



AMA
WESTERN AUSTRALIA



2023

ANNUAL REPORT

AUSTRALIAN MEDICAL ASSOCIATION (WA) INCORPORATED

Australian Medical Association (WA) Inc. and its Controlled Entities

ACN 093 027 521

Consolidated financial report for the year ended 31 December 2023

Complying with Australian Accounting Standard – Simplified Disclosures

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Directors' declaration for the year ended 31 December 2023

In accordance with a resolution of the directors of the Australian Medical Association (WA) Inc. and its controlled entities, I state that:

In the opinion of the directors:

(a) the consolidated financial statements and notes of the Australian Medical Association (WA) Inc. and its controlled entities for the financial year ended 31 December 2023 are in accordance with the Incorporated Associations Act 2015, including:

(i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the year then ended on that date; and

(ii) complying with Australian Accounting Standards – Simplified Disclosures and the Incorporated Associations Act 2015.

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This statement is made in accordance with a resolution of the Board and is signed for and on behalf of the Board by:



.....
Dr Mark Duncan-Smith
Board Chair

Dated this 29th day of April 2024



**Building a better
working world**

Ernst & Young
11 Mounts Bay Road
Perth WA 6000 Australia
GPO Box M939 Perth WA 6843

Tel: +61 8 9429 2222
Fax: +61 8 9429 2436
ey.com/au

Auditor's independence declaration to the directors of Australian Medical Association (WA) Incorporated

As lead auditor for the audit of the financial report of Australian Medical Association (WA) Incorporated for the financial year ended 31 December 2023, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit, and
- b. No contraventions of any applicable code of professional conduct in relation to the audit.
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Australian Medical Association (WA) Incorporated and the entities it controlled during the financial year.

A handwritten signature in black ink that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in black ink, appearing to be 'Timothy Dachs'.

Timothy Dachs
Partner
29 April 2024

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2023

	Notes	Consolidated	
		2023	2022
		\$	\$
Revenue	13a, 14	15,203,555	22,342,098
Interest received	13a	120,062	2,149
Other income	13a	1,932,466	1,424,557
Depreciation	13b	(798,282)	(568,067)
Amortisation	13b	(286,293)	(337,621)
Finance cost		(62,440)	(47,705)
Fair value adjustment of PPE	6B	-	(789,643)
Employee benefits expenses		(10,536,410)	(8,980,546)
Cost of goods sold	13b	(2,905,072)	(11,755,849)
Other expenses	13b	(5,938,540)	(6,253,619)
Deficit before income tax benefit		(3,270,954)	(4,964,246)
Income tax benefit/(expense)	16	-	-
Deficit for the year		(3,270,954)	(4,964,246)
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit and loss:</i>			
Equity instruments at Fair Value Through Other Comprehensive Income – fair value changes net of income tax		547,634	(82,132)
Total comprehensive loss		(2,723,320)	(5,046,378)
Deficit for the year attributable to:			
Members of the Association, net of tax		(3,147,335)	(4,964,246)
Non-controlling interests		(123,619)	-
		(3,270,954)	(4,964,246)
Total comprehensive loss attributable to:			
Members of the Association, net of tax		(2,599,701)	(5,046,379)
Non-controlling interests		(123,619)	-
		(2,723,320)	(5,046,379)

