

Honorary Treasurer's Report



Prof Michael Permezel
Honorary Treasurer

The 2006/2007 financial year will return a forecast of a surplus of \$242,705 for College House operations subject to audit and final adjustment. This is obviously an extremely good result, stemming in part from better than expected financial returns from College investments, and also from strong and prudent financial management by the College.

The forecast prediction for the financial year 2007/2008 is a deficit of \$37,989. Although a budgeted deficit is generally undesirable, this should be seen in the context of a financial year immediately

following a large surplus and with the particular 'one-off' needs of both diploma and sub-specialty curriculum development.

Approximately \$6 million are held as College House investments and a further \$2 million dollars invested on behalf of the regional committees. Investments are with three funds: ASGARD, Pitcher Partners and UBS Warburg. Each has performed well in line with market expectations with annualised returns of approximately 12 per cent. Adjustments are made to the three portfolios on advice to maintain the 'balanced to growth' profile requested by the College. The College is very grateful to Mr Rob Dowling who generously

gives his time and advises the financial arm of the College in these and other matters.

There are two financial issues of particular note. There has been a considerable increase in financial support from College House to the regional offices, following centralisation of the employment of regional College House staff and improvements in regional office services in some regions. The undoubted improvements in staff management and services have come with some financial inequity across the regions. These will be addressed in the coming year.

The other financial issue of note is the expense incurred by the 'hospital accreditation visits'. Having had personal experience with such a visit, these have been an outstanding success, giving the College an opportunity to highlight the needs of the Trainees to the hospital administration in a very formal way. The costs of the program are not fully recovered from the fees charged to hospitals and RANZCOG Council has determined that Trainees will contribute to this additional financial imposition on the College through a two per cent increase in training fees above CPI. All other fees and subscriptions will be adjusted by CPI only.

I conclude my first report as Honorary Treasurer, with thanks to College House staff; Chairman of the Financial Advisory Committee, Dr Alastair Haslam; and my predecessor as Honorary Treasurer, Dr Roy Watson.

Prof Michael Permezel
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 2007, 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 2007, 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 2007. Our audit report on the financial report for the year was signed on the 27 September 2007 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 for the year 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 27 September 2007, 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 2007 complies with Accounting Standard AASB 1039: Concise Financial Reports.

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

G.A. HALLAM FCA
Partner

Auditor's Independence Declaration

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

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

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

G.A. HALLAM FCA
Partner

Date: 27 September 2007

Discussion and Analysis of Financial Statements for the Year Ended 30 June 2007

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 upon request.

Fellows and Members wishing to receive the full financial reports and auditor's report may arrange delivery by calling (03) 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 2005/2006 Financial Report of the Royal Australian and New Zealand College of Obstetricians and Gynaecologists.

Profit and Loss Account

The operating surplus of \$595,642 was \$565,234 higher than the surplus in 2005/2006.

Income increased by \$1,249,659 during 2006/2007. Income from subscriptions and fees increased by \$642,874.

Grant monies received and expended increased by \$186,687 and foreign exchange gains totalled \$71,542.

Increases in training fees and ASM income have been partially offset by lower income from assessment fees.

Fees from subscriptions increased by three per cent in line with the CPI index for the period.

Other income was \$342,651 higher than in 2005/2006 as a result of higher returns from investments and an increase in ANZJOG subscription revenue.

Surpluses attributable to regional offices increased from \$90,941 to \$352,936.

Expenditure in 2006 and 2007 was \$684,425 higher than in the previous year. Staff expenses increased by \$504,971 due to the increase in the appointment of project officers funded by government grants and increases in staffing levels of regional offices previously treated as per capita grants. Grants and donations reduced by \$197,000 in accordance with this change in treatment.

Other college expenses decreased by \$72,154. The reduction in grants and donations mentioned previously was partially offset by an increase in travel and accommodation of \$134,250. Loss on foreign exchange was \$67,448 less than in 2005/2006 and stock of \$60,884 was written off in 2006/2007.

Balance Sheet

Total assets increased by \$615,289 due to additional cash funds generating from the operating surplus. During the year the cost of fixed assets and the provision for depreciation were reduced by \$630,450 being assets fully depreciated and disposed of.

Current liabilities have increased by \$19,650. Provision for employee benefits have increased by \$39,046 and grants received in advance have decreased by \$493,090. Member fees in advance have increased by \$251,567. Funds of \$322,264 are held in trust.

Statement of Cash Flows

Cash flows remained consistent relative to 2005/2006. Additional cash of \$1,194,157 generated from the operating activities has been used to purchase assets of \$1,910,271 and cash held has decreased by \$716,114.



Directors' Report

Your directors present their report on the college for the financial year ended 30 June 2007.

