

**THE ROYAL AUSTRALASIAN COLLEGE
OF MEDICAL ADMINISTRATORS**

A.B.N. 39 004 688 215

**FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2007**

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REPORT BY MEMBERS OF THE COUNCIL

Your Councillors present their report on the College for the financial year ended 30th June 2007.

The names of the members of the Council in office at any time during or since the end of the year are:

Associate Professor Gavin **Frost**
Dr David **Rankin** (*commenced August 2006*)
Dr Roger **Boyd**
Dr Peter **Bradford**
Dr Kim **Hill**
Dr Philip **Montgomery**
Dr Sherene **Devanesen** (*retired August 2006*)
Dr Lee **Gruner**
Dr Richard **Ashby**
Dr Beth **Kotze**
Dr Harvey **Lander**
Dr John **Menzies**
Dr Helen **McArdle**
Dr Andre **Nel**
Dr Mark **Platell**
Associate Professor Wayne **Ramsey** (*resigned April 2007*)
Dr Elizabeth **O'Leary** (*commenced April 2007*)
Dr Vino **Sathianathan**
Dr Bernard **Street**
Dr Susan **Svilans**
Dr Bruce **Swanson**
Dr Wilson **Young** (*retired August 2006*)

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

The profit for the financial year after providing for income tax amounted to \$49,370.

The principal continuing activity of the College consisted of **Medical Management Education**.

No significant change in the nature of these activities occurred during the year.

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the College, the results of those operations, or the state of affairs of the College in future financial years.

Likely developments in the operations of the College and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the College.

The College's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

In accordance with its Constitution the College is prohibited from declaring any form of dividend in favour of its members.

During the financial year the College has paid premiums to insure the councillors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of councillor of the College, other than conduct involving willful breach of duty in relation to the College.

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an auditor of the College.

REPORT BY MEMBERS OF THE COUNCIL

Council Meetings and Attendance

	Council Meetings		Executive Meetings	
	Number Eligible to attend	Number Attended	Number Eligible to attend	Number Attended
Assoc Prof G Frost	5	5	3	2
Dr David Rankin	3	2	3	3
Dr R Boyd	5	5	3	3
Dr P Bradford	5	5	3	2
Dr L Gruner	5	4	3	2
Dr K Hill	5	4	3	3
Dr P Montgomery	5	4	3	2
Dr S Devanesen	1	nil		
Dr R Ashby	5	4		
Dr B Kotze	5	2		
Dr H Lander	5	3		
Dr J Menzies	5	5		
Dr H McArdle	5	4		
Dr A Nel	5	3		
Dr M Platell	5	4		
Assoc Prof W Ramsey	3	2		
Dr E O'Leary	2	1		
Dr V Sathianathan	5	3		
Dr B Street	5	5		
Dr S Svilans	5	1		
Dr B Swanson	5	2		
Dr W Young	1	1		

No person has applied for leave of Court to bring proceedings on behalf of the College or intervene in any proceedings to which the College is a party for the purpose of taking responsibility on behalf of the College for all or any part of those proceedings.

The College was not party to any such proceedings during the year.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

Signed in accordance with a Resolution of the Members of the Council and is signed for and is made on behalf of the members by:

_____ **G Frost**

_____ **R Boyd**

Dated this day of 2007

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**

**TO THE COUNCILLORS OF
THE ROYAL AUSTRALASIAN COLLEGE OF MEDICAL ADMINISTRATORS**

I declare that, to the best of my knowledge and belief, during the year ended 30th June 2007 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

MORTON, WATSON & YOUNG
Chartered Accountants
51 Robinson Street, Dandenong, 3175

GRAEME A. HALLAM F.C.A.
Partner

Date _____

THE ROYAL AUSTRALASIAN COLLEGE OF MEDICAL ADMINISTRATORS

INCOME STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2007

	Note	2007 \$	2006 \$
CLASSIFICATION OF EXPENSES BY FUNCTION			
Revenue	2	713,829	638,573
		<u>713,829</u>	<u>638,573</u>
Member services expenses		116,617	124,974
Employment expenses	3	300,237	218,257
Conference, seminar & meeting expenses		75,047	66,027
Occupancy expenses		16,607	15,921
Administration costs	3	155,951	190,337
		<u>664,459</u>	<u>615,516</u>
Profit before income tax		49,370	23,057
Income tax expense		-	-
PROFIT ATTRIBUTABLE TO MEMBERS OF THE ENTITY		<u>49,370</u>	<u>23,057</u>

The accompanying notes form part of these financial statements.

