

**THE ROYAL AUSTRALASIAN COLLEGE  
OF MEDICAL ADMINISTRATORS  
A.B.N. 39 004 688 215**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
30 JUNE 2016**

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**THE ROYAL AUSTRALASIAN COLLEGE  
OF MEDICAL ADMINISTRATORS  
A.B.N. 39 004 688 215**

**DIRECTORS' REPORT**

Your directors present their report on the College for the financial year ended 30 June 2016.

**Information on Director**

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

Prof Michael Cleary appointed 9 September 2015  
Dr Michael Walsh  
A/Prof Pooshan Navathe appointed 9 September 2015  
Dr Humsha Naidoo  
Prof Barbara Workman appointed 9 September 2015  
Dr Kevin Morris  
Dr Annette Pantle  
Dr Sara Watson  
Dr Sergio Diez Alvarez appointed 20 May 2016  
Prof Jeffrey Braithwaite  
Dr Lee Gruner retired 9 September 2015  
Dr Paul Eleftheriou retired 20 May 2016  
Dr Stephen Ayre retired 22 July 2015  
A/Prof Eugiene Pedagogos retired 9 September 2015

Directors who have completed their terms, been elected or appointed during the financial year have been indentified.

**Operating Results**

The profit of the College for the financial year after providing for income tax amounted to \$479,835.

**Significant Changes in the State of Affairs**

No significant changes in the College's state of affairs occurred during the financial year.

The principal activities of the College during the financial year were Medical Administration Education.

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

**Events After the Reporting Date**

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.

**Environmental Issues**

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

**Dividends paid or recommended**

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

**Indemnification and Insurance of Officers and Auditors**

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.

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**DIRECTORS' REPORT**

During the financial year the College has paid premiums to insure the directors 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 a director of the College, other than conduct involving wilful breach of duty in relation to 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 proceeding during the year.


**Directors Meetings and Attendance**


	<b>Directors Meetings</b>	
	<b>Number eligible to attend</b>	<b>Number attended</b>
Prof Michael Cleary	5	5
Dr Michael Walsh	6	5
A/Prof Pooshan Navathe	5	5
Dr Humsha Naidoo	6	4
Prof Barbara Workman	4	2
Dr Kevin Morris	4	4
Dr Annette Pantle	4	2
Dr Sara Watson	4	4
Dr Sergio Diez Alvarez	1	1
Prof Jeffrey Braithwaite	4	3
Dr Lee Gruner	1	1
Dr Paul Eleftheriou	2	2

**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 page 3.

Signed in accordance with a resolution of directors

Director:   
Prof Michael Cleary

Director:   
Dr Humsha Naidoo

Dated this 27 day of October 2016

**AUDITORS' INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF  
THE ROYAL AUSTRALASIAN COLLEGE  
OF MEDICAL ADMINISTRATORS**

We hereby declare, that to the best of our knowledge and belief, during the financial year ended 30 June 2016 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.

**Name of Firm:** *Morton Watson & Young*  
MORTON WATSON & YOUNG AUDIT PTY LTD  
Chartered Accountants

**Name of Director:**   
Kerpal S Harnam - Registered Company Auditor

**Address:** 51 Robinson Street, Dandenong Vic 3175

Dated this *3rd* day of *November* 2016.

**THE ROYAL AUSTRALASIAN COLLEGE  
OF MEDICAL ADMINISTRATORS  
A.B.N. 39 004 688 215**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	Note	2016 \$	2015 \$
<b>Income</b>			
Revenue	4	2,239,129	2,008,829
Other income	4	<u>233,315</u>	<u>282,027</u>
		2,472,444	2,290,856
<b>Expenditure</b>			
Governance and member services		(557,840)	(425,496)
Professional services	5	(93,454)	(73,973)
Employment expenses		(1,159,605)	(1,007,809)
Occupancy expenses		(24,879)	(24,343)
Other overhead expenses		<u>(154,131)</u>	<u>(187,435)</u>
		482,535	571,800
<b>Profit for the year</b>	6	<u>482,535</u>	<u>571,800</u>
Retained earnings at the beginning of the financial year		<u>4,951,210</u>	<u>4,384,798</u>
<b>Profit</b>		<u><u>5,433,745</u></u>	<u><u>4,956,598</u></u>
<b>Other comprehensive income, net of income tax</b>			
Bernard Nicholson Prize Fund Shares		<u>(2,700)</u>	<u>(318)</u>
<b>Other comprehensive income for the year, net of tax</b>		<u>(2,700)</u>	<u>(318)</u>
<b>Total comprehensive income for the year</b>		<u><u>479,835</u></u>	<u><u>571,482</u></u>

The accompanying notes form part of these financial statements.

