

Honorary Treasurer's Report

The 2008/2009 financial year was a difficult one around the world and inevitably the College could not avoid a decline in the value of its investment portfolio.

The College holds investments of approximately A\$4.6 million dollars as of 30 June 2009, in both a College capital account and on behalf of regional committees. The two main investments are with Pitcher Partners and UBS Warburg. A third investment was previously with Asgard. In March 2009, this investment was transferred to Navigator on the advice that it could provide a wider range of funds and shares, together with better research and advice.

All investments sustained a loss of around 12 per cent, in line with the market movement. Adjustments to our investments are made regularly both in the asset allocation and in the products in which we invest. The Finance Advisory Committee to Executive (FACE) meet regularly with advisors from our investment funds to discuss the appropriate response to the market, while maintaining a philosophy of 'balanced growth' and an ethical approach appropriate for the College.

The 2008/2009 financial year for the College account is anticipated to show a deficit of A\$508,760, which incorporates a deficit in the value of investments of \$429,855. Had there not been a decrease in the value of investments, the outcome would have been a deficit of \$78,905. Regional offices realised a deficit in total of \$237,622 after a loss on investment of \$321,995.

Council have approved a five per cent increase in all subscriptions and fees to allow a predicted \$5000 deficit in the budget for 2009/2010. The budget has allowed for an amount of \$100,000 as the interest and dividend income.

To end on a positive note, the last quarter of the financial year showed a rise in the value of investments from \$4.3 to \$4.6 million dollars and the College remains in a sound financial position.

The College is grateful for the assistance of Mr Rob Dowling in providing expertise and advice to the Finance Advisory Committee to Executive.



Dr Bernadette White
Honorary Treasurer



Independent Audit Report to the Members

Report on the Concise Financial Report

The accompanying concise financial report of The Royal Australian and New Zealand College of Obstetricians and Gynaecologists, comprises the balance sheet as at 30 June 2009: the income statement and cash flow statement for the year then ended and related notes, derived from the audited financial report of The Royal Australian and New Zealand College of Obstetricians and Gynaecologists for the year ended 30 June 2009, and the discussion and analysis. The concise financial report does not contain all the disclosures required by the Australian Accounting Standards.

Directors' Responsibility for the Concise Financial Report

The Directors are responsible for the preparation and presentation of the concise financial report in accordance with Australian Accounting Standard AASB 1039: *Concise Financial Reports* (including the Australian Accounting Interpretations), Statutory and other requirements. This responsibility includes establishing and maintaining internal control relevant to the preparation of the concise financial report, selecting and applying the 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 concise financial report based on our audit procedures. We have conducted an independent audit, in accordance with Australian Auditing Standards, of the financial report of The Royal Australian and New Zealand College of Obstetricians and Gynaecologists for the year ended 30 June 2009. Our audit report on the financial report for the year was signed on the 18 September 2009 and was not subject to any modification. The Australian 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.

Our procedures in respect of the concise financial report included testing that the information in the concise financial report is derived from, and is consistent with, the financial report for the year, and examination on a test basis, of evidence supporting the amounts, discussion and analysis, and other disclosures which were not directly derived from the financial report for the year. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report complies with *Accounting Standard AASB 1039: Concise Financial Reports* and whether the discussion and analysis complies with the requirements laid down in *AASB 1039: Concise Financial Reports*.

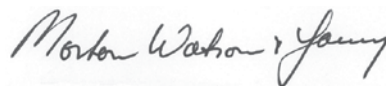
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

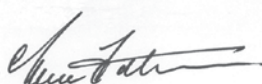
In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, provided to the Directors of The Royal Australian and New Zealand College of Obstetricians and Gynaecologists on 18 September 2009, would be in the same terms if provided to the Directors as at the date of this auditor's report.

Auditor's Opinion

In our opinion the concise financial report, including the discussion and analysis of The Royal Australian and New Zealand College of Obstetricians and Gynaecologists, for the year ended 30 June 2009 complies with *Accounting Standard AASB 1039: Concise Financial Reports*.



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



G.A. HALLAM FCA
Partner

Date: 18 September 2009



Discussion and Analysis of Financial Statements for the Year Ended 30 June 2009

Important Information for Members

The Directors' report, concise financial report and auditor's statement contained within this document represent a concise report. The full financial report of The Royal Australian and New Zealand College of Obstetricians and Gynaecologists and that of associated entity, the RANZCOG Research Foundation, and the audit reports thereon, will be sent free of charge to members of the College upon request.

