	18	15,972,523	17,865,605
Total equity		**15,972,523**	**17,865,605**

Notes to the financial statements are included on pages 12 to 31.

Statement of changes in equity for the financial year ended 31 December 2022

	Retained earnings $	Total equity $
Balance at 1 January 2021	16,631,995	16,631,995
Net profit for the year	1,233,610	1,233,610
Other comprehensive income for the year	-	-
Total comprehensive income for the year	1,233,610	1,233,610
Balance at 31 December 2021	**17,865,605**	**17,865,605**
Balance at 1 January 2022	17,865,605	17,865,605
Net loss for the year	(1,893,081)	(1,893,081)
Other comprehensive income for the year	-	-
Total comprehensive loss for the year	(1,893,081)	(1,893,081)
Balance at 31 December 2022	**15,972,523**	**15,972,523**

Notes to the financial statements are included on pages 12 to 31.

Statement of cash flow for the financial year ended 31 December 2022

	Note	Year ended 31/12/2022 $	Year ended 31/12/2021 $
Cash flows from operating activities			
Receipts from customers and members		5,260,835	5,281,094
Payments to suppliers and employees		(4,969,050)	(5,089,340)
Net cash from operating activities	22(b)	291,785	191,754
Cash flows from investing activities			
Interest received		4,428	5,696
Dividends received		502,493	436,802
Payments for property, plant and equipment		(1,472,930)	(26,682)
Proceeds from the sale of investments – financial assets		1,435,000	2,166,241
Proceeds from sale of property, plant and equipment		42,000	-
Payment for investments – financial assets		(936,219)	(2,598,896)
Payment for investments – properties		-	-
Net cash used in investing activities		(425,227)	(16,839)
Cash flows from financing activities			
(Repayments)/Proceeds from borrowings		(122,105)	(114,880)
Net cash (used in)/from investing activities		(122,105)	(114,880)
Net increase/(decrease) in cash and cash equivalents		(255,547)	60,035
Cash and cash equivalents at the beginning of the financial year		2,771,057	2,711,022
Cash and cash equivalents at the end of the financial year	22(a)	**2,515,510**	**2,771,057**

Notes to the financial statements are included on pages 12 to 31.

Notes to the financial statements for the financial year ended 31 December 2022

1. General information

Basis of preparation
These general purpose financial statements have been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board (AASB), and comply with other requirements of the law.

The financial statements comprise the financial statements of Australian Medical Association (NSW) Limited (the "Company"). Amounts in these financial statements are stated in Australian dollars ($) unless otherwise noted.

Statement of compliance
The Company does not have 'public accountability' as defined in AASB 1053 Application of Tiers of Australian Accounting Standards and is therefore eligible to apply the 'Tier 2' reporting framework under Australian Accounting Standards.

The financial statements comply with the recognition and measurement requirements of Australian Accounting Standards, the presentation requirements in those Standards as modified by AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (AASB 1060) and the disclosure requirements in AASB 1060. Accordingly, the financial statements comply with Australian Accounting Standards – Simplified Disclosures.

The financial statements were approved by the board of directors and authorised for issue on 28 March 2023

Information about the company
Australian Medical Association (NSW) Limited is a not-for-profit Company limited by guarantee incorporated and operating in Australia.

The addresses of its registered office and principal place of business are as follows:

<u>Registered office and principal place of business</u>
Level 6, 69 Christie Street
St Leonards, NSW 2065

The Company's principal activity in the course of the financial year was to advance and maintain the professional freedom, welfare and interests of medical practitioners and their patients through effective advocacy in New South Wales, to represent the profession to the public and governments and to increase community awareness of health issues. During the financial year, there was no significant change in the nature of that activity.

2. Changes in accounting policies and changes in estimates

Adoption of new and revised Accounting Standards
In the current year, the Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period. For the financial period, the adoption of these amended standards and interpretation had no material impact on the financial statements of the Company for the finanical year ended 31 December 2022.

Explanation of the transition to Australian Accounting Standards – Simplified Disclosures
The Company previously prepared General Purpose Financial Statements - Reduced Disclosure Requirements following the recognition and measurements requirements of all applicable Australian Accounting Standards.