Statement of Financial Position

As at 31 December 2023

	Notes	Consolidated 2023	2022 Restated (Note 20)	2021 Restated (Note 20)
		\$	\$	\$
Current assets				
Cash and cash equivalents	2	5,324,961	1,801,601	4,551,920
Trade and other receivables	3	648,653	1,731,242	2,941,093
Inventories	4	-	1,597,145	1,376,673
Other current assets		187,311	217,530	183,637
Total current assets		<u>6,160,925</u>	<u>5,347,518</u>	<u>9,053,323</u>
Non-current assets				
Financial assets	5	-	802,411	884,543
Right of use asset	18	334,591	565,177	902,790
Property, plant and equipment	6B	8,468,620	14,388,963	14,141,692
Investment property	6A	5,690,091	-	-
Deferred tax assets	16	97,367	26,957	97,367
Total non-current assets		<u>14,590,669</u>	<u>15,783,508</u>	<u>16,026,392</u>
Total assets		<u>20,751,594</u>	<u>21,131,026</u>	<u>25,079,715</u>
Current liabilities				
Trade and other payables	7	2,029,051	3,567,120	2,071,995
Income in advance	8	1,886,198	855,772	698,425
Lease liability	19	214,698	312,353	361,854
Provisions	9	1,256,470	1,031,441	1,180,190
Total current liabilities		<u>5,386,417</u>	<u>5,766,686</u>	<u>4,312,464</u>
Non-current liabilities				
Income in Advance	8	536,628	-	-
Provisions	9	51,995	72,817	53,966
Deferred tax liabilities	16	97,368	26,957	97,367
Long-term Debt	10	1,686,035	7,380	-
Lease liability	19	192,349	387,980	700,334
Total non-current liabilities		<u>2,564,375</u>	<u>495,134</u>	<u>851,667</u>
Total liabilities		<u>7,950,792</u>	<u>6,261,820</u>	<u>5,164,131</u>
Net assets		<u>12,800,802</u>	<u>14,869,206</u>	<u>19,915,584</u>
Equity				
Issued capital		-	-	-
FV OCI Reserves	12	-	547,634	629,766
Accumulated surplus		11,721,871	14,321,572	18,841,770
Total equity		<u>11,721,871</u>	<u>14,869,206</u>	<u>19,915,584</u>
Non-controlling interest	11	1,078,931	-	-
Total equity attributable to members of the Association		<u>12,800,802</u>	<u>14,869,206</u>	<u>19,915,584</u>

Statement of Changes in Equity

For the year ended 31 December 2023

Consolidated	Attributable to the members of the Association			Total	Non-Controlling Interest	Total equity
	Accumulated Surplus	Ordinary Share Capital	FVOCI Reserve			
	\$	\$	\$	\$	\$	\$
Balance at 1 January 2022 (Restated – refer Note 20)	19,285,818	-	629,766	19,915,584	-	19,915,584
Deficit for the year	(4,964,246)	-	-	(4,964,246)	-	(4,964,246)
Other comprehensive loss	-	-	(82,132)	(82,132)	-	(82,132)
Total comprehensive loss	(4,964,246)	-	(82,132)	(5,046,378)	-	(5,046,378)
Balance at 31 December 2022 (Restated – refer Note 20)	14,321,572	-	547,634	14,869,206	-	14,869,206
Balance at 1 January 2023 (Restated – refer Note 20)	14,321,572	-	547,634	14,869,206	-	14,869,206
Deficit for the year	(3,147,335)	-	-	(3,147,335)	(123,619)	(3,270,954)
Other comprehensive income	547,634	-	(547,634)	-	-	-
Total comprehensive loss	(2,599,701)	-	(547,634)	(3,147,335)	(123,619)	(3,270,954)
Issue of share capital	-	-	-	-	1,202,550	1,202,550
Balance at 31 December 2023	11,721,871	-	-	11,721,871	1,078,931	12,800,802

Statement of Cash Flows

For the year ended 31 December 2023

	Notes	Consolidated	
		2023	2022
		\$	\$
Cash flows from operating activities			
Receipts from other sources		13,685,755	21,341,732
Receipts from subscriptions and members		3,604,920	2,829,871
Payments to suppliers and employees		(19,713,884)	(26,551,180)
Finance cost		(62,440)	(47,705)
Dividends received		-	13,700
Interest received		120,062	2,149
Net cash used in operating activities	17	<u>(2,365,587)</u>	<u>(2,411,433)</u>
Cash flows from investing activities			
Payment for property, plant and equipment		(790,862)	(1,638,886)
Proceeds from sale of business and assets		2,842,280	-
Proceeds from sale of financial assets		834,284	-
Net cash provided by / (used in) investing activities		<u>2,885,702</u>	<u>(1,638,886)</u>
Cash flows from financing activities			
Proceeds from issue of shares		1,202,550	-
Repayment of borrowings		(293,286)	-
Advances to related parties		(209,830)	-
Amounts from related parties		2,303,811	1,300,000
Net cash provided by financing activities		<u>3,003,245</u>	<u>1,300,000</u>
Net increase / (decrease) in cash and cash equivalents		3,523,360	(2,750,319)
Cash and cash equivalents at beginning of financial year		1,801,601	4,551,920
Cash and cash equivalents at end of financial year	2	<u>5,324,961</u>	<u>1,801,601</u>

Notes to Financial Statements

For the year ended 31 December 2023

1. Corporate information

The consolidated financial statements of Australian Medical Association (WA) Inc. (the Association or the parent) and its subsidiaries (collectively, the Group) for the year ended 31 December 2023 were authorised for issue in accordance with a resolution of the Directors on 29th of April 2024. Australian Medical Association (WA) Inc. is an Association incorporated in Australia.

