



THE ROYAL AUSTRALASIAN COLLEGE OF MEDICAL ADMINISTRATORS

39TH ANNUAL REPORT 2006

CONTENTS

Mission Statement, Objectives and Role	3
Report by Members of the Council	4
Auditor's Independence Declaration	5
Treasurer's Report	6
Income Statement	7
Balance Sheet	8
Cash Flow Statement	9
Notes to the Financial Statements	10
Declaration by Members of the Council	18
Independent Audit Report	19

MISSION STATEMENT

The Royal Australasian College of Medical Administrators exists to improve the practice of management by medical graduates by providing training, education, research, development and support. Fellows, Members and Candidates of the College will lead the field of health management through their performance and achievements, and will be leaders in health-policy development. The Royal Australasian College of Medical Administrators will be the premier management body for medical graduates in the Asia-Pacific region.

OBJECTIVES

The Royal Australasian College of Medical Administrators was founded in recognition of the emergence of medical administration as a specialty in its own right. The objectives of the College are as follows:

- to promote and advance the study of the principles and practice of health-services administration by medical practitioners;
- to establish and maintain the highest standards of learning, skill and conduct by medical practitioners engaged in health services administration;
- to establish, conduct and promote educational programs in health-services administration;
- to promote mutual understanding between persons engaged in the field of health-services administration and to promote good relations between such persons engaged in the practice of medicine and between such persons and the community; and
- to recognise, by Honorary Fellowship or by special award, persons of distinction in the fields of medicine and health-services administration.

ROLE

The role of the College is to:

- set educational standards;
- accredit educational programs;
- organise a continuing education program for Fellows and Members;
- conduct examinations;
- nurture, guide and encourage Candidates, Members and Fellows; and
- assist clinicians and public health personnel who are increasingly being required to manage their clinical departments and public health programs and provide a clinical service.

REPORT BY MEMBERS OF THE COUNCIL

Your Councillors present their report on the College for the financial year ended 30th June 2006.

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

Dr Philip Montgomery
 Dr Roger Boyd
 Dr Peter Bradford
 Dr Gavin Frost
 Dr Kim Hill
 Dr Richard Ashby (*commenced 25 November 2005*)
 Dr Sherene Devanesen
 Dr Michael Catchpole (*retired 21 October 2005*)
 Dr Lee Gruner
 Dr Beth Kotze (*commenced 29 April 2006*)
 Dr Harvey Lander (*commenced 24 February 2006*)
 Dr Helen McArdle (*commenced 25 August 2005*)
 Dr Paul McCann (*retired 24 August 2005*)
 Dr John Menzies
 Dr Andre Nell
 Dr Mark Platell
 Dr Rober Robert Porter (*retired 7 April 2006*)
 Dr Wayne Ramsey
 Dr David Reynolds (*retired 24 August 2005*)
 Dr Vino Sathianathan
 Dr Denis Smith (*retired 24 August 2005*)
 Dr Bernard Street
 Dr Susan Svilans (*commenced 25 August 2005*)
 Dr Bruce Swanson
 Dr Wilson Young

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

The principal continuing activity of the College consisted of *Medical Management Education* and there were no significant changes in those activities during the year.

The net profit for the financial year after provision for income tax amounted to \$23,057.

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 wilful breach of duty in relation to the College.

During the financial year, 7 meetings of councillors (including executive) were held. Attendances were:

	Council Meetings		Executive Meetings	
	Number Eligible to attend	Number Attended	Number Eligible to attend	Number Attended
Dr P Montgomery	5	5	2	2
Dr G Frost	5	2	2	2
Dr R Boyd	5	5	2	2
Dr P Bradford	5	4	2	2
Dr L Gruner	5	4	2	2
Dr K Hill	5	4	2	2
Dr S Devanesen	5	4	2	nil
Dr M Catchpole	2	nil		
Dr R Ashby	3	2		
Dr B Kotze	nil	nil		
Dr H Lander	1	1		
Dr J Menzies	5	5		
Dr H McArdle	4	4		
Dr P McCann	1	nil		
Dr A Nel	5	5		
Dr M Platell	5	1		
Dr R Porter	4	4		
Dr W Ramsey	5	5		
Dr D Reynolds	1	1		
Dr V Sathianathan	5	5		
Dr D Smith	1	1		
Dr B Street	5	5		
Dr S Svilans	4	1		
Dr B Swanson	5	4		
Dr W Young	5	3		

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.