Accordingly, the application of Australian Accounting Standards – Simplified Disclosures has not affected the reported financial position, financial performance and cash flows of the entity, but has impacted the disclosures included in these financial statements.

Notes to the financial statements for the financial year ended 31 December 2022

3. Judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in Note 4, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty
The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below or elsewhere in the financial statements:

Financial Assets – investments
Note 10 sets out the categories of other financial assets held. In accordance with the accounting policy used by the Company as described in Note 4(e), these investments in managed funds are held at fair value with revaluation adjustments recognised directly in profit or loss. In accordance with the requirements of AASB 9 Financial Instruments, the directors have reviewed whether there is any objective evidence that the investments held are impaired.

Useful lives of property, plant and equipment and investment properties
The management reviews the estimated useful lives of property, plant and equipment and investment properties (respectively), at the end of each reporting period. The useful lives could change significantly as a result of regulatory changes and industry practices associated with operational safety, technical innovations or some other event.

4. Significant accounting policies

Basis of accounting
The financial report has been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Historical cost is based on the fair values of the consideration given in exchange for goods and services.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(a) Revenue recognition

Revenue from contracts with customers
Revenue is recognised at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for transferring services to a customer. For each contract with a customer, the Company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

In cases where there is an 'enforceable' contract with a customer with 'sufficiently specific' performance obligations, the transaction is accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied.

In all other cases (where the contract is not 'enforceable' or the performance obligations are not 'sufficiently specific'), the transaction is accounted for under AASB 1058.

Sales of goods and disposal of assets
Revenue from the sale of goods and disposal of other assets is recognised when the Company has transferred to the buyer the significant risks and rewards of ownership of the goods. Revenue from the sales of goods is recognised as the performance obligation is satisfied at a point in time.

4. Significant accounting policies (continued)

(a) Revenue recognition (continued)

Rendering of services – Subscription Revenue
Subscription revenue is recognised as performance obligations are satisfied over time.

Rental revenue
Revenue from operating leases is recognised in accordance with the Company's accounting policy outlined in Note 4(i).

Dividend and interest revenue
Dividend revenue from investments is recognised when the Company's right to receive payment has been established.

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

(b) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
ii. for receivables and payables which are recognised inclusive of GST.

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 Statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified within operating cash flows.

(c) Income tax

Australian Medical Association (NSW) Limited is income tax exempt pursuant to the Income Tax Assessment Act.

(d) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, which are subject to an insignificant risk of changes in value.

(e) Financial assets

Financial assets are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

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

Notes to the financial statements for the financial year ended 31 December 2022

4. Significant accounting policies (continued)

(e) Financial assets (continued)

Investments are recognised and derecognised on trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned.

Other financial assets are classified into the following specified categories: 'investments and other financial assets' or 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Classification of financial assets

Other financial assets are classified into the following specified categories: 'investments and other financial assets' or 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Effective interest method
The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period.

Income is recognised in profit or loss on an effective interest rate basis for debt instruments.

Investments and other financial assets
Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Loans 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 income is recognised by applying the effective interest rate.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Impairment of financial assets
The Company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

4. Significant accounting policies (continued)

(e) Financial assets (continued)

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measures at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

(f) Financial liabilities

Financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities, including trade and other payables and borrowings, are initially measured at fair value, net of transaction costs. All financial liabilities are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(g) Property, plant and equipment

Plant and equipment, buildings and equipment are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition or construction of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Notes to the financial statements for the financial year ended 31 December 2022

4. Significant accounting policies (continued)

(g) Property, plant and equipment (continued)

Depreciation is provided on property, plant and equipment, including freehold buildings. Depreciation is calculated on a straight-line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, with the effect of any changes recognised on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. 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 profit or loss.

The following useful lives are used in the calculation of depreciation:

	2022	**2021**
• Buildings	33 1/3 years	33 1/3 years
• Equipment, furniture and fittings	3 – 6 years	3 – 6 years
• Motor vehicles	5 years	5 years

(h) Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is stated at cost less accumulated depreciation and impairment.

Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

An investment property is derecognised upon disposal or when the investment property is permanentlywithdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Depreciation is provided on investment property. Depreciation is calculated on a straight line basis so as to write off the net cost of each asset over its expected useful life to its estimated residual value. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

The following estimated useful lives are used in the calculation of depreciation:

	2022	**2021**
Buildings	33 1/3 years	33 1/3 years

(i) Leases

Company as lessor
The Company enters into lease agreements as a lessor with respect to some of its investment properties.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

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

4. Significant accounting policies (continued)

(i) Leases (continued)

Company as lessee
The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date
- The amount expected to be payable by the lessee under residual value guarantees
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used)
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

Notes to the financial statements for the financial year ended 31 December 2022

4. Significant accounting policies (continued)

(i) Leases (continued)

The right-of-use assets are presented as a separate line in the consolidated statement of financial position. The Company applies AASB 136 Impairment of Assets to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, plant and equipment' policy.
Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "Other expenses" in profit or loss.

(j) Impairment of long-lived assets

At each reporting date, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

(k) Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, sick leave and long service leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service. This is the nominal valuebased on the remuneration rate expected to apply at the time of settlement

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

<u>Defined contribution plans</u>
Contributions to defined contribution superannuation plans are expensed when employees have rendered service entitling them to the contributions.

4. Significant accounting policies (continued)

(l) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(m) Trade and other payables

Trade payables and other accounts payable are recognised when the Company becomes obliged to make future payments resulting from the purchase of goods and services.

(n) Comparative amounts

Comparative amounts have been realigned where necessary to agree with the current year presentation. There was no change in the profit or net assets.

(o) Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for:
• Leasing transactions that are within the scope of AASB 16 Leases
• Measurements that have some similarities to fair value but are not fair value, such as value in use in AASB 136 Impairment of Assets.

Fair value hierarchy levels 1 to 3 are based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(p) Government grants

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Notes to the financial statements for the financial year ended 31 December 2022

5. Revenue

An analysis of the Company's revenue for the year is as follows:

	2022 $	2021 $
Operating revenue		
Subscription revenue	3,519,452	3,579,159
Commission and fees	133,975	193,785
Interest – other entities	1,340	4,842
Sponsorship	40,227	10,750
Magazine advertising income	101,538	110,808
Seminar income	82,880	1,467
Other	115,609	156,615
	3,995,022	**4,057,426**
Non-operating revenue		
Dividends – investments	502,493	436,802
Interest – investments	3,088	854
Gain/ (loss) on sale of investments	61,029	539,292
Rental revenue – investment property	939,353	957,046
	1,505,963	**1,933,994**
	5,500,985	**5,991,420**

6. Other expenses from ordinary activities

	2022 $	2021 $
Consultancy fees	200,928	60,772
President stipend	118,724	153,898
Investment fees	43,904	51,029
Office expenses	41,247	27,234
Building costs	99,923	69,478
Repairs & maintenance	6,678	3,340
Other operating expenses	276,594	426,551
	787,997	**792,302**

7. (Loss)/profit for the year

(a) Gains and losses

(Loss)/profit for the year has been arrived at after crediting/(charging) the following gains and losses:

	2022 $	2021 $
Gain/ (loss) on disposal of property, plant and equipment	(405,821)	(155)
Gain/ (loss) on sale of investments	61,029	539,292
	(344,792)	**539,137**

(b) (Loss)/profit for the year includes the following expenses:

	2022 $	2021 $
Depreciation of property, plant and equipment (Note 12)	257,238	236,727
Depreciation of Ground floor, Level 4 and Level 5, 69 Christie St investment property (Investment Fund Assets) (Note 11)	272,039	274,023
Employee benefits expense – Defined contribution plans (Superannuation)	215,403	210,273
Interest expense on borrowings	44,145	36,025

Notes to the financial statements for the financial year ended 31 December 2022

8. Cash and cash equivalents

	2022 $	2021 $
Cash at bank and on hand – for operating purposes	**2,515,510**	**2,771,057**

9. Trade and other receivables

	2022 $	2021 $
Current		
Trade receivables	46,421	64,031
Allowance for expected credit losses	(5,000)	(5,000)
	41,421	59,031
Accrued income	(2,200)	28,751
Amounts due from related parties:		
- The AMA (NSW) Charitable Foundation	12,138	6,596
- Professional Freedom Foundation	3,045	2,048
	54,404	**96,426**

No interest is charged on outstanding trade receivables.