The Group is principally engaged in lobbying for the Doctors who are the members of the Association. The subsidiaries are engaged in selling medical products and providing training, recruitment and financial services.

2. Significant accounting policies

2.1 Basis of preparation

These general purpose financial statements have been prepared in compliance with the requirements of the Corporations Act 2001 and Australian Accounting Standards – Simplified Disclosures. The Group is a Not for-profit, private sector entity which is not publicly accountable for the purposes of preparing these consolidated financial statements.

The consolidated financial report has been prepared on an accrual basis of accounting including the historical cost convention with the exception of land and buildings which have been measured at fair value. The consolidated financial statements provide comparative information in respect of the previous period.

The financial report is presented in Australian dollars.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Association and its subsidiaries as at 31 December 2023. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2.3 Summary of material accounting policies

a) Income tax

Australian Medical Association (WA) Inc. (the Association or the parent) is a not-for-profit entity within the group. The other entities, AMA Services (WA) Pty Ltd, AMACIS Pty Ltd, AMA Recruit International Pty Ltd are for profits entities that form the tax consolidated group. Doctorportal Learning Pty Ltd exited the tax consolidated group when new share capital was issued.

The charge for current income tax expenses is based on the taxable profit of certain group entities for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

b) Property, plant and equipment

Each class of property, plant and equipment is carried at cost and, where applicable, less any accumulated depreciation except for land and building which is carried at fair value.

The carrying amount of plant and equipment is reviewed annually by Management to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employed and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amounts of all property, plant and equipment, excluding land, are depreciated on a straight-line basis over the estimated useful lives of the assets to the Association, commencing from the time the assets are held ready for use.

The estimated useful life of each class of depreciable asset or the rate of depreciation is as follows:

Class of Fixed Assets

Buildings	2.5%
Office equipment	10% to 40%
Furniture & fittings	10% to 40%
Motor vehicles	15%

Land and Buildings are measured at fair value less accumulated depreciation and impairment losses recognised after the date of revaluation. Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value. A revaluation surplus is recorded in OCI and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation surplus. An annual transfer from the asset revaluation surplus to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to retained earnings.

c) Leases

The Group as a lessee

The Group considers whether a contract is, or contains, a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

To apply this definition the Group assesses whether the contract meets three key evaluations which are whether: the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract the Group has the right to direct the use of the identified asset throughout the period of use. The Group assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received). Where the Group has a number of leases that have significantly below-market terms and conditions these are also recognised at cost. Further details on these are disclosed in the lease liability note 19.

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset or profit and loss if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

The Group as Lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

d) Financial Instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Financial assets are classified according to their business model and the characteristics of their contractual cash flows. Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following four categories:

- Financial assets at amortised cost
- Financial assets at fair value through profit or loss (FVTPL)
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Equity instruments at FVTOCI

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Financial assets at amortised cost

Financial assets with contractual cash flows representing solely payments of principal and interest and held within a business model of 'hold to collect' contractual cash flows are accounted for at amortised cost using the effective interest method. The Company's trade and most other receivables fall into this category of financial instruments as well as bonds that were previously classified as held-to-maturity under AASB 139.

Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments fall into this category unless the Group irrevocably elects at inception to account as Equity FVTOCI (see below).

Debt instruments at fair value through other comprehensive income (Debt FVTOCI)

Financial assets with contractual cash flows representing solely payments of principal and interest and held within a business model of collecting the contractual cash flows and selling the assets are accounted for at FVTOCI.

Any gains or losses recognised in OCI will be recycled upon derecognition of the asset. This category includes bonds that were previously classified as 'available-for-sale' under AASB 139.

Equity instruments at fair value through other comprehensive income (Equity FVTOCI)

Investments in equity instruments that are not held for trading are eligible for an irrevocable election at inception to be measured at FVTOCI. Under this category, subsequent movements in fair value are recognised in other comprehensive income and are never reclassified to profit or loss. Dividend income is taken to profit or loss unless the dividend clearly represents return of capital.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

e) Employee benefits

(i) Wages, salaries, annual and sick leave

A liability for wages, salaries and annual leave is recognised and is measured as the amount unpaid at balance date at current pay rates in respect of employees' services up to that date. No material liability exists for sick leave.

(ii) Long service leave

A liability for long service leave is recognised and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using interest rates on high quality corporate bond rate with terms to maturity that match, as closely as possible, the estimated future cash outflows.