THE ROYAL AUSTRALASIAN COLLEGE OF MEDICAL ADMINISTRATORS

BALANCE SHEET
AS AT 30TH JUNE 2007

	Note	2007 \$	2006 \$
<u>CURRENT ASSETS</u>			
Cash and cash equivalents	4	425,120	265,425
Trade and other receivables	5	71,677	58,234
Financial assets	6	445,183	424,633
<u>TOTAL CURRENT ASSETS</u>		941,980	748,292
<u>NON-CURRENT ASSETS</u>			
Property, plant and equipment	7	771,973	768,699
<u>TOTAL NON-CURRENT ASSETS</u>		771,973	768,699
<u>TOTAL ASSETS</u>		1,713,953	1,516,991
<u>CURRENT LIABILITIES</u>			
Trade and other payables	8	37,493	29,371
Short-term provisions	9	15,600	4,250
Other current liabilities	10	192,600	66,480
<u>TOTAL CURRENT LIABILITIES</u>		245,693	100,101
<u>TOTAL NON-CURRENT LIABILITIES</u>		-	-
<u>TOTAL LIABILITIES</u>		245,693	100,101
<u>NET ASSETS (LIABILITIES)</u>		1,468,260	1,416,890
<u>EQUITY</u>			
Special Funds	11	101,382	101,012
Reserves	12	673,727	673,727
Retained earnings	13	693,151	642,151
<u>TOTAL EQUITY</u>		1,468,260	1,416,890

The accompanying notes form part of these financial statements.

THE ROYAL AUSTRALASIAN COLLEGE OF MEDICAL ADMINISTRATORS

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2007

	2007	2006
	\$	\$
Cash Flows from Operating Activities:		
Receipts from members	312,900	330,975
Interest received	32,854	28,648
Conferences, sponsorship & other receipts	321,629	304,393
Payment to suppliers & employees	(638,901)	(596,614)
	<hr/>	<hr/>
Net cash provided by (used in) operating activities	28,482	67,402
	<hr/>	<hr/>
Cash Flows from Investing Activities:		
Payment for purchase of equipment	(9,361)	(1,810)
Payment for investments	(20,549)	(23,706)
	<hr/>	<hr/>
Net cash provided by (used in) investing activities	(29,910)	(25,516)
	<hr/>	<hr/>
Cash Flows from Financing Activities:		
Fees received in advance	161,123	26,880
	<hr/>	<hr/>
Net cash provided by (used in) financing activities	161,123	26,880
	<hr/>	<hr/>
Net Increase (Decrease) in Cash Held	159,695	68,766
Cash at beginning of year	265,424	196,658
	<hr/>	<hr/>
CASH AT END OF PERIOD	425,119	265,424
	<hr/> <hr/>	<hr/> <hr/>

The accompanying notes form part of these financial statements.

THE ROYAL AUSTRALASIAN COLLEGE OF MEDICAL ADMINISTRATORS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2007

NOTE 1: Statement of Significant Accounting Policies

This financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, including Australian Accounting Interpretations, and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report covers the economic entity ***The Royal Australasian College of Medical Administrators*** as an individual entity. ***The Royal Australasian College of Medical Administrators*** is a company limited by guarantee and domiciled in Australia.

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

Basis of Preparation

The accounting policies set out below have been consistently applied to all years presented.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Accounting Policies

Income Tax

The College is exempt from income tax and therefore no income tax expense or liability for income tax is shown in the financial report.

Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation.

(a) Property

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2007

NOTE 1: Statement of Significant Accounting Policies

Property, Plant and Equipment

(b) Plant and Equipment

Plant and equipment is measured on the cost basis less depreciation and impairment losses..

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

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity, all other decreases are charged to the income statement.

(c) Depreciation

The depreciable amount of all fixed assets are depreciated on a diminishing value basis over their useful lives to the College commencing from the time the asset is held ready for use. Properties held for investment purposes are not subject to a depreciation charge. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable asset are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	10% to 30%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

Financial Instruments

Recognition

Financial instruments are initially measured at cost at trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Held-to-maturity investments

These investments have fixed maturities, and it is the College's intention to hold these investments to maturity.