Fellows and Members wishing to receive the full financial reports and auditor's report may arrange delivery by calling +61 3 9412 2947 or visiting our web site at: www.ranzcog.edu.au.

The discussion and analysis is provided to assist members in understanding the concise financial report. The information contained in the concise financial report has been derived from the full 2008/2009 Financial Report of The Royal Australian and New Zealand College of Obstetricians and Gynaecologists.

Profit and Loss Account

The operating deficit of A\$746,382 is due mainly to the reduction in market valuation of \$751,850 compared with a loss in market value of \$818,225 in 2007/2008. The result from operations other than investments was \$5468 in 2008/2009.

Income increased by \$840,368 during 2008/2009. Income from subscriptions and fees increased by \$356,208. Grant monies received and expended increased by \$428,480.

Fees from subscriptions increased by \$458,724 due to increased membership, CPI increase and the non-continuation of the early bird discount. Other income was \$99,179 higher than in 2007/2008 as a result of increase in interest and dividends from investments. Regional offices results moved from a deficit in 2007/2008 of \$229,954 to a deficit of \$237,622 in 2008/2009.

Expenditure in 2008/2009 was \$980,000 higher than in the previous year.

Salaries and superannuation increased by \$282,570, reflecting a five per cent CPI increase, additional leave provisions, merit increases and the appointment of the Director of Education and Training.

Consultancy expenses increased by \$535,665 due to payments under the Specialist Obstetrician Locum Scheme (SOLS) which was reimbursed by grant monies.

Other College expenses increased by \$91,309, the majority of the increase being computer expenses for the development of online education programs, including the Fetal Surveillance Education Program (FSEP), Nuchal Translucency and CPD.

There was an increase in travel and accommodation of \$151,802. This was partially offset by a reduction in the loss on foreign exchange of \$88,230.

Balance Sheet

Total assets increased by \$227,583, the write-down in value of investments being offset by an increase in debtors and short-term deposits.

Liabilities have increased by \$973,966. Provision for employee benefits has increased by \$59,569 and grants received in advance have increased by \$300,524. Member fees in advance have increased by \$578,053.

Funds of \$25,154 are held in trust, compared with \$38,273 at 30 June 2008.

Statement of Cash Flows

Cash of \$393,672 was generated from operating activities. Cash investments of \$699,680 has resulted in cash holdings being reduced by \$306,008.



Directors' Report

Your Directors present their report on the College for the financial year ended 30 June 2009.

Directors

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

Dr C Tippett	Resigned 21/11/08
Dr R Watson	Resigned 21/11/08
Assoc Prof R Bryce	Resigned 21/11/08
Dr A Ekeroma	Appointed 22/11/08
Dr C Hughes	Appointed 22/11/08
Dr M Harilall	Resigned 21/11/08
Dr L Kornman	Resigned 21/11/08
Dr G Pecoraro	
Prof I Symonds	Appointed 22/11/08
Assoc Prof S Robson	
Dr S Tout	Appointed 22/11/08
Assoc Prof S Walker	Appointed 22/11/08
Dr A Haslam	Resigned 21/11/08
Prof M Permezel	
Dr L Begg	Appointed 22/11/08
Dr L Farrell	
Dr P Hall	Resigned 21/11/08
Dr D Ngan Kee	
Dr J Palmer	Resigned 21/11/08
Prof A Rane	
Assoc Prof G Teale	Appointed 22/11/08
Prof P Stone	Resigned 21/11/08
Dr J Wilson	Appointed 22/11/08
Dr E Weaver	
Dr R Sherwood	
Dr T Cottee	
Dr A Frumar	
Prof I Hammond	
Dr G Kesby	
Dr G McNally	
Dr M Rasmussen	
Dr M Ritossa	
Dr B White	

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

Significant Changes

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

Principal Activities

The principal continuing activities of the College during the financial year remained unchanged and were the promotion of medical and allied sciences and the maintenance of the honour and interests of the medical profession, in accordance with the Constitution.

Result of Operations

The deficit of the College for the year amounted to \$746,382.

Subsequent Events

No matters or circumstances have arisen since the end of the financial year which have 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.

Future Developments

The College expects to maintain the present status and level of operations and hence there are no likely developments in the College's operations.

Environmental Regulation

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

Dividends

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

Indemnities

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 Director of the College, other than conduct involving wilful breach of duty in relation to the College. The amount of the premium was \$4641.