- (iii) On-costs
On-costs such as payroll tax and superannuation contributions relating to the payment of the above employee benefits have been accrued at balance date and included in the statement of financial position as provisions.

f) Financial liabilities

Financial liabilities are recognised when the Group becomes a party to the contractual agreements of the instrument. Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or 'other financial liabilities'.

Financial liabilities at fair value through profit or loss

Financial liabilities are classified as 'at fair value through profit or loss' where the financial liability is either held for trading or it is designated as at fair value through profit or loss. Financial liabilities at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

The Group does not currently have any financial liabilities at fair value through profit or loss.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

g) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

h) 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 and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

i) Revenue and other income

Revenue arises mainly from member subscriptions, sale of medical products, recruitment and training services and administration services.

To determine whether to recognise revenue, the Group follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied.

Revenue from membership is recognised in the period to which the subscriptions relate. For medical products, revenue is recognised upon delivery of goods to customers. For recruitment, revenue is recognised upon successful placement of candidates. For training services, revenue is recognised upon achieving of the milestones as per the contracts in place. For administration services, revenue is recognised upon delivery of services. For financial services, revenue from the rendering of services is recognised at the point where the Association is entitled to commissions or other fees. For insurance commissions, this is generally at the point where the client has paid their insurance premiums and the funds can be withdrawn from the client monies account.

Revenue received from rent of 8-10 Stirling Highway Nedlands WA is recognised by reference to the fair value of consideration received or receivable by the Group for services provided, excluding GST.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividend revenue is recognised when the dividend has been received.

All revenues are stated net of the amount of goods and services tax (GST).

j) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the income statement in the period in which they are incurred.

k) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

l) Comparative figures

Comparative figures have been adjusted to conform to changes in presentation for the current financial year where required by accounting standards or as a result of changes in accounting policy.

m) Inventories

Stock on hand has been valued at the lower of cost and net realisable value.

2 Cash and cash equivalents

	Consolidated		
	2022	2021	
2023	Restated	Restated	
\$	(Note 20)	(Note 20)	
	\$	\$	
Cash at bank	2,111,822	1,193,523	2,231,392
Restricted cash	646,760	554,701	485,871
Term deposits with maturity within 90 days	2,566,379	53,377	1,834,657
	5,324,961	1,801,601	4,551,920

The restricted funds are operated within a trustee capacity by the Association and represent payments received from clients for insurance and training which are held until amounts are paid to insurers or students commence training or refunded back to the clients. These monies are not available to the Association for general use.

3 Trade and other receivables

	Consolidated	
	2023	2022
	\$	\$
Current		
Trade receivables	451,079	1,092,455
Other receivables	45,378	15,559
Less: Provision for impairment	(43,493)	(6,993)
AMA (WA) Foundation	189,124	-
Health Training Australia Inc.	-	625,156
AMA Benevolent Fund	6,565	5,065
	<u>648,653</u>	<u>1,731,242</u>

AMA (WA) Foundation and AMA Benevolent Fund have received unsecured interest-free loans from AMA Services (WA) Pty Ltd. There is no formal agreement in place. AMA (WA) Foundation, AMA Benevolent Fund and AMA Services (WA) Pty Ltd are related by way of common members of the respective Boards of Management.

4 Inventories

Inventories are valued at lower of cost or net realisable value

- 1,597,144

5 Financial assets

Shares in listed companies – at FVOCI

- 802,411

- 802,411

6A Investment property

	Consolidated	
	2023	2022
	\$	\$
Investment Property (Reclassification from Land and Buildings)		
Investment Property – at fair value	6,155,754	-
Revaluation	(465,663)	-
	<u>5,690,091</u>	<u>-</u>