Available-for-sale financial assets

Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2007

NOTE 1: Statement of Significant Accounting Policies

Fair Value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment of Assets

At each reporting date, the councillors assess whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

Special Funds

The income and expenses from the special funds accounts have been included in the balance sheet to correctly show the total income and expenditure for the year.

Employee Benefits

Provision is made for the College's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at their present value of the estimated future cash outflows to be made for those benefits.

Provisions

Provisions are recognised when the College 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.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

Revenue

Revenue from members fees and subscriptions is recognised upon the charging of annual fees.

Revenue from the rendering of a service is recognised upon delivery of the service to the members.

Interest revenue is recognised as received taking in to account the interest rates applicable to the financial assets.

Dividend revenue is recognised when the right to receive a dividend has been established.

THE ROYAL AUSTRALASIAN COLLEGE OF MEDICAL ADMINISTRATORS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2007

NOTE 1: Statement of Significant Accounting Policies

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 the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

State/Territory/New Zealand Committees

The operating results of the State/Territory/New Zealand Committees have been incorporated in the financial report.

Comparative Figures

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

Critical Accounting Estimates and Judgments

The Councillors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and internally.

THE ROYAL AUSTRALASIAN COLLEGE OF MEDICAL ADMINISTRATORS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2007

	2007 \$	2006 \$
2 REVENUE		
Operating Income		
Membership Fees	326,345	274,732
Candidates Fees	132,543	91,580
	<hr/> 458,888	<hr/> 366,312
Other Income		
Sponsorship, Distributions & Advertising	28,818	12,819
Seminar, Course & Meeting Income	95,596	63,732
Conference Income	30,735	14,880
AMC Levy	11,191	5,100
DHS Project Workshop Income	21,335	-
Dividends Received	980	874
Interest Received	32,854	28,648
Reimbursed Expenses	-	10,000
Grant Income	-	115,600
Sundry Income	6,187	6,593
Rent Received	21,367	9,144
	<hr/> 249,063	<hr/> 267,390
Total revenue from ordinary activities		
Other Activities		
Increase (decrease) in net market value of:		
Bernard Nicholson Prize Fund Shares	5,878	4,871
	<hr/> 713,829	<hr/> 638,573
Total Revenue		
3 PROFIT BEFORE INCOME TAX		
Expenses:		
Auditor's Remuneration		
Audit of the Accounts	11,870	9,870
Depreciation of property, plant and equipment	6,087	5,411
Bad Debts Written Off	5,337	-
Increase (decrease) in provision for:		
GST Provision on AMC Levy	8,547	-
Annual Leave	2,803	472
	<hr/> 11,557	<hr/> 5,342

THE ROYAL AUSTRALASIAN COLLEGE OF MEDICAL ADMINISTRATORS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2007

	2007	2006
	\$	\$
4 CASH AND CASH EQUIVALENTS		
Cash on Hand	-	85
State Committees Bank Accounts	47,919	37,973
ANZ Banking Group Ltd		
V2 Plus Account	-	114,428
Support Scheme for Rural Specialists		
V2 Plus Account	33,571	31,895
AMC Levy V2 Plus Account	19,322	18,346
National Australia Bank Ltd		
Business Cheque Account	146,239	41,780
EFT Account	45,823	20,918
Business Cash Maximiser Account	132,246	-
	<hr/>	<hr/>
	425,120	265,425
	<hr/> <hr/>	<hr/> <hr/>
5 TRADE AND OTHER RECEIVABLES (CURRENT)		
AMC Levy Debtors	7,150	12,580
Membership Debtors	82,471	57,737
Less: Provision for Doubtful Debts	(18,000)	(18,000)
	<hr/>	<hr/>
	71,621	52,317
Other Debtors	56	5,917
	<hr/>	<hr/>
	71,677	58,234
	<hr/> <hr/>	<hr/> <hr/>
6 FINANCIAL ASSETS (CURRENT)		
Term Deposits	343,799	323,621
Bernard Nicholson Prize Fund		
Shares at Market Value	30,605	24,727
Sir Raphael Cilento Oration Fund		
Term Deposit	8,931	8,791
New South Wales Education Fund		
Bank Account	31,674	36,782
Western Australian Education Fund		
Bank Account	30,174	30,712
	<hr/>	<hr/>
	445,183	424,633
	<hr/> <hr/>	<hr/> <hr/>