**THE ROYAL AUSTRALASIAN COLLEGE  
OF MEDICAL ADMINISTRATORS  
A.B.N. 39 004 688 215**

**STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2016**

	Note	2016 \$	2015 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	7	3,925,787	3,669,606
Trade and other receivables	8	563,314	511,410
Financial assets	9	15,141,876	13,530,730
Other current assets	10	<u>11,948</u>	<u>11,946</u>
<b>TOTAL CURRENT ASSETS</b>		<u>19,642,925</u>	<u>17,723,692</u>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables	8	165,507	185,844
Property, plant and equipment	11	<u>790,458</u>	<u>774,827</u>
<b>TOTAL NON-CURRENT ASSETS</b>		<u>955,965</u>	<u>960,671</u>
<b>TOTAL ASSETS</b>		<u>20,598,890</u>	<u>18,684,363</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	604,421	793,198
Provisions	13	198,449	178,725
Other current liabilities	14	<u>14,291,974</u>	<u>12,688,229</u>
<b>TOTAL CURRENT LIABILITIES</b>		<u>15,094,844</u>	<u>13,660,152</u>
<b>TOTAL LIABILITIES</b>		<u>15,094,844</u>	<u>13,660,152</u>
<b>NET ASSETS</b>		<u>5,504,046</u>	<u>5,024,211</u>
<b>EQUITY</b>			
Special Funds	15	71,124	73,001
Retained earnings	16	<u>5,432,922</u>	<u>4,951,210</u>
<b>TOTAL EQUITY</b>		<u>5,504,046</u>	<u>5,024,211</u>

The accompanying notes form part of these financial statements.

**THE ROYAL AUSTRALASIAN COLLEGE  
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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2016**

	Note	Retained earnings \$	Bernard Nicholson Prize Fund \$	Sir Raphael Cilento Oration Fund \$	NSW Administratio n Course & Education Fund \$	Total \$
<b>Balance at 1 July 2014</b>		4,384,798	29,957	11,236	26,738	4,452,729
Transfer from (to) Retained Funds	15		3,931	1,139	-	5,070
Profit attributable to members		571,482				571,482
<b>Transfers from</b>						
Bernard Nicholson Prize Fund		(3,931)				(3,931)
Sir Raphael Cilento Oration Fund		(1,139)				(1,139)
<b>Balance at 30 June 2015</b>		4,951,210	33,888	12,375	26,738	5,024,211
Profit attributable to members		479,835				479,835
Transfer from (to) Retained Funds			(900)	(289)	(688)	(1,877)
Bernard Nicholson Prize Fund		900				900
Sir Raphael Cilento Oration Fund		289				289
NSW Administration Course & Education Fund		688				688
<b>Balance at 30 June 2016</b>		<u>5,432,922</u>	<u>32,988</u>	<u>12,086</u>	<u>26,050</u>	<u>5,504,046</u>

The accompanying notes form part of these financial statements.

**THE ROYAL AUSTRALASIAN COLLEGE  
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**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2016**

	2016 \$	2015 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from members	1,941,405	1,867,051
Conferences, sponsorship & other receipts	15,522,642	17,786,550
Interest received	130,836	115,680
Payment to suppliers & employees	<u>(17,292,972)</u>	<u>(19,443,628)</u>
<b>Net cash provided by operating activities</b>	<u>301,911</u>	<u>325,653</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for property	(9,641)	-
Payments for equipment	(14,078)	-
Payments for investments	(1,613,849)	(6,121,336)
Payments for E Portfolio system	<u>(32,244)</u>	<u>-</u>
<b>Net cash used in investing activities</b>	<u>(1,669,812)</u>	<u>(6,121,336)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Fees received in advance	<u>1,624,082</u>	<u>1,544,354</u>
<b>Net cash provided by financing activities</b>	<u>1,624,082</u>	<u>1,544,354</u>
Net increase (decrease) in cash held	256,181	(4,251,329)
Cash at beginning of financial year	<u>3,669,606</u>	<u>7,920,935</u>
<b>Cash at end of financial year</b>	<u><u>3,925,787</u></u>	<u><u>3,669,606</u></u>

The accompanying notes form part of these financial statements.