10. Other financial assets

	2022 $	2021 $
Current		
Cash at bank – for investing purposes	103,271	810,703
Investments carried at fair value through profit or loss	8,895,288	10,545,418
Total investments held in managed funds	**8,998,560**	**11,356,121**

11. Investment property

	Ground floor level 4 and level 5, 69 Christie St at cost $
Gross carrying amount	
Balance at 1 January 2021	8,955,238
Additions	-
Balance at 31 December 2021	8,955,238
Additions	-
Balance at 31 December 2022	8,955,238
Accumulated depreciation/amortisation	
Balance at 1 January 2021	(3,601,624)
Depreciation expense	(274,023)
Balance at 31 December 2021	(3,875,647)
Depreciation expense	(272,039)
Balance at 31 December 2022	(4,147,686)
Net book value	
As at 31 December 2021	**5,079,592**
As at 31 December 2022	**4,807,552**

The investment property consists of the ground floor, level 4 and level 5 of 69 Christie Street, St. Leonards. Based on current available market information, the Directors are satisfied that the current market value of the property exceeds its carrying value at 31 December 2022 and there are no indicators of impairment.

Notes to the financial statements for the financial year ended 31 December 2022

12. Property, plant and equipment

	Buildings at cost $	Equipment, furniture and fittings at cost $	Motor vehicles at cost $	Software $	Total $
Gross carrying amount					
Balance at 1 January 2021	5,019,871	487,618	119,789	281,671	5,908,949
Additions	-	26,682	-	-	26,682
Disposals/ write offs	-	(5,086)	-	(255,689)	(260,775)
Balance at 31 December 2021	5,019,871	509,214	119,789	25,982	5,674,856
Additions	1,038,294	301,029	64,961	258,099	1,662,384
Disposals/ write offs	(869,998)	(502,088)	(61,064)	(82,266)	(1,515,416)
Balance at 31 December 2022	5,188,167	308,155	123,686	201,815	5,821,824
Accumulated depreciation/ amortisation					
Balance at 1 January 2021	(2,547,908)	(406,877)	(10,147)	(268,401)	(3,233,333)
Disposals/ write offs	-	4,932	-	255,689	260,621
Depreciation expense	(155,199)	(48,547)	(23,958)	(9,023)	(236,727)
Balance at 31 December 2021	(2,703,107)	(450,492)	(34,105)	(21,735)	(3,209,439)
Disposals/ write offs	460,335	450,670	33,758	(66,621)	878,142
Depreciation expense	(155,523)	(40,989)	(23,975)	(36,752)	(257,239)
Balance at 31 December 2022	(2,398,295)	(40,811)	(24,322)	(125,108)	(2,588,536)
Net book value					
As at 31 December 2021	**2,316,764**	**58,722**	**85,684**	**4,247**	**2,465,417**
As at 31 December 2022	**2,789,872**	**267,344**	**99,364**	**76,707**	**3,233,288**

As of 31 December 2022, the Company has no capital expenditure commitment (2021: NIL).

13. Other assets

	2022 $	2021 $
Prepayments	**140,413**	**176,877**

Notes to the financial statements for the financial year ended 31 December 2022

14. Trade and other payables

	2022 $	2021 $
Current		
Trade payables (i)	358,648	243,301
Subscriptions due to:		
- Australian Medical Association Limited	943,991	1,065,183
- Medical Benevolent Association	390	1,300
Amounts owing to related parties:		
- AMA Golf Soceity	28,336	28,336
Goods and services tax (GST) payable	102,411	121,441
	1,433,776	**1,459,561**

(i) The average credit period on general purchases goods or services from various suppliers is 30 days. No interest is charged on overdue payables.

15. Provisions

	2022 $	2021 $
Current		
Employee benefits	465,520	553,436
Non-current		
Employee benefits	13,064	10,360
	478,584	**563,796**

16. Contract liabilities

	2022 $	2021 $
Income received in advance	887	22,970
Subscriptions received in advance	734,019	825,659
	734,905	**848,629**

17. Borrowings

	2022 $	2021 $
Secured – at amortised cost		
Bank loans – current	1,129,938	74,285
Bank loans – non–current	-	1,133,614
	1,129,938	**1,207,899**

In February 2020, the Company obtained a business loan facility with a bank for a credit limit of $1,350,000. The facility bears a variable rate (currently at 2.88% per annum) and is secured over the Company's property.