THE ROYAL AUSTRALASIAN COLLEGE OF MEDICAL ADMINISTRATORS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2007

	2007 \$	2006 \$
7 PROPERTY, PLANT & EQUIPMENT		
Land & Building at Councillors Valuation 2005	750,000	750,000
Equipment at Cost	125,484	116,123
Less: Accumulated Depreciation	103,511	97,424
	21,973	18,699
	771,973	768,699
8 TRADE AND OTHER PAYABLES (CURRENT)		
Creditors & Accruals	13,141	28,326
Other Creditors	3,316	-
GST Liability	21,036	1,045
	37,493	29,371
9 PROVISIONS (CURRENT)		
Provision for Annual Leave	7,053	4,250
Provision for GST on AMC Levy	8,547	-
	15,600	4,250
10 OTHER CURRENT LIABILITIES		
Unexpended SSRS Project Grant	-	35,000
Income in Advance	192,600	31,480
	192,600	66,480

THE ROYAL AUSTRALASIAN COLLEGE OF MEDICAL ADMINISTRATORS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2007

	2007 \$	2006 \$
11 SPECIAL FUNDS		
Bernard Nicholson Prize Fund		
Opening Balance	24,727	19,856
Transfer from (to) Retained Funds	5,878	4,871
	<hr/>	<hr/>
Balance at 30th June 2007	30,605	24,727
	<hr/>	<hr/>
Sir Raphael Cilento Oration Fund		
Opening Balance	8,791	10,301
Transfer from (to) Retained Funds	140	(1,510)
	<hr/>	<hr/>
Balance at 30th June 2007	8,931	8,791
	<hr/>	<hr/>
NSW Administration Course & Education Fund		
Opening Balance	36,782	33,877
Transfer from (to) Retained Funds	(10,217)	2,905
Transfer from (to) State Account	5,108	-
	<hr/>	<hr/>
Balance at 30th June 2007	31,673	36,782
	<hr/>	<hr/>
Western Australian Education Course		
Opening Balance	30,712	27,695
Transfer from (to) Retained Funds	(539)	3,017
	<hr/>	<hr/>
Balance at 30th June 2007	30,173	30,712
	<hr/>	<hr/>
Queensland Health Education Fund		
Opening Balance	-	8,010
Transfer from (to) Retained Funds	-	(8,010)
	<hr/>	<hr/>
Balance at 30th June 2007	-	-
	<hr/>	<hr/>
	<hr/>	<hr/>
	101,382	101,012
	<hr/> <hr/>	<hr/> <hr/>

THE ROYAL AUSTRALASIAN COLLEGE OF MEDICAL ADMINISTRATORS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2007

	2007 \$	2006 \$
12 RESERVES		
Composition:		
Asset Revaluation Reserve	673,727	673,727
	<u>673,727</u>	<u>673,727</u>
13 RETAINED PROFITS		
Retained profits (accumulated losses) at 1st July 2006	642,152	639,857
Net profit (loss) attributable to members of the company	49,370	23,057
Transfer to (from) Special Funds	(1,629)	(11,132)
Prior year adjustment for overstatement of membership debtors	-	(31,895)
	<u>693,151</u>	<u>642,151</u>
Retained Profits at 30th June 2007	<u>693,151</u>	<u>642,151</u>
14 KEY MANAGEMENT PERSONNEL COMPENSATION		
Short-term benefits:		
Income paid/payable - salaries/fees	110,092	84,700
Superannuation	9,908	1,143
Bonus	-	-
Non-cash benefits	-	-
Post employment benefits		
Other	-	-
Long-term superannuation benefits	-	-
	<u>120,000</u>	<u>85,843</u>
Total Compensation	<u>120,000</u>	<u>85,843</u>
15 RELATED PARTY TRANSACTIONS		
A Councillor, Miss Lee Gruner, received \$12,343 being consultancy fees for Workshop Training services.		