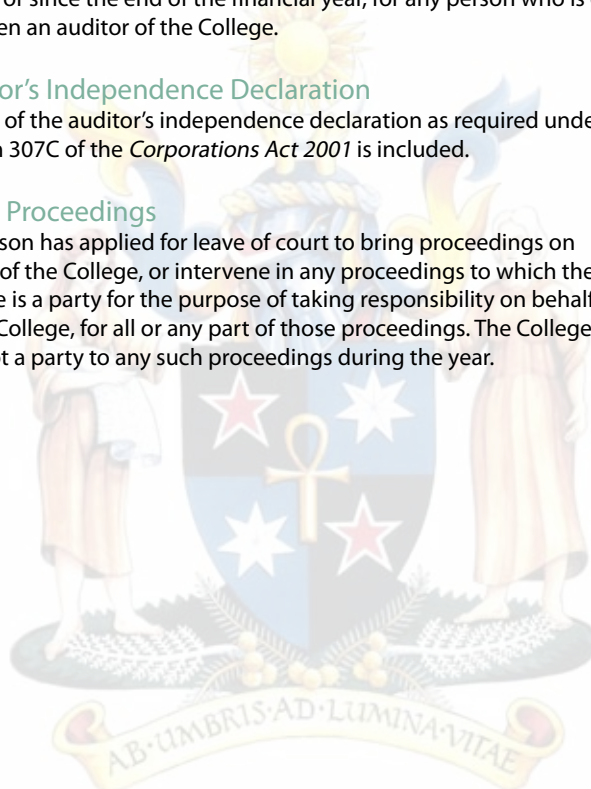
No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an auditor of the College.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is included.

Court Proceedings

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 a party to any such proceedings during the year.



Directors' meetings

Directors' meetings held during the financial year:

	meetings attended	meetings held during term at office
Dr C Tippet	1	1
Dr A Haslam	1	1
Dr G McNally	3	3
Dr R Watson	1	1
Prof M Permezel	3	3
Dr E Weaver	3	3
Dr R Sherwood	3	3
Dr L Begg	2	2
Assoc Prof R Bryce	1	1
Dr T Cottee	2	3
Dr A Ekeroma	2	2
Dr L Farrell	3	3
Dr A Frumar	3	3
Dr P Hall	0	1
Prof I Hammond	3	3
Dr M Harilall	1	1
Dr B White	3	3
Dr C Hughes	2	2
Dr D Ngan Kee	3	3
Dr G Kesby	3	3
Dr L Kornman	1	1
Dr J Palmer	1	1
Dr G Pecoraro	3	3
Prof A Rane	3	3
Dr M Rasmussen	3	3
Dr M Ritossa	3	3
Assoc Prof S Robson	3	3
Prof P Stone	1	1
Prof I Symonds	2	2
Assoc Prof G Teale	2	2
Dr S Tout	1	2
Assoc Prof S Walker	2	2
Dr J Wilson	2	2

Signed in accordance with a Resolution of Directors,



Dr E Weaver, Director
President



Dr G Pecoraro, Director
Honorary Secretary

Date: 18 September 2009



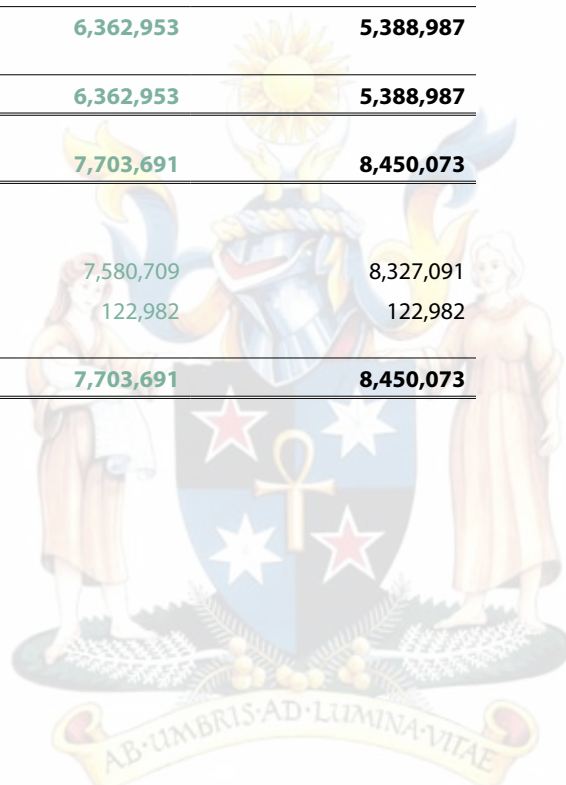
Income Account for the Year Ended 30 June 2009