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:

Dr P Bradford

Dr R Boyd

Dated this 12th day of October, 2006

AUDITOR'S INDEPENDENCE DECLARATION

UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

I declare that, to the best of my knowledge and belief, during the year ended 30th June 2006 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 Vic 3175

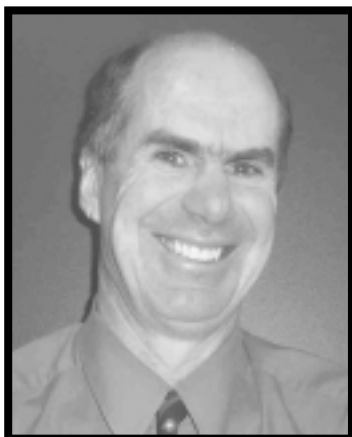
Graeme A. Hallam F.C.A.

Partner

Dated this 12th day of October, 2006

TREASURER'S REPORT

ANNUAL REPORT ON FINANCES AND BUSINESS OUTCOMES OF THE COLLEGE 2005-2006



Following auditing of our financial position a surplus of \$23,057 was achieved. This satisfactory outcome was as a result of higher than budgeted expenditure, largely due to staff changes and the need for Council to hold a Strategic Planning meeting in February and a follow up Executive meeting in June; offset by higher than budgeted revenue across most revenue streams; together with increased grant revenue.

The reduction in audited surplus from the adjusted surplus of \$160,547 in 2004/5 was largely due to one-off revenue collected in 2004/5 for the AMC levy together with transitional costs to a new secretariat structure.

College reserves, both cash and physical infrastructure, are very sound indeed and this in part has been as result of Council having the foresight to levy members for the high direct costs of undergoing Australian Medical Council (AMC) Accreditation Survey in 2008. This Survey is now only 2 years away and is the greatest single strategic challenge facing the College and the fact of the funding being in reserve will allow the College to pay the direct costs and many of the indirect costs of the Survey.

Therefore an amount of \$40,000 will be shifted from reserves to the operational budget to begin to pay accreditation costs. However, Council has in addition moved strategically to create a stronger organisational infrastructure to meet the demands of the next 2 years. In addition, the Colleges major physical asset, the premises in Drummond Street Carlton, require physical maintenance commensurate with its age to maintain this asset in good condition.

Therefore Council has agreed a higher than usual Subscription Fee increase of 5% for Fellows, with corresponding proportionate increases (in some cases higher than 5%) for our other categories of membership. Previously Fee increases have been kept at or close to CPI; however Council is mindful that our College Subscription Fees remain well below those of our Fellow Colleges, and approximately half of similar size Colleges with similar infrastructure and similar accreditation requirements. Council will however continue to keep Subscription Fees under close and ongoing review to ensure that the membership is not disadvantaged.

For 2006/7, Council has agreed a break even budget and costs will be kept as tight as possible to enable Subscription Fee increases to be kept at the minimum possible commensurate with good governance and strategic necessity.

In conclusion I wish to thank the President, Dr Phillip Montgomery; fellow Councillors; and the Secretariat for their support and assistance in maintaining our College operational and strategic viability during 2005/6.

Dr Peter Bradford
Honorary Treasurer
12 October 2006

INCOME STATEMENT for the year ended 30 June 2006

	Note	2006 \$	2005 \$
Classification of Expenses by Function			
Revenues from ordinary activities	2	638,573	733,017
		<u>638,573</u>	<u>687,459</u>
Member Services Expenses		124,974	192,647
Employment Expenses	3	218,257	185,982
Conference, Seminar & Meeting Expenses		66,027	53,398
Occupancy Expenses		15,557	14,997
Administration Costs	3	190,701	125,446
		<u>615,516</u>	<u>572,470</u>
Profit before income tax expense		23,057	160,547
Income tax expense		<u>-</u>	<u>-</u>
Profit attributable to members of the entity		<u>23,057</u>	<u>160,547</u>

The accompanying notes form part of these financial statements.