**THE ROYAL AUSTRALASIAN COLLEGE  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

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**1 Summary of Significant Accounting Policies**

The financial statements cover The Royal Australasian College of Medical Administrators as an individual entity. The Royal Australasian College of Medical Administrators is a company limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of The Royal Australasian College of Medical Administrators is Australian dollars.

The financial report was authorised for issue by the Directors.

**2 Basis of Preparation**

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and the other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

These financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The significant accounting policies used in the preparation and presentation of these financial statements are provided below and are consistent with prior reporting periods unless otherwise stated.

**3 Summary of Significant Accounting Policies**

**State/Territory/New Zealand Committees**

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

**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 statements.

**Cash and Cash Equivalents**

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position.

**THE ROYAL AUSTRALASIAN COLLEGE  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

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**Trade and Other Receivables**

Accounts receivable are recognised initially at the transaction price (i.e. cost) and are subsequently measured at cost less provision for impairment. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

At the end of each reporting period, the carrying amount of accounts receivable and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in statement of comprehensive income.

**Property, Plant and Equipment**

Classes of property, plant and equipment are measured using the cost or revaluation model as specified below.

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

**Land and buildings**

Land and buildings are measured using the cost model.

**Plant and equipment**

Plant and equipment are measured using the cost model.

**Depreciation**

The depreciable amount of all property, plant and equipment, except for freehold land is depreciated on a straight line method from the date that management determine that the asset is available for use.

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

<b>Fixed Asset Class</b>	<b>Depreciation Rate</b>
Plant and equipment	10% to 50%
Buildings	2.5%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

When an assets is disposed, the gain or loss is calculated by comparing proceeds received with its carrying amount and is taken to profit or loss.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

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**Financial Instruments**

Financial instruments are recognised initially using trade date accounting, i.e. on the date that college becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

**Financial Assets**

Financial assets are divided into the following categories which are described in detail below:

- loans and receivables;
- financial assets at fair value through profit or loss;
- available-for-sale financial assets; and
- held-to-maturity investments.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the statement of comprehensive income in the 'finance income' or 'finance costs' line item respectively.

**Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The college's trade and most other receivables fall into this category of financial instruments.

Discounting is omitted where the effect of discounting is considered immaterial.

Significant receivables are considered for impairment on an individual asset basis when they are past due at the reporting date or when objective evidence is received that a specific counterparty will default.

The amount of the impairment is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**Financial assets at fair value through profit or loss**

Financial assets at fair value through profit or loss include financial assets:

- acquired principally for the purpose of selling in the near future
- designated by the entity to be carried at fair value through profit or loss upon initial recognition or
- which are derivatives not qualifying for hedge accounting.

Assets included within this category are carried in the statement of financial position at fair value with changes in fair value recognised in finance income or expenses in profit or loss.

**Held-to-maturity investments**

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity. Investments are classified as held-to-maturity if it is the intention of the college's management to hold them until maturity.

Held-to-maturity investments are subsequently measured at amortised cost using the effective interest method, with revenue recognised on an effective yield basis. In addition, if there is objective evidence that the investment has been impaired, the financial asset is measured at the present value of estimated cash flows. Any changes to the carrying amount of the investment are recognised in profit or loss.

**Available-for-sale financial assets**

Available-for-sale financial assets are non-derivative financial assets that do not qualify for inclusion in any of the other categories of financial assets. The college's available-for-sale financial assets include listed securities.

Purchases and sales of available-for-sale investments are recognised on settlement date.

All other available-for-sale financial assets are measured at fair value, with subsequent changes in value recognised in other comprehensive income.

Gains and losses arising from financial instruments classified as available-for-sale are only recognised in profit or loss when they are sold or when the investment is impaired.

**Impairment of financial assets**

At the end of each reporting period, the college assesses whether there is any objective evidence that a financial asset has been impaired.

**Impairment of Non-Financial Assets**

At the end of each reporting period the college determines whether there is an evidence of an impairment indicator for non-financial assets.

Where this indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the assets is estimated.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

**THE ROYAL AUSTRALASIAN COLLEGE  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

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**Trade and Other Payables**

Accounts payable and other payables represent the liabilities at the end of the reporting period for goods and services received by the college that remain unpaid.

