

AUSTRALIAN SALARIED MEDICAL OFFICERS' FEDERATION
A.B.N. 28 648 719 021

FINANCIAL REPORT
FOR THE YEAR ENDED
31 DECEMBER 2009

AUSTRALIAN SALARIED MEDICAL OFFICERS' FEDERATION
A.B.N. 28 648 719 021

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OPERATING REPORT
FOR THE YEAR ENDED 31 DECEMBER 2009

(a) Principal Activities:

The Federation's principal activities during the financial year were:

To provide industrial services to the members consistent with the objects of the Federation and particularly the object of protecting & improving the interests of the members.

Results of the Principal Activities:

The Federation's principal activities resulted in maintaining and improving the services provided to its members, promoting and protecting the broad interests of salaried medical practitioners and advocating the provision and development of quality health services.

Significant changes in Federation's Principal Activities:

There were no significant changes in the nature of Federation's Principal Activities during the financial year.

(b) Operating Results:

The profit of the Federation amounted to \$69,457.70 for the financial year.

Significant changes in Federation's financial affairs:

No matters or circumstances arose during the reporting year which significantly affected the financial affairs of the Federation.

(c) Right of Members to resign:

Manner of resignation S254(2)(c)

Members may resign from the Federation in accordance with rule 11, which reads as follows:

A member of the Federation may resign from membership by written notice, addressed and delivered to the Branch Secretary.

Notice of resignation from membership of the Federation takes effect:

1) where the member ceases to be eligible to become a member of the Federation:

(i) on the day on which the notice is received by the Federation; or

(ii) on the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a member;

whichever is later;

or

2) in any other case:

(i) at the end of two weeks, after the notice is received by the Federation; or

(ii) on the day specified in the notice;

whichever is later;

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Any dues payable but not paid by a former member of the Federation, in relation to a period before the member's resignation from the Federation took effect, may be sued for and recovered in the name of the Federation, in a court of competent jurisdiction, as a debt due to the Federation.

A notice delivered to the person mentioned in sub-rule(1) shall be taken to have been received by the Federation when it is delivered.

A notice of resignation that has been received by the Federation is not invalid because it was not addressed and delivered in accordance with sub-rule(1)

A resignation from membership of the Federation is valid even if it is not effected in accordance with this rule if the member is informed in writing by or on behalf of the Federation that the resignation has been accepted.

In special circumstances the Federal Council may by resolution accept the resignation of a member and release the member from any or all outstanding obligations to the Federation, notwithstanding that the provisions of these Rules have not been complied with.

(d) Number of members

The number of persons who, at the end of the financial year were recorded on the Register of Members was 5010.

(e) Number of employees

There were no employees of the Federation.

(f) Members of Committee of Management

The persons who have held office as members of the Committee of Management of the Federation during the financial year were:

Dr. Christopher Verco	President
Dr. Tony Sara	Vice President
Prof. Peter Collignon	Secretary
Dr. David Milliss	Assistant Secretary/ Treasurer
Dr. Roderick McRae	Federal Executive Member

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**OPERATING REPORT
FOR THE YEAR ENDED 31 DECEMBER 2009**

(g) Superannuation Trustees

No member of the Committee of Management of the Federation is

(i) a trustee of a superannuation entity or an exempt public sector superannuation scheme; or

(ii) a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme;

where a criterion for the member being the trustee or director is that the member, is a member of a registered organisation

Signed in accordance with a resolution of the Committee of Management.

Prof. Peter Collignon (Secretary)

Date: / /

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INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	2009 \$	2008 \$
Revenue	2	232,232.65	203,430.57
Affiliation Fees		(12,087.56)	(11,883.40)
Auditor's remuneration	3	(3,610.00)	(3,585.00)
Insurance		(2,090.91)	(2,500.00)
Legal costs		(45,664.85)	(772.73)
Meeting expenses		(2,601.67)	(2,296.42)
Media Campaign		(1,514.80)	(32,460.00)
Secretarial Industrial Service ASMOF- NSW		(45,000.00)	(45,000.00)
Secretarial Industrial Service ASMOF- AMA		(25,000.00)	(22,727.27)
Travel & Accomodation		(22,779.11)	(12,316.96)
Other expenses		(2,426.05)	(2,524.17)
Profit before income tax		<u>69,457.70</u>	<u>67,364.62</u>
Income tax expense		-	-
Profit after income tax		<u><u>69,457.70</u></u>	<u><u>67,364.62</u></u>

The accompanying notes form part of these financial statements.