BALANCE SHEET as at 30th June 2006

	Note	2006 \$	2005 \$
CURRENT ASSETS			
Cash and cash equivalents Assets	4	265,425	196,655
Trade and other receivables	5	58,234	143,065
Financial assets	6	424,631	400,932
Other Current Assets	7	–	3,306
TOTAL CURRENT ASSETS		748,290	743,958
NON-CURRENT ASSETS			
Property, plant and equipment	8	768,699	772,300
TOTAL NON-CURRENT ASSETS		768,699	772,300
TOTAL ASSETS		1,516,989	1,516,258
CURRENT LIABILITIES			
Trade and other payables	9	29,369	26,962
Short-term provisions	10	4,250	5,571
Other current liabilities	11	66,480	70,400
TOTAL CURRENT LIABILITIES		100,099	102,933
TOTAL NON-CURRENT LIABILITIES		–	–
TOTAL LIABILITIES		100,099	102,933
NET ASSETS (LIABILITIES)		1,416,890	1,413,325
EQUITY			
Special Funds	12	101,012	99,741
Reserves	13	673,727	673,727
Retained earnings	14	642,151	639,857
TOTAL EQUITY		1,416,890	1,413,325

The accompanying notes form part of these financial statements.

CASH FLOW STATEMENT for the year ended 30 June 2006

	2006 \$	2005 \$
Cash Flows from Operating Activities:		
Receipts from members	330,975	227,370
Interest received	28,648	25,090
Conferences, sponsorship & other receipts	304,393	397,185
Payment to suppliers & employees	(599,614)	(620,070)
Net cash provided by (used in) operating activities	<u>67,402</u>	<u>29,575</u>
Cash Flows from Investing Activities:		
Payment for purchase of equipment	(1,810)	(7,380)
Payment for investments	(23,706)	(51,667)
Net cash provided by (used in) investing activities	<u>(25,516)</u>	<u>(59,047)</u>
Cash Flows from Financing Activities:		
Fees received in advance	26,880	4,600
Net cash provided by (used in) financing activities	<u>26,800</u>	<u>4,600</u>
Net Increase (Decrease) in Cash Held	68,766	(24,872)
Cash at beginning of year	196,658	221,530
CASH AT END OF PERIOD	<u><u>265,424</u></u>	<u><u>196,658</u></u>

The accompanying notes form part of these financial statements.

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, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial report is for 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

First-time adoption of Australian Equivalents to International Financial Reporting Standards.

The Royal Australasian College of Medical Administrators has prepared financial statements in accordance with the Australian Equivalents to International reporting Standards from 1st July 2005.

In accordance with the requirements of AASB1: First Time Adoption of Australian Equivalents to International Reporting Standards, adjustments to the accounts resulting from the introduction of IFRS are to be applied retrospectively to 2005 comparative figures. For The Royal Australasian College of Medical Administrators no adjustments were necessary.

These accounts are the first financial statements of The Royal Australasian College of Medical Administrators to be prepared in accordance with AIFRS.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values, or except where specifically stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

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 measured on the fair value basis, being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction. It is the policy of the economic entity to have an independent valuation every three years, with annual appraisals being made by the Councillors.

The revaluation of freehold land and buildings has not taken into account the potential capital gains tax acquired after the introduction of capital gains tax.

(b) Plant and Equipment

Plant and equipment are measured on the cost basis.

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.

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(c) Depreciation

The depreciable amount of all fixed assets are depreciated on a diminishing line 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

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2006

	2006 \$	2005 \$
2. REVENUE		
Operating Activities		
Membership Fees	274,732	277,130
Candidates Fees	91,580	73,339
	366,312	350,469
Sponsorship, Distributions & Advertising	12,819	28,647
Seminar, Course & Meeting Income	63,732	82,707
Conference Income	14,880	1,470
AMC Levy	5,100	116,900
Dividends Received	874	781
Interest Received	28,648	25,090
Reimbursed Travel Expenses	10,000	13,597
Grant Income	115,600	92,493
Sundry Income	6,593	3,853
Rent Received	9,144	14,733
Total Revenue from Ordinary Activities	267,390	380,271
Other Activities		
Increase (decrease) in net market values		
Bernard Nicholson Prize Fund Shares	4,871	2,277
Total Revenue	638,573	733,017
3. PROFIT FROM ORDINARY ACTIVITIES		
Profit from ordinary activities before income tax expense has been determined after:		
Auditor's Remuneration		
Audit of the Accounts	9,870	9,200
Depreciation of property, plant and equipment	5,411	4,146
Increase (decrease) in provision for:		
Annual Leave	472	1,003
	15,753	14,349
4. CASH AND CASH EQUIVALENTS		
Cash on Hand	85	851
State Committees Bank Accounts	37,973	25,198
ANZ V2 Plus Investment Account	114,428	76,265
Support Scheme for Rural Specialists		
ANZ V2 Plus A/c	31,895	-
ANZ V2 Plus AMC Levy Account	18,346	5,243
National Bank Cheque Account	41,780	82,537
EFT Bank Account	20,918	7,327
	265,425	196,655