Accounts payable are recognised at their transaction price. Accounts payable are obligations on the basis of normal credit terms.

**Employee Benefits**

Provision is made for the college's liability for employee benefits arising from services rendered by employees at the end of the reporting period. 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.

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Those cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

**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.

Provisions are measured at the present value of management's best estimate of the outflow required to settle the obligation at the end of the reporting year. The discount rate used is a pre tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the unwinding of the discount is taken to finance costs in the statement of other comprehensive income.

**Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the taxation authority are classified as operating cash flows.

**THE ROYAL AUSTRALASIAN COLLEGE  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

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**Special Funds**

The income and expenses from the special funds accounts have been included in the statement of financial position to correctly show the total income and expenditure for the year.

**Revenue and Other Income**

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the college and specific criteria relating to the type of revenue as noted below, has been satisfied.

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

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

**Interest revenue**

Interest revenue is recognised using the effective interest rate method.

**Dividend revenue**

Dividends are recognised when the right to receive payment is established.

**Rendering of services**

Revenue in relation to rendering of services is recognised depends on whether the outcome of the services can be measured reliably. If this is the case then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period. If the outcome cannot be reliably measured then revenue is recognised to the extent of expenses recognised that are recoverable.

**Grant revenue**

Non-reciprocal grant revenue is recognised in profit or loss when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

**Comparative Amounts**

Comparatives are consistent with prior years, unless otherwise stated.

**THE ROYAL AUSTRALASIAN COLLEGE  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

	2016	2015
	\$	\$
<b>4 Revenue</b>		
<b>Operating activities</b>		
Dividends received	1,271	1,218
Interest received	130,836	115,680
Membership Subscriptions	874,045	764,448
Training Fees	875,059	959,773
Advertising & Sponsorship	37,620	31,979
Annual Conference	77,363	48,305
Externally Delivered Programs	65,704	71,160
LTI Forum	129,885	-
Net project revenue	233,315	282,027
Government Subsidies	30,426	-
Miscellaneous Income	16,920	16,266
<b>Total operating revenue</b>	<u>2,472,444</u>	<u>2,290,856</u>
<b>Non-operating activities</b>		
Movement in Net Market Values		
Bernard Nicholson Prize Fund Shares	(2,700)	(318)
<b>Total non-operating revenue</b>	<u>(2,700)</u>	<u>(318)</u>
<b>Total Income</b>	<u>2,469,744</u>	<u>2,290,538</u>
<b>5 Auditor's Remuneration</b>		
Audit of accounts	12,400	11,400
Grant audits	1,000	2,000
	<u>13,400</u>	<u>13,400</u>
<b>6 Profit</b>		
<b>Expenses</b>		
Depreciation of property, plant and equipment	40,332	29,638
Bad Debts Written Off	17,482	56,626
Increase (decrease) in :		
Holiday Pay Provision	13,191	31,304
Long Service Leave Provision	6,534	5,219
<b>Significant Revenue and Expenses</b>		
The following significant revenue and expense items are relevant in explaining the financial performance:		
Project Income	15,485,022	17,754,568
Project Expenses	(15,241,707)	(17,472,542)
	<u>243,315</u>	<u>282,026</u>

**THE ROYAL AUSTRALASIAN COLLEGE  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

	2016	2015
	\$	\$
<b>7 Cash and Cash Equivalents</b>		
ANZ V2 Plus AMC Levy Account	25,228	25,125
National Bank Cheque Account	888,356	608,181
National Australia Bank EFT Account	141,598	70,644
National Australia Bank Business Cash Maximiser Account	1,119,316	586,802
National Australia Bank STP Account	612,520	179,761
National Australia Bank STP 2 Account	1,133,529	2,193,186
State Account - New Zealand	1,682	307
Debit Card Accounts	3,558	5,600
	<u>3,925,787</u>	<u>3,669,606</u>
<b>Reconciliation of cash</b>		
Cash at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the statement of financial position as follows:		
Cash at banks	1,029,954	678,825
At call deposits	2,890,593	2,984,874
Cash at bank State Committees	1,682	307
Debit Card Accounts	3,558	5,600
	<u>3,925,787</u>	<u>3,669,606</u>
<b>8 Trade and Other Receivables</b>		
<b>Current</b>		
Trade Debtors	567,794	540,202
Less: Provision for Doubtful Debts	(45,000)	(45,000)
Other Debtors	40,520	16,208
	<u>563,314</u>	<u>511,410</u>