THE ROYAL AUSTRALASIAN COLLEGE OF MEDICAL ADMINISTRATORS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2007

	2007 \$	2006 \$
16 CASH FLOW INFORMATION		
Reconciliation of Cash Flow from Operations with Profit after Income Tax		
Cash on hand	-	85
Cash at bank	192,062	62,698
At call deposits	185,139	164,669
Cash at bank State Committees	47,919	37,972
	<hr/>	<hr/>
	425,120	265,424
	<hr/> <hr/>	<hr/> <hr/>
Profit from ordinary activities after income tax	49,370	23,057
Non-cash flows in profit from ordinary activities:		
Depreciation	6,087	5,411
Annual leave provision	2,803	(1,321)
GST provision on AMC Levy	8,547	-
Changes in Assets & Liabilities:		
Decrease (increase) in receivables	(13,444)	52,937
Decrease (increase) in accrued income	-	3,306
Increase (decrease) in payables	8,120	2,407
Increase (decrease) in unexpended grants	(35,000)	(30,800)
Increase (decrease) in special funds	1,999	12,405
	<hr/>	<hr/>
Cash flows from operations	28,482	67,402
	<hr/> <hr/>	<hr/> <hr/>

THE ROYAL AUSTRALASIAN COLLEGE OF MEDICAL ADMINISTRATORS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2007

	2007	2006
	\$	\$
17 FINANCIAL INSTRUMENTS		
(a) Financial Risk Management		
The College's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable.		
The College does not have any derivative instruments at 30th June 2007.		
i Treasury Risk Management		
The councillors meet on a regular basis to analyse currency and interest rate exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.		
ii Financial Risks		
The main risks the association is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.		
<i>Interest rate risk</i>		
Interest rate risk is managed with a mixture of fixed and floating rate debt.		
<i>Foreign currency risk</i>		
The College is not exposed to fluctuations in foreign currencies.		
<i>Liquidity risk</i>		
The College manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.		
<i>Credit risk</i>		
The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.		
The College does not have any material credit risk exposure to any single receivable group of receivables under financial instruments entered into by the College.		
<i>Price risk</i>		
The College is not exposed to any material commodity price risk.		
(b) Interest rate risk		
The College's exposure to interest rate risk, which is a risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities, is as follows:		

THE ROYAL AUSTRALASIAN COLLEGE OF MEDICAL ADMINISTRATORS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2007

	2007	2006
	\$	\$
17 FINANCIAL INSTRUMENTS (Continued)		
Financial assets		
Floating interest rate		
Cash at Bank	324,307	62,697
<i>Weighted average effective interest rate</i>	<i>1.20%</i>	<i>1.10%</i>
Fixed interest rate		
Term Deposits	343,799	323,621
<i>Weighted average effective interest rate</i>	<i>6.10%</i>	<i>5.06%</i>
Fixed interest rate		
ANZ V2 Plus Account	52,891	164,667
<i>Weighted average effective interest rate</i>	<i>4.80%</i>	<i>4.70%</i>
Floating interest rate		
State Committees Cash at Bank	58,619	37,973
<i>Weighted average effective interest rate</i>	<i>1.60%</i>	<i>1.55%</i>
Fixed interest rate		
State Committees Term Deposits	101,382	76,293
<i>Weighted average effective interest rate</i>	<i>3.30%</i>	<i>2.10%</i>
Financial liabilities		
Non interest bearing creditors	(16,452)	(28,324)
Net financial assets (liabilities)	864,546	636,927

(c) Net fair values

The net fair value of listed investments have been valued at the quoted market bid price at balance date adjusted for transaction costs expected to be incurred. For other assets and other liabilities the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments. Financial assets where the carrying amount exceeds net fair values have not been written down as the College intends to hold these assets to maturity.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to the financial statements.

18 COLLEGE DETAILS

The registered office of the College is:

The Royal Australasian College of Medical
Administrators
35 Drummond Street
Carlton Vic 3053

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE ROYAL AUSTRALASIAN COLLEGE OF MEDICAL ADMINISTRATORS
A.B.N. 39 004 688 215**

Scope

Report on the financial report.

We have audited the accompanying financial report of *The Royal Australasian College of Medical Administrators* which comprises the balance sheet as at 30th June 2007, and the income statement and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the councillors' declaration of the College.