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2006

	2006 \$	2005 \$
5. TRADE AND OTHER RECEIVABLES (CURRENT)		
AMC Levy Debtors	12,580	31,895
Membership Debtors	57,737	102,238
Less: Provision for Doubtful Debts	(18,000)	(18,000)
	<u>52,317</u>	<u>116,133</u>
Other Debtors	5,917	26,932
	<u>58,234</u>	<u>143,065</u>
6. FINANCIAL ASSETS (CURRENT)		
Term Deposits	323,619	301,193
Bernard Nicholson Prize Fund		
Shares at Market Value	24,727	19,856
Sir Raphael Cilento Oration Fund		
Bank Account	(8)	1,502
Term Deposit	8,799	8,799
New South Wales Education Fund		
Bank Account	36,782	33,877
Western Australian Education Fund		
Bank Account	30,712	27,695
Queensland Health Education Fund		
Bank Account	-	8,010
	<u>424,631</u>	<u>400,932</u>
7. OTHER CURRENT ASSETS		
Accrued Income	-	3,306
	<u>-</u>	<u>3,306</u>
8. PROPERTY, PLANT & EQUIPMENT		
Land & Building at Councillors Valuation 2006	750,000	750,000
Equipment at Cost	116,123	114,313
Less: Accumulated Depreciation	97,424	92,013
	<u>18,699</u>	<u>22,300</u>
	<u>768,699</u>	<u>772,300</u>

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2006

	2006 \$	2007 \$
9. TRADE AND OTHER PAYABLES (CURRENT)		
Creditors & Accruals	28,324	23,414
GST Liability	1,045	3,548
	29,369	26,962
10. PROVISIONS (CURRENT)		
Provision for Annual Leave	4,250	5,571
11. OTHER CURRENT LIABILITIES		
Unexpended SSRS Project Grant	35,000	65,800
Income in Advance	31,480	4,600
	66,480	70,400
12. SPECIAL FUNDS		
Bernard Nicholson Prize Fund		
Opening Balance	19,856	17,579
Transfer from (to) Retained Funds	4,871	2,277
Balance at 30th June 2006	24,727	19,856
Sir Raphael Cilento Oration Fund		
Opening Balance	10,301	10,535
Transfer from (to) Retained Funds	(1,510)	(234)
Balance at 30th June 2006	8,791	10,301
NSW Administration Course & Education Fund		
Opening Balance	33,877	22,468
Transfer from (to) Retained Funds	2,905	11,410
Balance at 30th June 2006	36,782	33,878
Western Australian Education Course		
Opening Balance	27,695	22,836
Transfer from (to) Retained Funds	3,017	4,859
Balance at 30th June 2006	30,712	27,695
Queensland Health Education Fund		
Opening Balance	8,010	11,953
Transfer from (to) Retained Funds	(8,010)	(3,942)
Balance at 30th June 2006	-	8,011
	101,012	99,741

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2006

	2006 \$	2005 \$
13. RESERVES		
Composition:		
Asset Revaluation Reserve	637,727	673,727
Movements		
Balance at 30 June 2005	673,727	473,727
Revaluation of Land & Buildings at 30th June 2005	-	200,000
Balance at 30 June 2006	673,727	673,727
14. RETAINED PROFITS		
Retained profits (accumulated losses) at 1st July 2005	639,857	493,680
Net profit (loss) attributable to members of the company	23,057	160,547
Transfer to (from) Special Funds	(11,132)	14,370
Prior year adjustment for overstatement of membership debtors	(31,895)	-
Retained Profits at 30th June 2006	642,151	639,857
15. KEY MANAGEMENT PERSONNEL COMPENSATION		
Short-term benefits:		
Income paid/payable – salaries/fees	84,700	11,000
Superannuation	1,143	-
Bonus	-	-
Non-cash benefits	-	-
Post employment benefits		
Other	-	-
Long-term superannuation benefits	-	-
Total Compensation	85,843	11,000