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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>Non-Current</b>		
<b>State's Funds</b>		
NSW State Funds	9,708	14,134
Queensland State Funds	63,863	67,330
South Australia State Funds	4,329	4,329
Victoria State Funds	53,413	58,590
Western Australia State Funds	24,097	29,198
Northern Territory Funds	1,009	1,009
New Zealand Funds	9,088	11,254
Australian Capital Territory	-	-
Tasmania	-	-
	<u>165,507</u>	<u>185,844</u>
The college does not hold any financial assets whose terms have been renegotiated, but which would otherwise be past due or impaired.		
<b>9</b>	<b>Financial Assets</b>	
	<b>Current</b>	
	15,112,171	13,498,325
	Bernard Nicholson Prize Fund	
	29,705	32,405
	<u>15,141,876</u>	<u>13,530,730</u>
<b>10</b>	<b>Other Non-Financial Assets</b>	
	<b>Current</b>	
	<u>11,948</u>	<u>11,946</u>
<b>11</b>	<b>Property, Plant and Equipment</b>	
	<b>LAND AND BUILDINGS</b>	
	<b>Freehold land Milton Parade, Malvern Victoria</b>	
	At Cost	
	<u>145,000</u>	<u>145,000</u>
	<u>145,000</u>	<u>145,000</u>
	<b>Building Milton Parade, Malvern Victoria</b>	
	At Cost	
	700,784	691,143
	Less accumulated depreciation	
	<u>(102,700)</u>	<u>(85,269)</u>
	<u>598,084</u>	<u>605,874</u>
	<u>743,084</u>	<u>750,874</u>
	<b>Total Land and Buildings</b>	

**THE ROYAL AUSTRALASIAN COLLEGE  
OF MEDICAL ADMINISTRATORS  
A.B.N. 39 004 688 215**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

	2016	2015
	\$	\$
<b>Plant and Equipment:</b>		
At cost	156,664	110,342
Accumulated depreciation	<u>(109,290)</u>	<u>(86,389)</u>
<b>Total Plant and Equipment</b>	<u>47,374</u>	<u>23,953</u>
<b>Total Property, Plant and Equipment</b>	<u><u>790,458</u></u>	<u><u>774,827</u></u>

**Movements in Carrying Amounts**

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

	Freehold Land	Buildings	Plant and Equipment	Gowns at Cost	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2014	145,000	623,154	31,645	4,666	804,465
Depreciation expense	<u>-</u>	<u>(17,279)</u>	<u>(11,892)</u>	<u>(467)</u>	<u>(29,638)</u>
Balance at 30 June 2015	145,000	605,875	19,753	4,199	774,827
Additions	-	9,641	46,322	-	55,963
Depreciation expense	<u>-</u>	<u>(17,431)</u>	<u>(22,481)</u>	<u>(420)</u>	<u>(40,332)</u>
Carrying amount at 30 June 2016	<u><u>145,000</u></u>	<u><u>598,085</u></u>	<u><u>43,594</u></u>	<u><u>3,779</u></u>	<u><u>790,458</u></u>

**12 Trade and Other Payables**

**Current**

Creditors & Accruals	257,771	79,436
Other Creditors	4,200	12,285
Amounts Withheld from Wages	31,344	30,318
GST Payable	<u>311,106</u>	<u>671,159</u>
	<u><u>604,421</u></u>	<u><u>793,198</u></u>

**THE ROYAL AUSTRALASIAN COLLEGE  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>13 Provisions</b>		
Provision for Annual Leave	148,059	134,869
Provision for Long Service Leave	<u>50,390</u>	<u>43,856</u>
	198,449	178,725
<b>Total provisions</b>	<u><u>198,449</u></u>	<u><u>178,725</u></u>
<b>Analysis of Total Provisions</b>		
Current	198,449	178,725
Non-current	<u>-</u>	<u>-</u>
	<u><u>198,449</u></u>	<u><u>178,725</u></u>
<b>Employee Provisions</b>		
<p>The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the College does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However these amounts must be classified as current liabilities since the College does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.</p>		
<b>14 Other Liabilities</b>		
<b>Current</b>		
<b>Income in Advance</b>		
Unearned Subscription Income	1,031,849	780,841
Unearned Workshop Income	<u>93,645</u>	<u>175,269</u>
	<u>1,125,494</u>	<u>956,110</u>
<b>Unearned Income</b>		
Unearned RHCE Grant Income	-	44,081
Unearned STPI Grant Income	1,919,230	2,942,878
Unearned PICS Grant Income	<u>11,081,743</u>	<u>8,559,316</u>
	<u><u>13,000,973</u></u>	<u><u>11,546,275</u></u>