The College's councillors are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1 the councillors also state, in accordance with Accounting Standard AASB 101: "Presentation of Financial Statements", that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the councillors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the councillors of *The Royal Australasian College of Medical Administrators*, would be in the same terms if provided to the councillors as at the date of this auditor's report.

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Auditor's Opinion

In our opinion:

- (a) the financial report of *The Royal Australasian College of Medical Administrators* is in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the College's financial position as at 30th June 2007 and of the performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

- (b) The financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

MORTON, WATSON & YOUNG

Chartered Accountants

51 Robinson Street, Dandenong Vic 3175

GRAEME A. HALLAM F.C.A.

Partner

THE ROYAL AUSTRALASIAN COLLEGE OF MEDICAL ADMINISTRATORS

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30TH JUNE 2007

	2007	2006
<u>MEMBER SERVICE INCOME</u>		
Membership Fees	326,345	274,732
Candidates Fees	132,543	91,580
	<hr/> 458,888	<hr/> 366,312
<u>ALL OTHER REVENUE</u>		
Sponsorship, Distributions & Advertising	28,818	12,819
Seminar, Course & Meeting Income	95,596	63,732
Conference Income	30,735	14,880
AMC Levy	11,191	5,100
DHS Project Workshop Income	21,335	-
Dividends Received	980	874
Interest Received	32,854	28,648
Reimbursed Expenses	-	10,000
Movement in Net Market Values	5,878	4,871
Grant Income	-	115,600
Sundry Income	6,187	6,593
Rent Received	21,367	9,144
	<hr/> 254,941	<hr/> 272,261
	<hr/> 713,829	<hr/> 638,573
<u>EXPENSES</u>		
<u>Member Services</u>		
Education & Workshop Expenses	64,929	32,616
Printing & Stationery	38,469	36,557
Subscriptions	8,086	10,209
Support Scheme for Rural Specialists	3,927	42,505
Trophies, Medals & Prizes	1,206	3,087
	<hr/> 116,617	<hr/> 124,974
<u>Conference, Seminar & Meetings</u>		
Conference Expenses	17,700	7,189
Council Expenses	10,826	157
Examination Expenses	18,090	-
Meeting Expenses	4,461	2,809
Travelling Expenses	23,970	55,872
	<hr/> 75,047	<hr/> 66,027
<u>Employment Expenses</u>		
Contractors	24,731	42,853
Holiday Pay Provision	2,803	472
Recruitment Expenses	16,641	-
Superannuation Contributions	20,464	8,738
Wages & Salaries	235,598	165,364
WorkCover	-	830
	<hr/> 300,237	<hr/> 218,257

THE ROYAL AUSTRALASIAN COLLEGE OF MEDICAL ADMINISTRATORS

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30TH JUNE 2007

	2007	2006
<u>EXPENSES (Continued)</u>		
<u>Occupancy Costs</u>		
Cleaning	2,641	2,483
Electricity & Gas	2,246	1,644
Insurance	9,564	9,639
Rates & Land Tax	1,682	1,791
Security Costs	474	364
	<hr/>	<hr/>
	16,607	15,921
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<u>Administration</u>		
Accountancy Fees	10,755	-
Accreditation Costs	4,911	1,450
Advertising	2,055	-
Auditor's Remuneration	11,870	9,870
Bad Debts Written Off	5,337	-
Bank Charges	5,268	4,741
Computer Expenses	19,717	8,500
Couriers & Delivery	-	342
Depreciation	6,087	5,411
Employees' Amenities	905	293
Freight & Cartage	1,810	-
General Expenses	2,190	22,405
GST Provision on AMC Levy	8,547	-
Hospitality	-	564
Photocopier Expenses	1,088	863
Postage	13,803	15,584
Repairs & Maintenance	382	4,921
Research & Development Costs	11,000	6,930
Seminar, Course & Meeting Expenses	38,610	48,969
Telephone	7,381	6,224
Workforce Project Expenses	4,235	53,270
	<hr/>	<hr/>
	155,951	190,337
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	664,459	615,516
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<u>OPERATING PROFIT BEFORE INCOME TAX</u>	<u>\$49,370</u>	<u>\$23,057</u>