6B Property, plant and equipment

	2023	2022
	\$	\$
Land and Buildings		
Land and Buildings - at fair value	15,641,145	15,593,955
Reclassification to Investment Property	(6,155,754)	-
Revaluation	(409,134)	(789,643)
Less: accumulated depreciation	(2,490,047)	(2,349,801)
	<u>6,586,210</u>	<u>12,454,511</u>
Furniture and fittings		
Furniture and fittings - at cost	359,351	694,800
Less: accumulated depreciation	(236,354)	(562,759)
	<u>122,997</u>	<u>132,041</u>
Motor vehicles		
Motor vehicles - at cost	-	24,724
Less: accumulated depreciation	-	(24,724)
	<u>-</u>	<u>-</u>
Office equipment		
Office equipment - at cost	3,266,343	4,850,283
Less: accumulated depreciation	(1,506,930)	(3,047,873)
	<u>1,759,413</u>	<u>1,802,410</u>
Total property, plant and equipment	<u>8,468,620</u>	<u>14,388,962</u>
Land and buildings		
Opening balance – at fair value	12,454,511	12,941,834
Reclassification to Investment Property	(5,775,245)	-
Additions	48,830	496,308
Fair Value Adjustment	-	(789,643)
Depreciation	(141,886)	(193,988)
Closing balance	<u>6,586,210</u>	<u>12,454,511</u>
Furniture and fittings		
Opening balance	132,041	123,123
Additions	72,199	65,728
Depreciation	(61,195)	(56,810)
Disposals	(20,048)	-
Closing balance	<u>122,997</u>	<u>132,041</u>
Office equipment		
Opening balance	1,802,410	1,076,735
Additions	669,834	1,076,850
Depreciation	(589,251)	(317,272)
Disposals	(123,580)	(33,903)
Closing balance	<u>1,759,413</u>	<u>1,802,410</u>
Total property, plant and equipment	<u>8,468,620</u>	<u>14,388,962</u>

7 Trade and other payables

	2023	2022	2021
		Restated	Restated
		(Note 20)	(Note 20)
Contribution expense - AMA Ltd	409,147	1,717,481	353,225
Trade payables	240,384	882,367	495,995
Client insurance premiums payable	396,813	426,527	352,547
Sundry payables	982,707	540,745	870,228
	<u>2,029,051</u>	<u>3,567,120</u>	<u>2,071,995</u>

8 Income in Advance

	2023	2022
	\$	\$
Current		
Membership subscriptions	809,113	855,772
Deferred Revenue	798,288	-
Training	121,735	-
Marketing Services	50,000	-
Lease	107,062	-
	<u>1,886,198</u>	<u>855,772</u>
Non-Current		
Marketing Services re AMA Medical Products	170,833	-
Lease re AMA Medical Products	365,795	-
	<u>536,628</u>	<u>-</u>

9 Provisions

Current		
Provision for annual leave	796,695	728,273
Provision for long service leave	228,624	293,456
Provision for FBT	231,151	-
Other provisions	-	9,712
	<u>1,256,470</u>	<u>1,031,441</u>
Non-current		
Provision for long service leave	51,995	72,817
	<u>51,995</u>	<u>72,817</u>

10 Long Term Debt

Due to Health Training Australia Inc.	1,596,035	7,380
Due to AMA Foundation	90,000	-
	<u>1,686,035</u>	<u>7,380</u>

11 Non-Controlling Interest

Issued Capital in Doctorportal Learning	1,202,550	-
Total comprehensive loss attributable to non-controlling interest	(123,619)	-
	<u>1,078,931</u>	<u>-</u>

Issued capital represents the net subscription proceeds from the issue of new shares in Doctorportal Learning Pty Ltd.

12 Reserves

Financial asset reserve	-	<u>547,634</u>
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The financial assets reserve records revaluations of financial assets.

13 Operating Surplus

	Consolidated	
	2023	2022
	\$	\$
The operating deficit before income tax has been determined after:		
a) Crediting as income		
Subscriptions	4,604,920	2,829,871
Revenue from trading operations	10,598,635	19,512,227
Revenue	15,203,555	22,342,098
Interest received	120,062	2,149
Other Income		
Gain on sale of assets	1,022,303	-
Gain on sale of financial assets	31,873	-
Dividend received	-	13,700
Other	878,290	1,410,857
	1,932,466	1,424,557
b) Charging as expense		
Contribution expense - AMA Ltd	1,000,000	-
Depreciation and amortisation expenses	1,084,575	905,688
Cost of goods sold	2,905,072	11,755,849
Other expenses		
-Advertising	486,297	592,526
-Contractor payments	744,522	453,626
-Consultancy	345,071	340,084
-Office expenses	379,337	249,160
-Insurance	286,813	235,689
-Try Test Learn (TTL) expense	299,818	124,776
-ICT expenses and support	483,087	186,661
-Medcon expense	105,817	654,639
-Impairment of inventory	-	1,701,066
-Miscellaneous expenses	1,807,778	1,715,392
	4,938,540	6,253,619

14 Revenue from Customers

14.1 Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers:

Type of goods or service

Membership subscriptions	4,604,920	2,829,871
Training fees	3,420,067	2,275,781
Commissions	2,612,002	2,272,867
Sale of medical products	3,219,578	13,865,464
Recruitment fees	723,378	702,650
Consultancy & advertising	623,610	395,465
Total Revenue	15,203,555	22,342,098

Timing of revenue recognition

Goods and services transferred at a point in time	10,598,635	19,116,762
Goods and services transferred over time	4,604,920	3,225,336
Total Revenue	15,203,555	22,342,098

15 Auditor's remuneration

The auditor of the Australian Medical Association (WA) Inc. and its controlled entities is Ernst & Young Australia.