**THE ROYAL AUSTRALASIAN COLLEGE  
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A.B.N. 39 004 688 215**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

	2016 \$	2015 \$
<b>Funds held for State Committees</b>		
NSW Funds Held	9,708	14,134
Queensland Funds Held	63,863	67,330
South Australia Funds Held	4,329	4,329
Victoria Funds Held	53,413	58,590
West Australian Funds Held	24,097	29,198
Monies Held in Trust (NT)	1,009	1,009
New Zealand Funds Held	9,088	11,254
	<u>165,507</u>	<u>185,844</u>
	<u>14,291,974</u>	<u>12,688,229</u>
<b>15 Special Funds</b>		
<b>Bernard Nicholson Prize Fund</b>		
Opening Balance	33,888	29,957
Transfer from (to) Retained Funds	(900)	3,931
	<u>32,988</u>	<u>33,888</u>
<b>Sir Raphael Cilento Oration Fund</b>		
Opening Balance	12,375	11,236
Transfer from (to) Retained Funds	(289)	1,139
	<u>12,086</u>	<u>12,375</u>
<b>NSW Administration Course &amp; Education Fund</b>		
Opening Balance	26,738	26,738
Transfer from (to) Retained Funds	(688)	-
	<u>26,050</u>	<u>26,738</u>
	<u>71,124</u>	<u>73,001</u>
<b>16 Retained Earnings</b>		
Retained earnings at the beginning of the financial year	4,951,210	4,384,798
Net profit attributable to members of the College	479,835	571,482
<b>Transfer from Special Funds</b>		
Bernard Nicholson Prize Fund	900	(3,931)
Sir Raphael Cilento Oration Fund	289	(1,139)
NSW Administration Course & Education Fund	688	-
	<u>1,877</u>	<u>(5,070)</u>
Retained earnings at the end of the financial year	<u>5,432,922</u>	<u>4,951,210</u>

**THE ROYAL AUSTRALASIAN COLLEGE  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>17 Related Party Transactions</b>		
Transactions between related parties are on normal commercial terms and conditions. These terms and conditions are no more favourable than those available to other parties unless otherwise stated.		
Transactions with related parties:		
The following directors received remuneration during the year		
K Morris	1,043	3,010
L Gruner	<u>2,500</u>	<u>825</u>
<b>18 Cash Flow Information</b>		
<b>Reconciliation of Cash Flow from Operations with Profit after Income Tax</b>		
Profit after income tax	479,835	571,482
<b>Non-cash flows in profit:</b>		
Change in net market value	2,700	318
Depreciation	40,332	29,638
Charges to provisions	19,725	36,523
<b>Changes in assets and liabilities</b>		
(Increase) Decrease in current receivables	(51,905)	(2,713)
Increase (Decrease) in other creditors	<u>(188,776)</u>	<u>(309,595)</u>
	<u>301,911</u>	<u>325,653</u>

**THE ROYAL AUSTRALASIAN COLLEGE  
OF MEDICAL ADMINISTRATORS  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

	2016	2015
	\$	\$

**19 Financial Risk Management**

The College's financial instruments consists primarily of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, loans to and from subsidiaries, bills and leases.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements are as follows:

	2016	2015
	\$	\$
<b>Financial Assets</b>		
Cash at banks	1,029,954	678,825
Short term deposits	2,890,593	2,984,874
Investments	15,141,877	13,530,730
Loans and receivables	563,314	511,410
States funds held	165,506	185,844
New Zealand bank account	1,682	307
Bank debit cards	3,558	5,600
<b>Total Financial Assets</b>	<u>19,796,484</u>	<u>17,897,590</u>
<b>Financial Liabilities</b>		
Trade and other payables	604,423	793,198
Unexpended Grants	13,000,973	11,546,275
Income in advance	1,125,494	956,110
State committee funds	165,506	185,844
<b>Total Financial Liabilities</b>	<u>14,896,396</u>	<u>13,481,427</u>

**Financial Risk Management Policies**

The directors overall risk management strategy seeks to assist the College in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

Risk management policies are approved and reviewed by the directors on a regular basis. These included the credit risk policies and future cash flow requirements.