Subsequent to the year end, on 7 February 2023, the Company's business loan facility matured. On 3 March 2023, the Company has renegotiated its business loan facility with the same bank and a loan offer was signed whereby an extension in the loan maturity was granted to the Company for a further one year upto 7 February 2024.

Notes to the financial statements for the financial year ended 31 December 2022

18. Retained earnings

	2022 $	2021 $
Balance at beginning of financial year	17,865,605	16,631,955
Net (Loss)/profit for the year	(1,893,081)	1,233,610
Balance at end of financial year	15,972,523	17,865,605

19. Members' guarantee

Australian Medical Association (NSW) Limited is a Company limited by guarantee. Every member of the Company undertakes to contribute to the assets of the Company in the event of it being wound up while they are a member or within one year after they cease to be a member for payment of the debts and liabilities of the Company contracted before the time at which they cease to be a member, and the costs, charges and expenses of winding up and for an adjustment of the rights of contributories among themselves, such amount as may be required not exceeding two dollars.

20. Investment fund

In the financial year ended 31 December 2001, the Unit Trust of Australian Medical Association (NSW) Limited (the Trust) sold freehold land and a building, and on 31 December 2001 the Trust was wound up. The proceeds from the sale of the land and building and the net assets distributed to the Company when the Trust was wound up, were invested in a portfolio of financial instruments referred to by the Company as the "Investment Fund".

	2022 $	2021 $
Non-current financial assets:		
At fair value		
Cash at bank – for investing purposes	103,271	810,703
Investments carried at fair value through profit or loss	8,895,288	10,545,418
	8,998,560	11,356,121
At cost		
Investment property at depreciated cost (Note 11)	4,807,552	5,079,592
Total investment fund	**13,806,112**	**16,435,713**

Certain income/(expenses) generated by the investment fund and included in the Statement of Profit or Loss and other comprehensive income include:

	2022 $	2021 $
Rental income on investment property	939,353	957,046
Expenses incurred in maintaining investment property & depreciation	(538,682)	(527,114)
Dividends received	502,493	436,802
Interest received	3,088	854
Interest expense	(44,145)	(36,025)
Brokerage costs	(43,904)	(51,028)
Unrealised fair value (loss)/gain	(1,875,905)	336,286
Gain on sales of investments	61,029	539,292
	(996,673)	**1,656,113**

21. Assets and liabilities of trusts for which the Company is trustee

Australian Medical Association (NSW) Limited, as trustee for The AMA (NSW) Charitable Foundation, has a right of indemnity from the trust's assets. Details of the underlying assets and liabilities are as follows:

	AMA (NSW) Charitable Foundation	
	2022	**2021**
	$	**$**
Assets		
Cash	71,578	72,048
Other assets	-	8,184
Amount receivable from Australian Medical Association (NSW) Limited	-	-
	71,578	**80,232**
Liabilities		
Creditors and accruals	2,362	1,523
Amount payable to Australian Medical Association (NSW) Limited	12,138	6,596
	14,501	**8,119**
Net Assets	**57,078**	**72,113**

22. Notes to the statement of cash flows

(a) Reconciliation of cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	2022	**2021**
	$	**$**
Cash at bank and on hand	**2,515,510**	**2,771,057**

Notes to the financial statements for the financial year ended 31 December 2022

22. Notes to the statement of cash flows (continued)

(b) Reconciliation of profit for the year to net cash flows from operating activities