Fees for auditing the statutory financial report of the parent covering the group and auditing the statutory financial report of any controlled entities

102,650	117,700
102,650	117,700

16 Income tax benefit and deferred tax

	Consolidated 2023	2022
	\$	\$
Income tax (expense)/benefit	-	-

The prima facie tax on loss from ordinary activities before income tax is reconciled to the income tax as follows:

	Consolidated 2023	2022
	\$	\$
Deficit	(3,270,954)	(4,964,246)
Deficit attributable to Members of the Association	(776,970)	3,736,855
Impairment of related entity loan	(1,366,611)	12,536,054
Loss before tax of taxable entities	(5,414,535)	11,308,663
Prima facie tax benefit on loss before income tax at 25% (2021: 25%)	(1,353,634)	2,827,166
Add/(less) tax effect of		
-non-deductible expenses	7,108	1,725
-non-assessable income	-	(4,977,973)
-assessable income	144,370	-
-deferred tax assets passed to head company	53,829	-
-deferred tax assets arising from temporary differences not brought to account	(1,110)	632,369
-deferred tax assets arising from temporary differences brought to account	(3,321)	-
-deferred tax assets arising from tax losses not brought to account	1,152,758	1,516,713
-Under provision in respect of prior years	-	-
Income tax expense/ (benefit)	-	-

Deferred tax

Deferred tax asset	97,367	26,957
Deferred tax liabilities	97,368	26,957

17 Cash flow information

	Consolidated	
	2023	2022
	\$	\$
Reconciliation of cash flows from operating activities with loss after income tax		
Loss after income tax	(3,270,954)	(4,964,246)
Non-cash flows in loss:		
- Depreciation	798,282	568,067
- Amortisation	286,293	337,621
- Asset written off	-	33,905
- Provision for Bad debts	36,500	-
- Fair value adjustment	-	789,643
- Profit on disposal of business and assets	(1,022,303)	-
- Profit on disposal of listed investments	(31,873)	-
- Finance income	(120,062)	-
- Finance costs	62,440	-
-Net expenses paid by AMA Foundation for AMA Services	21,122	7,380
-Net expenses paid by AMA Services for HTA	-	(385,343)
Change in assets and liabilities		
- Decrease in trade and other receivables	611,557	295,194
- (Increase) in inventories	-	(220,480)
- Decrease / (Increase) in other assets	30,219	(33,893)
- (Decrease)/ increase in trade and other payables	(1,538,069)	1,495,125
- Increase in income in advance	1,567,054	157,347
- (Decrease) in lease liability	-	(361,855)
- Increase/ (decrease) in provisions	204,207	(129,898)
Cash flow used in operating activities	(2,365,587)	(2,411,433)

18 Right-of-use assets

Additional information on the right-of-use assets by class of assets is as follows:

Asset	Carrying Amount as at 1 January 2023	Additions	Disposals	Amortisation	Carrying amount as at 31 December 2023
Office Building	349,175	55,707	-	127,534	277,348
Warehouse	43,707		-	43,707	-
Vehicles	103,609	-	-	56,514	47,095
IT Equipment	68,686		-	58,538	10,148
Total	565,177	55,707	-	286,293	334,591

19 Lease liability

	Consolidated	
	2023	2022
	\$	\$
Lease liabilities are presented in the statement of financial position as follows:		
Current	214,698	312,353
Non-current	192,349	387,980
Total	<u>407,047</u>	<u>700,333</u>

20 Correction of prior year error

A prior year adjustment was made to reclassify cash on deposit from Restricted Cash and to correct an overstatement of Insurance Payables by the same amount. The error has been corrected by restating each of the financial statement line items for the prior period, as follows:

	Previously reported	Restatement	Restated balances
Impact on Statement of Financial Position (increase/(decrease) in equity)			
Total assets	21,131,026	-	21,131,026
Trade and other payable	4,011,168	(444,048)	3,567,120
Others	2,694,700	-	2,694,700
Total liabilities	6,705,868	(444,048)	6,261,820
Retained earnings	13,877,524	444,048	14,321,572
Others	547,634	-	547,634
Total equity	14,425,158	444,048	14,869,206