The College does not have any derivative instruments at 30 June 2016.

**20 Company Details**

**The registered office of the company is:**

The Royal Australasian College  
of Medical Administrators  
10/1 Milton Parade  
Malvern Vic 3144

THE ROYAL AUSTRALASIAN COLLEGE  
OF MEDICAL ADMINISTRATORS  
A.B.N. 39 004 688 215

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016

	2016	2015
	\$	\$
<b>21 Members' Guarantee</b>		
The entity is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$20 each towards meeting any outstandings and obligations of the entity.		

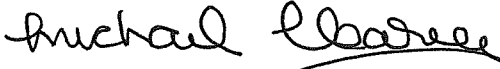
**THE ROYAL AUSTRALASIAN COLLEGE  
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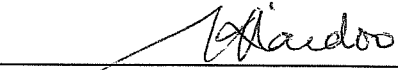
**DIRECTORS' DECLARATION**

The directors of the College declare that:

1. The financial statements and notes, as set out on pages 1 to 22, are in accordance with the Corporations Act 2001:
  - (a) comply with Australian Accounting Standards and the Corporations Regulations 2001; and
  - (b) give a true and fair view of the financial position as at 30 June 2016 and of the performance for the year ended on that date of the college; and
2. In the directors' opinion 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 board of directors.

Director:   
Prof Michael Cleary

Director:   
Dr Humsha Naidoo

Dated this 27 day of October 2016



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

**Report on the Financial Report**

We have audited the accompanying financial statements of The Royal Australasian College of Medical Administrators which comprises the Statement of Financial Position as at 30 June 2016, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration.

**Councillors' Responsibility for the Financial Report**

The directors of the College are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial statements 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.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the financial statements 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 statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 board, as well as evaluating the overall presentation of the financial statements.

We believe that 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 directors of The Royal Australasian College of Medical Administrators would be in the same terms if provided to the directors as at the date of this auditors' report.

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

**Auditor's Opinion**

In our opinion:

the financial report of The Royal Australasian College of Medical Administrators as of 30 June 2016 and its financial performance and cash flows for the year then ended in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the College's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

*Morton Watson & Young*

**Name of Firm:** **MORTON WATSON & YOUNG AUDIT PTY LTD**  
Chartered Accountants

*Kerpal S Harnam*

**Name of Partner:** \_\_\_\_\_  
**Kerpal S Harnam - Registered Company Auditor**

**Address:** 51 Robinson Street, Dandenong Vic 3175

**Dated this** *3<sup>rd</sup>* **day of** *November* **2016.**

**THE ROYAL AUSTRALASIAN COLLEGE  
OF MEDICAL ADMINISTRATORS  
A.B.N. 39 004 688 215**

**PROFIT AND LOSS STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2016**

	2016 \$	2015 \$
<b>INCOME</b>		
Membership Subscriptions	874,045	764,448
Training Fees	875,059	959,773
Advertising & Sponsorship	37,620	31,979
Annual Conference	77,363	48,305
Externally Delivered Programs	65,704	71,160
LTI Forum	129,885	-
	<u>2,059,676</u>	<u>1,875,665</u>
<b>OTHER INCOME</b>		
Dividends Received	1,271	1,218
Interest Received	130,836	115,680
Movement in Net Market Values		
Bernard Nicholson Prize Fund Shares	(2,700)	(318)
Government Subsidies	30,426	-
Miscellaneous Income	16,920	16,266
Project Income	15,485,022	17,754,569
Project Expenses	<u>(15,251,707)</u>	<u>(17,472,542)</u>
	<u>233,315</u>	<u>282,027</u>
<b>Total Other Income</b>	<u>410,068</u>	<u>414,873</u>
<b>TOTAL INCOME</b>	<u>2,469,744</u>	<u>2,290,538</u>
<b>EXPENSES</b>		
Governance & CPMC		
Meeting Expenses	31,457	29,801
Teleconference & Video - Governance	7,498	2,166
Travelling & Accommodation - Governance	53,856	72,156
Insurance - Governance	1,662	395
CPMC Subscriptions	23,189	13,093
	<u>117,662</u>	<u>117,611</u>
Faculty Support		
Perceptor Workshops & Expenses	80	-
Censors Workshops & Expenses	13,182	10,071
State Workshops & Seminars	7,945	17,221
Travel & Accommodation - Faculty	25,220	40,645
Honorarium	5,100	1,500
Printing & Stationery - Faculty	6,145	1,112
Teleconference & Video - Faculty	13,293	141
Faculty Meeting Expenses	44	8,276
	<u>71,009</u>	<u>78,966</u>

The accompanying notes form part of these financial statements.