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2006

	2005 \$	2004 \$
16. CASH FLOW INFORMATION		
Reconciliation of Cash Flow from Operations with Profit after Income Tax		
Cash on Hand	85	85
Cash at Bank	62,698	89,866
At call deposits	164,669	81,508
Cash at bank State Committees	37,972	25,198
	<u>265,424</u>	<u>196,657</u>
Profit from ordinary activities after income tax	23,057	160,546
Non-cash flows in profit from ordinary activities:		
Depreciation	5,411	4,146
Annual Leave Provision	(1,321)	1,003
Changes in Assets & Liabilities:		
Decrease (increase) in receivables	52,937	(119,792)
Decrease (increase) in accrued income	3,306	(3,306)
Decrease (increase) in prepayments	–	11,000
Increase (decrease) in payables	2,407	(64,529)
Increase (decrease) in unexpended grants	(30,800)	40,507
Cash flows from operations	<u>67,402</u>	<u>29,575</u>

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2006

	2006	2005
	\$	\$
17. FINANCIAL INSTRUMENTS		
(a) 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:		
Financial Assets		
Floating interest rate		
Cash at Bank	62,697	89,864
<i>Weighted average effective interest rate</i>	<i>1.10%</i>	<i>1.10%</i>
Fixed interest rate		
Term Deposits	323,621	301,193
<i>Weighted average effective interest rate</i>	<i>5.06%</i>	<i>5.22%</i>
Fixed interest rate		
ANZ V2 Plus Account	164,667	81,508
<i>Weighted average effective interest rate</i>	<i>4.70%</i>	<i>4.50%</i>
Floating interest rate		
State Committees Cash at Bank	37,973	96,282
<i>Weighted average effective interest rate</i>	<i>1.55%</i>	<i>1.80%</i>
Fixed interest rate		
State Committees Cash at Bank	76,293	8,799
<i>Weighted average effective interest rate</i>	<i>2.10%</i>	<i>2.35%</i>
Financial liabilities		
Non interest bearing creditors	(28,324)	(26,962)
Net financial assets (liabilities)	636,927	550,684

(b) Credit Risk

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 doubtful debts, as disclosed in the statement of financial position and notes to the financial statements. The College does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the College.

(c) Net Fair Values

The net fair values 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 statement of financial position 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

DECLARATION BY MEMBERS OF THE COUNCIL

The Councillors of the College declare that:

- 1 The financial statements and notes comprising the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows and Notes to the Financial Statements, are in accordance with the Corporations Act 2001:
 - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 30 June, 2006 and of the performance for the year ended on that date of the College.
- 2 In the opinion of the Councillors there are reasonable grounds to believe that the College will be able to pay its debts as and when they become due and payable.

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

Dr P Bradford

Dr R Boyd

Dated this 12th day of October, 2006

SCOPE

The financial report and councillors' responsibility.

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the councillors' declaration for The Royal Australasian College of Medical Administrators, for the year ended 30th June 2006.

The College's councillors are responsible for the preparation and true and fair presentation of the financial report in accordance with the Corporations Act 2001. 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

We conducted an independent audit in order to express an opinion to members of the College. Our 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 judgement, 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.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001, including compliance with accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the College's financial position, and of its performance as represented by the results of its operations and cash flows.

We formed our 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 Councillors.

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

INDEPENDENCE

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

AUDIT OPINION

In our opinion, the financial report of The Royal Australasian College of Medical Administrators is in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the College's financial position as at 30th June 2006 and of its performance for the year ended on that date; and
 - (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
- (b) other mandatory professional reporting requirements.

MORTONWATSON & YOUNG

Chartered Accountants
51 Robinson Street, Dandenong Vic 3175

Graeme A. Hallam F.C.A.
Partner

Dated this 12th day of October, 2006