21 Related party transactions

The members of Council during the financial year were as listed below. All members of the Council were in office from 1 January 2023 to the date of this report unless otherwise noted. The members of the board during the financial year were:

Dr Michael Page	Dr Louise O'Halloran	Dr Damien Zilm (from July 2023)	Dr Parthasarathy Ramesh (to July 2023)
Dr Mark Duncan-Smith	Dr Cassandra Host	Dr Megge Beacroft	Dr Thomas Cunneen (to July 2023)
Dr Simon Torvaldsen	Dr Dror Maor	Assoc/Prof David Mountain	Dr Bhaskar Mandal (to July 2023)
Dr Kaddy Noonan	Dr Stephen Oo (from July 2023)	Dr Ramya Raman	Dr April Armstrong (to July 2023)
Dr Celine Baber	Dr Thomas Drake-Brockman	Dr Jeanette Ward	Dr Anna Robson (to July 2023)
Dr Paul McGurgan	Dr Jennifer Wood	Dr Brendan McQuillan	Dr Leon Flicker (to July 2023)
Dr Jonathan Chambers	Dr Peter Maguire	Dr Katharine Gairdner	Dr Karina Powers (to July 2023)
Dr Tony Ryan	Dr Brigid Corrigan	Dr John Olynyk	Dr David McCoubrie (to July 2023)
Dr Brad Wood	Dr Mary-Therese Wyatt	Dr Mary-Therese Wyatt	Dr Andrew Miller (to July 2023)
Dr Ming Yew (from July 2023)	Dr Kyle Hoath	Dr Kyle Hoath	Dr Michael Gannon (to July 2023)
Dr Rob Paul (from July 2023)	Dr Rebecca Wood	Dr Megge Beacroft	

Current Directors

Dr Michael Page	Dr Megge Beacroft
Dr Mark Duncan-Smith	Dr Mary Wyatt
Dr Katharine Noonan	Dr Lianne Cretney-Barnes (appointed on 11 March 2024)
Dr Kyle Hoath (appointed on 25 July 2023)	Mr Justin James (appointed on 11 March 2024)

Directors Serving during the year

Dr Simon Torvaldsen (appointed on 6 June 2023. Resigned on 30 March 2024)	
Dr Marcus Tan (to 25 July 2023)	Dr David McCoubrie (to 6 June 2023)
Dr Michael Gannon (to 25 July 2023)	Dr Andrew Miller (to 6 June 2023)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

The President position is the only remunerated position in the board. Dr Michael Page (2022 : Dr Mark Duncan-Smith), the current president, has been paid \$130,000 (2022 : \$130,000) in the financial year 2023.

The key management personnel during the year have been paid \$932,260 in the financial year 2023 (2022: \$932,260).

The following entities are treated as related parties to the Australian Medical Association (WA) Inc. All these entities together with Australian Medical Association (WA) Inc. are controlled by the same board of Directors. Note 22 gives further details on which entities are the subsidiaries of the Australian Medical Association (WA) Inc.

AMA Services (WA) Pty Ltd (AMAS)
AMACIS Pty Ltd (AMACIS)
AMA Recruit International Pty Ltd (AMAR)
AMA (WA) Foundation (AMAF)
Health Training Australia Inc. (HTA)
AMA Benevolent Fund (AMABF)
Doctorportal Learning Pty Ltd (DPL)
AMA Wealth Management Pty Ltd (AMAW)

The table below shows the outstanding balances owed within the related entities as at 31st December 2023:

	AMA(WA) INC	AMAS	HTA	AMACIS	AMAF	AMAR	AMABF	DPL	AMAW	Total
AMA(WA) INC		(27,626,437)	50,000	(120,000)	90,000					(27,606,437)
AMAS	27,626,437		1,546,035	455,326	(189,124)	(274,958)	(6,565)	(444,205)	(5,000)	28,707,946
HTA	(50,000)	(1,546,035)								(1,596,035)
AMACIS	120,000	(455,326)				(30,000)				(365,326)
AMAF	(90,000)	189,124								99,124
AMAR		274,958		30,000						304,958
AMABF		6,565								6,565
DPL		444,205								444,205
AMAW		5,000								5,000
Total Asset/ Liability	27,606,437	(28,707,946)	1,596,035	365,326	(99,124)	(304,958)	(6,565)	(444,205)	(5,000)	-