	2009 \$	2008 \$
Revenues from ordinary activities	<u>8,680,405</u>	<u>7,839,767</u>
Expenses from ordinary activities	9,426,788	8,446,788
Profit from ordinary activities before income tax expense	<u>(746,382)</u>	<u>(607,021)</u>
Income tax attributable to ordinary activities	—	—
Profit from ordinary activities after income tax expense	(746,382)	(607,021)
TOTAL CHANGES IN EQUITY	<u>(746,382)</u>	<u>(607,021)</u>



Balance Sheet as at 30 June 2009

	2009 \$	2008 \$
Current Assets		
Cash and cash equivalents	1,540,604	1,846,612
Trade and other receivables	1,200,434	505,262
Inventories	8,065	—
Financial assets	2,784,987	2,269,021
Total Current Assets	5,534,090	4,620,895
Non-current Assets		
Financial assets	4,620,565	5,271,389
Property plant and equipment	3,911,989	3,946,776
Total Non-current Assets	8,532,554	9,218,165
TOTAL ASSETS	14,066,643	13,839,060
Current Liabilities		
Trade and other payables	5,827,424	4,913,028
Short-term provisions	535,529	475,959
Total Current Liabilities	6,362,953	5,388,987
TOTAL LIABILITIES	6,362,953	5,388,987
NET ASSETS (LIABILITIES)	7,703,691	8,450,073
Members' Equity		
Accumulated Surplus	7,580,709	8,327,091
Reserve for Professional Development	122,982	122,982
TOTAL MEMBERS' EQUITY	7,703,691	8,450,073



Statement of Cash Flows for the Year Ended 30 June 2009

	2009 \$	2008 \$
Cash Flows From Operating Activities:		
Receipts from Members	5,864,287	5,574,067
Interest Received	308,303	171,134
Donations and Appeals	6,750	50,050
Other Income	2,657,480	1,545,796
Payment to Suppliers and Employees	(8,443,149)	(6,937,481)
Net Cash Provided by (Used in) Operating Activities	393,672	403,566
Cash Flows From Investing Activities		
Proceeds From (Transfers to) Investments	(616,992)	802,122
Payment for Property, Plant and Equipment	(82,688)	(115,461)
Net Cash Provided by (Used in) Investing Activities	(699,680)	686,661
Net Increase (Decrease) in Cash Held	(306,008)	1,090,227
Cash at Beginning of Financial Year	1,846,612	756,385
CASH AT END OF FINANCIAL YEAR	1,540,604	1,846,612



Notes to the Financial Statements for the Year Ended 30 June 2009

Note One: Basis of Preparation of the Concise Financial Report

The concise financial report has been prepared in accordance with *Accounting Standard AASB 1039: Concise Financial Reports* and the *Corporations Law*.

The financial statements, specific disclosures and other information included in the concise financial report is derived from and is consistent with the full financial report of The Royal Australian and New Zealand College of Obstetricians and Gynaecologists. The concise financial report cannot be expected to provide as detailed an understanding of the financial performance, financial position and financing and investing activities of The Royal Australian and New Zealand College of Obstetricians and Gynaecologists as the full financial report. The accounting policies are consistent with those of the previous financial year.

Note Two: Revenue

Included in the Operating Profit are the following items of Operating Revenue:

	2009 \$	2008 \$
Operating Activities		
Members Services	7,897,276	7,172,558
Other revenue from ordinary activities	783,129	667,209
Total revenue from ordinary activities	8,680,405	7,839,767
Total Revenue	8,680,405	7,839,767



Directors' Declaration

The Directors of The Royal Australian and New Zealand College of Obstetricians and Gynaecologists declare that the concise financial report for the financial year ended 30 June 2009:

- (a) complies with *Accounting Standard AASB 1039: Concise Financial Reports*; and
- (b) is an extract from the full financial report for the year ended 30 June 2009 and has been derived from and is consistent with the full financial report of The Royal Australian and New Zealand College of Obstetricians and Gynaecologists.

This statement is made in accordance with the resolution of the Board of Directors.



Dr E Weaver, Director
President



Dr G Pecoraro, Director
Honorary Secretary

Date: 18 September 2009