AUSTRALIAN SALARIED MEDICAL OFFICERS' FEDERATION
A.B.N. 28 648 719 021

BALANCE SHEET
AS AT 31 DECEMBER 2009

	Note	2009 \$	2008 \$
CURRENT ASSETS			
Cash and cash equivalents	4	287,675.18	196,407.45
Trade and other receivables	5	-	5,370.42
TOTAL CURRENT ASSETS		<u>287,675.18</u>	<u>201,777.87</u>
TOTAL ASSETS		<u>287,675.18</u>	<u>201,777.87</u>
CURRENT LIABILITIES			
Trade and other payables	6	19,132.26	2,892.65
Other current liabilities	7	3,700.00	3,500.00
TOTAL CURRENT LIABILITIES		<u>22,832.26</u>	<u>6,392.65</u>
TOTAL LIABILITIES		<u>22,832.26</u>	<u>6,392.65</u>
NET ASSETS		<u>264,842.92</u>	<u>195,385.22</u>
MEMBERS' FUNDS			
Retained earnings	8	264,842.92	195,385.22
TOTAL EQUITY		<u>264,842.92</u>	<u>195,385.22</u>

The accompanying notes form part of these financial statements.

AUSTRALIAN SALARIED MEDICAL OFFICERS' FEDERATION
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	Retained Earnings \$	Total \$
Balance at 1 January 2008		128,021	128,021
Profit attributable to members		67,365	67,365
Balance at 31 December 2008		195,385	195,385
Profit attributable to members		69,458	69,458
Balance at 31 December 2009		<u>264,843</u>	<u>264,843</u>

The accompanying notes form part of these financial statements.

AUSTRALIAN SALARIED MEDICAL OFFICERS' FEDERATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

1 Statement of Significant Accounting Policies

The financial report is a General Purpose Financial Report (GPFR) and it has been prepared in accordance with Fair Work (Registered Organisations) Act 2009.

The GPFR is for an entity known as AUSTRALIAN SALARIED MEDICAL OFFICERS' FEDERATION as an individual entity.

The GPFR complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

The following is a summary of the material accounting policies adopted by the Federation in the preparation of the financial report. Unless otherwise stated, the accounting policies have been consistently applied.

Reporting basis and conventions

The GPFR has been prepared on an accruals basis and is based on historical costs.

Going Concern

The GPFR has been prepared on a going concern basis. The committee of management has not identified or aware of any events or conditions which may result in the ability of the Federation to continue as a going concern.

Accounting Policies

Cash and Cash Equivalents

Cash in the balance sheet comprises cash at bank.

Revenue

Interest revenue is recognised upon receipt

All revenue is stated net of the amount of goods and services tax (GST).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred by the Federation as a purchaser that is not recoverable from the Australian Tax Office, is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST when incurred.

Income Tax

The Federation, being a registered Trade Union, is exempt from income tax on all of its income.

Trade and Other Receivables

Debtors are recognised at the amount receivable and are due for settlement within 30 days from date of invoice.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

Trade and Other Payables

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

Capitation Fees

Capitation fees received from branches or Associated Bodies have been accepted as the correct amounts payable to the Federation.

Information to be provided to Members or to the General Manager of FWA

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009 the attention of Members is drawn to the provision of sub-sections (1) (2) and (3) of Section 272 which read as follows:

Section 272 Information to be provided to Members or the General Manager of FWA

272(1) [Application for Information] A member of a reporting unit, or the General Manager of FWA, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.

272(2) [Form of Application] The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.

272(3) [Compliance] A Reporting unit must comply with an application made under subsection (1).