	2023	2022
	\$	\$
AMA Services (WA) Pty Ltd		
(a) Salaries and other expenses charge to AMA (WA)	843,896	1,530,522
(b) Administration fee charged to AMACIS	312,000	312,000
(c) Salaries and other expenses charge to AMACIS	15,000	13,250
(d) Salaries and other expenses charge to DPL	823,943	-
(e) Salaries and other expenses charge to AMAF	296,503	239,669
(f) Salaries and other expenses charge to HTA	319,137	385,176
(g) Salaries and other expenses charge to AMABF	3,000	3,000

AMACIS Pty Ltd

(a) The Australian Medical Association (WA) Incorporated has charged the company a trade licence fee for the use of its trademarks in connection with the company's products.	150,000	150,000
(b) AMA Services (WA) Pty Ltd has charged the company an administration service fee.	312,000	312,000

Australian Medical Association (WA)

(a) Royalty Expense charged to AMAS	330,908	1,004,140
(b) Finance Costs charged to AMAS	1,602,520	2,503,875
(c) Trade licence fee charged to AMACIS	150,000	150,000
(d) Salaries and other expenses charged to AMAS	-	632,611

22 Subsidiaries

The following entities are included within the consolidated entity:

Name	Country of incorporation	Consolidated entity interest	
		2023	2022
AMA Services (WA) Pty Ltd	Australia	100%	100%
AMACIS Pty Ltd	Australia	100%	100%
AMA Recruit International Pty Ltd	Australia	100%	100%
Doctorportal Learning Pty Ltd	Australia	80%	100%

23 Contingent liabilities

The Association has not entered into any transaction that can give rise to any contingent liability.

The Association has not entered into any transaction that can give rise to any commitments other than the leasing commitments detailed in notes 19.

24 Events after the balance sheet date

Australian Medical Association Limited ("Federal AMA") is an organisation that has historically represented AMA (WA) Inc Members at a Federal Government level. AMA (WA) Inc has previously contributed to Federal AMA's funding for this purpose.

In February 2024, an interim agreement was entered into between AMA (WA) Inc and Federal AMA by which AMA (WA) Inc agreed to provide limited further funding to Federal AMA until 29 February 2024. That agreement has expired, and AMA (WA) Inc is not obliged to make any further funding contributions to Federal AMA. The financial impact of these events is positive in the short term.

On 29 February 2024, Federal AMA informed AMA (WA) Inc. and AMA (WA) Members that it would no longer offer direct representation of AMA (WA) Members.

The Board of AMA (WA) Inc is continuing to work with Federal AMA in an effort to find a solution whereby Federal AMA provides direct representation of AMA (WA) Members at a Federal Government level in return for appropriate contributions to its funding from AMA (WA) Inc.

Other than the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Association, the results of those operations, or the state of affairs of the Association in future financial years.

25 Information relating to the Australian Medical Association (WA) Inc. (The Parent)

	Consolidated	
	2023	2022
	\$	\$
Current assets	539,142	211,940
Total assets	868,613	558,726
Current liabilities	2,081,768	2,638,434
Total liabilities	2,161,990	2,646,733
Financial asset reserve	-	1,164
Accumulated deficit	(1,293,377)	(2,088,171)
	<u>(1,293,377)</u>	<u>(2,088,007)</u>
Income/(loss) of the Parent	776,970	(3,736,855)
Total comprehensive income/(loss) of the Parent	795,794	(3,738,679)

26 Association details

The registered office and principal place of business of the Association is:

Australian Medical Association (WA) Inc.
14 Stirling Highway
NEDLANDS, WA 6009



**Building a better
working world**

Ernst & Young
11 Mounts Bay Road
Perth WA 6000 Australia
GPO Box M939 Perth WA 6843

Tel: +61 8 9429 2222
Fax: +61 8 9429 2436
ey.com/au

Independent auditor's report to the members of Australian Medical Association (WA) Incorporated

Opinion

We have audited the financial report of Australian Medical Association (WA) Inc (the Association) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, and the directors' declaration.

In our opinion the accompanying financial report presents fairly, in all material respects, the consolidated financial position of the Group as of 31 December 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Australian Accounting Standards - Simplified Disclosures and Associations Incorporation Act 2015.

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 Group in accordance with the ethical requirements of the Accounting Professional and 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information is the directors' report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly 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.

Responsibilities of the Board for the financial report

The Association's Board is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Simplified Disclosures and the Associations Incorporation Act 2015 and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

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

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 judgment and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group'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 Group'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 Group 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.
- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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.



Ernst & Young



Timothy G Dachs
Partner
Perth
29 April 2024