	2022 $	2021 $
(Loss)/profit for the year	(1,893,081)	1,233,610
Loss on sale of investments	(61,029)	(539,292)
Depreciation	529,277	510,750
Investment fee and charges	43,904	51,029
Interest income received and receivable	(4,428)	(5,696)
Interest expense on borrowings	44,145	36,025
Loss/ (gain) on sale of property, plant and equipments	-	155
Loss on disposal of assets	405,821	-
Dividends received and receivable	(502,493)	(436,802)
Changes in fair value of investments	1,875,905	(336,286)
Changes in net assets and liabilities:		
(Increase)/decrease in assets:		
Trade and other receivables	42,022	(54,523)
Other assets	36,464	(82,930)
Increase/(decrease) in liabilities:		
Trade and other payables	(25,786)	(25,074)
Provisions	(85,212)	(57,321)
Other liabilities	(113,724)	(101,891)
Net cash used in operating activities	**291,785**	**191,754**

23. Financial instruments

(a) Categories of financial instruments

	2022 $	2021 $
Financial assets		
Loans and receivables	54,404	96,426
Cash and cash equivalents	2,515,510	2,771,057
Cash at bank – for investing purposes	103,271	810,703
Investments carried at fair value	8,895,288	10,545,418

24. Key management personnel compensation

a) The names of the directors who served during the financial year are as follows:

Dr Michael Bonning
Dr Danielle McMullen (resigned August 2022)
Dr Kathryn Austin
Dr Andrew Zuschmann (resigned June 2022)
Dr Costa Boyages
Dr Sanjay Hettige
Dr Fred Betros
Dr Amandeep Kaur Hansra
Dr Kean-Seng Lim
Dr Brian Fernandes (appointed June 2022)
Dr Theresa Ly (appointed October 2022)

The aggregate compensation made to directors of the Company is set out below:

	2022 **$**	**2021** **$**
Short-term employee benefits	128,422	153,898

During the year, the President received remuneration from the Company in accordance with a Directors resolution.

b) The names of the key management during the financial year are as follows:

Fiona Davies	*Chief Executive Officer*
Kerry Evripidou	*Director Finance & Member services*
Dominique Egan	*Director of Workplace Relations & Company Secretary*
Matt Patterson	*Director of Member Engagement & Commercial Partnerships*

The aggregate compensation made to key management of the Company is set out below:

	2022 **$**	**2021** **$**
Short-term employee benefits	**884,072**	**790,439**

Notes to the financial statements for the financial year ended 31 December 2022

25. Related party transactions

a) Transactions with key management personnel

Directors' compensation

Details of key management personnel compensation are disclosed in Note 24 to the financial statements.

b) Transactions with other related parties

Transactions between Australian Medical Association (NSW) Limited and its related parties

During the financial year, the following transactions occurred between the Company and its other related parties:

- The AMA (NSW) Charitable Foundation, a related party: At 31 December 2022, there was an amount of $12,138 (2021: $6,596) receivable by Australian Medical Association (NSW) Limited from its related party. During the year, an amount of $15,576 was recognised as a loan from the AMA (NSW) Charitable Foundation to AMA(NSW) in relation to the Gala Dinner event income and offset by donations paid out of the AMA(NSW) bank account on behalf of the AMA (NSW) Charitable Foundation and recognised as a loan from AMA(NSW) to the AMA (NSW) Charitable Foundation.
- The Professional Freedom Fund, a related party: At 31 December 2022, there was an amount of $3,045 (2021: $2,047) receivable from the Fund by Australian Medical Association (NSW) Limited.
- AMA Golf Society, a related party: As at 31 December 2022, a total balance of $28,336 (2021: $28,336) was payable by Australian Medical Association (NSW) Limited to AMA Golf Society.

26. Remuneration of auditors

	2022 $	2021 $
Auditor of the entity		
Deloitte Touche Tohmatsu		
Audit of the financial report	65,625	42,000
Deloitte Financial Advisory Pty Ltd		
Other non-assurance services (Development of the Medical Workforce Pressures Whitepaper)	88,492	-

The auditor of Australian Medical Association (NSW) Limited is Deloitte Touche Tohmatsu.

27. Subsequent events

Subsequent to the year end, on 7 February 2023, the Company's business loan facility matured. On 3 March 2023, the Company has renegotiated its business loan facility with the same bank and a loan offer was signed whereby an extension in the loan maturity was granted to the Company for a further one year up to 7 February 2024.

No other matter or circumstance has occurred subsequent to year end that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

AUSTRALIAN MEDICAL ASSOCIATION (NSW) LIMITED
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