AUSTRALIAN SALARIED MEDICAL OFFICERS' FEDERATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

	2009	2008
	\$	\$
2 Revenue		
Operating activities		
Rendering of Services		
ACT Branch	5,760.00	4,358.18
Commonwealth Branch	9,400.00	7,263.64
NSW Branch	73,560.00	54,801.82
SA Branch	35,760.00	29,085.46
AMA- Conjoint Membership WA, VIC, TAS	103,591.82	103,592.73
Total revenue	<u>228,071.82</u>	<u>199,101.83</u>
Non-operating activities		
Interest Received	4,160.83	4,328.74
Total revenue	<u>232,232.65</u>	<u>203,430.57</u>
3 Auditor's Remuneration		
Auditor's Remuneration		
Audit Fees	<u>3,610.00</u>	<u>3,585.00</u>
4 Cash and Cash Equivalents		
Current		
Cash at Bank	137,675.18	196,407.45
Commonwealth Business Online Saver Account	150,000.00	-
	<u>287,675.18</u>	<u>196,407.45</u>
Reconciliation of cash		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:		
Cash at Bank	<u>287,675.18</u>	<u>196,407.45</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

	2009	2008
	\$	\$
5 Trade and Other Receivables		
Current		
Sundry Debtors	-	621.27
Trade Debtors	-	2,904.00
Input Tax Credits	-	1,845.15
	-	5,370.42
	-	5,370.42
6 Trade and Other Payables		
Current		
Trade Creditors	13,875.37	2,860.93
Sundry Creditors	-	31.72
GST Payable	5,256.89	-
	19,132.26	2,892.65
	19,132.26	2,892.65
Financial liabilities at amortised cost classified as trade and other payables		
Trade and other payables:		
- Total current	19,132.26	2,892.65
Financial liabilities as trade and other payables	19,132.26	2,892.65
	19,132.26	2,892.65
7 Other Liabilities		
Current		
Accrued Charges	3,700.00	3,500.00
	3,700.00	3,500.00
8 Retained Earnings		
Retained earnings at the beginning of the financial year	195,385.22	128,020.60
Net profit attributable to Federation	69,457.70	67,364.62
Retained earnings at the end of the financial year	264,842.92	195,385.22
	264,842.92	195,385.22

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

2009
\$

2008
\$

9 Financial Instruments

Financial Risk Management

The Federation's financial instruments consist primarily of deposits with banks.

The Federation does not have any derivative instruments at 31 December 2009.

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CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2009

	2009	2008
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Capitation Fees Received	252,783.00	231,728.01
Interest Received	4,160.83	4,328.74
General Administration Expenses & Direct Expenses	(165,676.10)	(190,050.13)
Net cash provided by operating activities	91,267.73	46,006.62
Net increase in cash held	91,267.73	46,006.62
Cash at beginning of year	196,407.45	150,400.83
Cash at end of financial year	287,675.18	196,407.45
Notes to the Statement of Cash Flows		
Reconciliation of cash		
Cash 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:		
Cash at Bank	137,675.18	196,407.45
Commonwealth Business Online Saver Account	150,000.00	-
	287,675.18	196,407.45
Reconciliation of net cash provided by operating activities to Operating Result		
Operating Surplus (Deficit)	69,457.70	67,364.62
Changes in assets and liabilities		
Increase (Decrease) in Payables	16,239.61	(32,007.58)
Increase (Decrease) in Accrued Charges	200.00	400.00
Decrease (Increase) in Receivables	5,370.42	10,249.58
Cash inflows (outflows) from operations	91,267.73	46,006.62

The accompanying notes form part of these financial statements.

AUSTRALIAN SALARIED MEDICAL OFFICERS' FEDERATION
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COMMITTEE OF MANAGEMENT'S STATEMENT

On behalf of the Committee and in accordance with a resolution passed by the Committee, I ,the undersigned, hereby declare that:-

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the General Manager of Fair Work Australia (FWA);
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which GPFR relates and since the end of that year:
 - (i) meetings of the committee of management were held in accordance with the rules of the Federation including the rules of the branch concerned; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the Federation including the rules of the branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009 and the Fair Work (Registered Organisations) Regulations 2009; and
 - (iv) the financial records of the reporting unit have been kept, as far as practicable, in a manner consistent with each of the other reporting units of the Federation; and
 - (v) the information sought in any request of a member of a reporting unit or the General Manager of FWA duly made under section 272 of the Fair Work (Registered Organisations) Act 2009 has been furnished to the member or General Manager of FWA; and
 - (vi) there has been compliance with any order for inspection of financial records made by Fair Work Australia under section 273 of the Fair Work (Registered Organisations) Act 2009.
- (g) the Federation has not undertaken recovery of wages activity during the financial year.