**THE ROYAL AUSTRALASIAN COLLEGE  
OF MEDICAL ADMINISTRATORS  
A.B.N. 39 004 688 215**

**PROFIT AND LOSS STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2016**

	2016 \$	2015 \$
<b>Training &amp; Education</b>		
Accel Pathway Expenses	7,337	1,116
Courses Expenseds	11,666	11,167
Candidate Workshop CW1	21,845	27,578
Candidate Workshop CW2	10,753	35,302
Teleconference A& Video - Training	12,253	1,330
Exam Expenses	14,009	33,076
Travel & Accommodation - Training	22,558	41,485
Consultants & Honorarium	5,165	2,886
Workshop Expenses	218,100	8,497
	<u>323,686</u>	<u>162,437</u>
<b>Accreditation Costs</b>		
Committee Expenses	7	-
Travel & Accommodation - Accreditation	20,265	30,986
	<u>20,272</u>	<u>30,986</u>
<b>Annual Conference</b>		
Conference Organiser	333	-
Trophies, Medals & Prizes	3,366	3,331
Incidental Conference Expenses	8,354	4,180
	<u>12,053</u>	<u>7,511</u>
<b>Publications</b>		
World Federation Medical Managers	13,158	14,379
	-	13,606
<b>Employment Expenses</b>		
Holiday Pay Provision	13,191	31,304
Long Service Leave Provision	6,534	5,219
Other Employment Expenses	11,958	73
Payroll Tax	27,010	14,355
Professional Development	21,391	4,793
Recruitment Agency	52,947	75,966
Salaries & Wages	934,527	797,835
Superannuation Contributions	83,194	72,900
WorkCover	8,853	5,364
	<u>1,159,605</u>	<u>1,007,809</u>
<b>Office Supplies</b>		
Employees' Amenities	1,852	4,343
Photocopier Expenses	3,946	2,281
Postage	13,947	7,135
Printing & Stationery	15,782	9,003
	<u>35,527</u>	<u>22,762</u>

The accompanying notes form part of these financial statements.

**THE ROYAL AUSTRALASIAN COLLEGE  
OF MEDICAL ADMINISTRATORS  
A.B.N. 39 004 688 215**

**PROFIT AND LOSS STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2016**

	2016 \$	2015 \$
Professional Services		
Accountancy Fees	17,175	11,413
Advertising & Marketing	26,357	3,727
Auditor's Remuneration		
Audit of the Accounts	10,900	11,400
Consultancy Fees	10,425	11,867
Legal Costs	28,597	35,566
	<u>93,454</u>	<u>73,973</u>
Occupancy Expenses		
Body Corporate Fees	8,267	8,245
Cleaning & Rubbish Removal	2,693	3,332
Electricity & Gas	8,570	8,988
Rates & Land Tax	1,895	1,762
Repairs & Maintenance	2,242	717
Security Costs	-	60
Water	1,212	1,239
	<u>24,879</u>	<u>24,343</u>
Other Overhead Expenses		
Bad Debts Written Off	17,482	56,626
Bank Charges	2,333	2,352
Depreciation	40,332	29,638
General Expenses	2,992	226
Insurance	11,211	5,849
Merchant Fees	9,546	13,732
Subscriptions	2,059	2,966
Telephone/Video Conferencing	17,746	41,463
	<u>103,701</u>	<u>152,852</u>
IT Expenses		
Website	-	305
IT Support & Maintenance	9,632	8,582
Software & Licences	5,271	2,934
	<u>14,903</u>	<u>11,821</u>
<b>Total Expenses</b>	<u>1,989,909</u>	<u>1,719,056</u>
<b>PROFIT (LOSS) BEFORE INCOME TAX</b>	<u>479,835</u>	<u>571,482</u>

The accompanying notes form part of these financial statements.