Prof. P Collignon (Secretary)
Date Resolution passed:

Dated: / /

**INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF
AUSTRALIAN SALARIED MEDICAL OFFICERS' FEDERATION**

Scope

The Financial Report and Committee's Responsibility

The General Purpose Financial Report (GPFR) comprises the balance sheet, income statement, statement of changes in equity, cash flow statement, accompanying notes to the financial statements, and the committee of management's statement for AUSTRALIAN SALARIED MEDICAL OFFICERS' FEDERATION for the year ended 31 December 2009.

The committee of the Federation is responsible for the preparation and true and fair presentation of the financial report. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit Approach

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

I performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the requirements imposed by Part 3 of Chapter 8 of Fair Work (Registered Organisations) Act 2009, including compliance with Australian Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with my understanding of the Federation's financial position, and of its performance as represented by the results of its operations and cash flows.

I formed my audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the committee.

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

Independence

In conducting my audit, I followed applicable independence requirements of Australian professional ethical pronouncements.

**INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF
AUSTRALIAN SALARIED MEDICAL OFFICERS' FEDERATION**

Audit Opinion

In my opinion, the GPFR of AUSTRALIAN SALARIED MEDICAL OFFICERS' FEDERATION is presented fairly in accordance with applicable Australian Accounting Standards , and the requirements imposed by Part 3 of Chapter 8 of Fair Work (Registered Organisations) Act 2009, of the financial position of as at 31 December 2009 and the results of its operations and its cash flows for the year then ended.

Name of Firm: CARRUTHERS FARRAM & CO
Chartered Accountants

Name of Principal: _____
Douglas John Farram (Registered Company Auditor)
Member of Institute of Chartered Accountants and Holder of a Current Public Practice Certificate

Address: SUITE 4, Level 4 105 Pitt Street Sydney NSW 2000

Dated this **day of**

AUSTRALIAN SALARIED MEDICAL OFFICERS' FEDERATION
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PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2009

	2009	2008
	\$	\$
REVENUE		
INTEREST RECEIVED		
Cheque Account	4,160.83	4,328.74
	<u>4,160.83</u>	<u>4,328.74</u>
CAPITATION FEES RECEIVED		
ACT Branch	5,760.00	4,358.18
Commonwealth Branch	9,400.00	7,263.64
NSW Branch	73,560.00	54,801.82
SA Branch	35,760.00	29,085.46
AMA- Conjoint Membership WA, VIC, TAS	103,591.82	103,592.73
	<u>228,071.82</u>	<u>199,101.83</u>
TOTAL REVENUE	<u>232,232.65</u>	<u>203,430.57</u>

The accompanying notes form part of these financial statements.

AUSTRALIAN SALARIED MEDICAL OFFICERS' FEDERATION
A.B.N. 28 648 719 021

PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2009

	2009	2008
	\$	\$
<hr/>		
EXPENDITURE		
Affiliation Fees	12,087.56	11,883.40
Auditor's Remuneration	3,610.00	3,585.00
Bank Charges	-	23.22
Consultancy Fees	2,200.00	2,459.77
General Expenses	158.52	41.18
Insurance	2,090.91	2,500.00
Legal Costs	45,664.85	772.73
Meeting Expenses	2,601.67	2,296.42
Media Campaign	1,514.80	32,460.00
Printing & Stationery	67.53	-
Secretarial, Industrial Services ASMOF NSW	45,000.00	45,000.00
Secretarial, Industrial Services AMA	25,000.00	22,727.27
Travel, Accommodation	22,779.11	12,316.96
	162,774.95	136,065.95
Profit (Loss) before income tax	69,457.70	67,364.62
Income tax expense	-	-
Profit (Loss) after income tax	69,457.70	67,364.62
Retained earnings at the beginning of the financial year	195,385.22	128,020.60
Retained earnings at the end of the financial year	264,842.92	195,385.22

The accompanying notes form part of these financial statements.