Directors

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

Dr K Clark	Res 24/11/06
Dr G McNally	
Prof M Permezel	App 24/11/06
Dr G Bates	App 24/11/06
Dr G Bates	Res 29/03/06
Prof I Hammond	App 24/11/06
Dr G Kesby	App 24/11/06
Dr G Pecararo	App 24/11/06
Dr M Ritossa	App 24/11/06
Dr B White	App 24/11/06
Dr C Tippett	
Dr R Watson	
Dr R Sherwood	App 24/11/06
Assoc Prof R Bryce	App 24/11/06
Dr L Farrell	App 24/11/06
Dr M Harilall	App 24/11/06
Dr L Kornman	App 24/11/06
Prof A Rane	App 24/11/06
Dr D Somerset	App 24/11/06
Dr A Haslam	
Dr P Hugo	Res 24/11/06
Dr E Weaver	App 24/11/06
Dr T Cottee	App 24/11/06
Dr P Hall	App 24/11/06
Dr D Kee	App 24/11/06
Dr J Palmer	App 24/11/06
Dr M Rasmussen	App 24/11/06
Prof P Stone	App 24/11/06

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 surplus of the College for the year amounted to \$595,642.

Subsequent Events

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

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 \$4,306.

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.

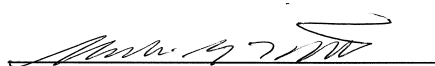


Directors' Meetings

Directors' meetings held during the financial year:

	meetings attended	meetings held during term at office
Dr K Clark	3	3
Dr C Tippet	5	5
Dr A Haslam	5	5
Dr G McNally	4	5
Dr P Hugo	3	3
Dr R Watson	5	5
Prof M Permezel	2	2
Dr E Weaver	2	2
Dr R Sherwood	2	2
Dr G Bates	1	2
Assoc Prof R Bryce	2	2
Dr T Cottee	2	2
Dr L Farrell	2	2
Dr P Hall	2	2
Prof I Hammond	2	2
Dr M Harilall	2	2
Dr D Kee	2	2
Dr G Kesby	2	2
Dr L Kornman	2	2
Dr J Palmer	2	2
Dr G Pecararo	2	2
Prof A Rane	2	2
Dr M Rasmussen	2	2
Dr M Ritossa	2	2
Dr D Somerset	2	2
Prof P Stone	2	2
Dr B White	2	2

Signed in accordance with a Resolution of Directors,



Dr C Tippet, Director
President



Dr R Sherwood, Director
Honorary Secretary

Dated this day of 27th September, 2007.



Profit and Loss Account for the Year Ended 30th June 2007

	2007 \$	2006 \$
Revenues from ordinary activities	7,668,006	6,418,347
Expenses from ordinary activities	7,072,364	6,387,939
Profit from ordinary activities before income tax expense	595,642	30,408
Income tax attributable to ordinary activities	—	—
Profit from ordinary activities after income tax expense	595,642	30,408
TOTAL CHANGES IN EQUITY	595,642	30,408

Balance Sheet as at 30th June 2007

	2007 \$	2006 \$
Current Assets		
Cash and cash equivalents	756,385	1,472,499
Trade and other receivables	366,261	1,057,914
Inventories	—	86,170
Other current assets	3,478,317	2,263,445
Total Current Assets	4,600,962	4,880,028
Non-current Assets		
Financial assets	6,186,089	5,236,222
Property plant & equipment	3,955,105	4,010,618
Total Non-current Assets	10,141,194	9,246,840
TOTAL ASSETS	14,742,157	14,126,868
Current Liabilities		
Trade and other payables	5,191,451	5,210,846
Short term provisions	410,166	371,121
Total Current Liabilities	5,601,617	5,581,967
TOTAL LIABILITIES	5,601,617	5,581,967
NET ASSETS (LIABILITIES)	9,140,540	8,544,901
Members' Equity		
Accumulated Surplus	8,934,112	8,338,473
Reserve for Professional Development	206,428	206,428
TOTAL MEMBERS' EQUITY	9,140,540	8,544,901

The accompanying notes form part of these financial statements.

Statement of Cash Flows for the Year Ended 30th June 2007

	2007 \$	2006 \$
Cash Flows from Operating Activities:		
Receipts from Members	5,331,769	4,817,984
Interest Received	609,820	633,273
Donations and Appeals	23,050	2,700
Other Income	1,871,823	1,843,078
Payment to Suppliers and Employees	(6,642,305)	(6,024,818)
Net Cash Provided by (Used in) Operating Activities	1,194,157	1,272,217
Cash Flows from Investing Activities		
Proceeds from (transfers to) Investments	(1,828,238)	(1,500,442)
Payment for Property, Plant and Equipment	(82,033)	(123,243)
Net Cash Provided by (Used in) Investing Activities	(1,910,271)	(1,623,685)
Net Increase (Decrease) in Cash Held	(716,114)	(351,468)
Cash at Beginning of Financial Year	1,472,499	1,823,967
CASH AT END OF FINANCIAL YEAR	756,385	1,472,499

Notes to the Financial Statements for the Year Ended 30th June 2007

Note 1: 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 2: Revenue

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

	2007 \$	2006 \$
Operating Activities		
Members Services	6,294,682	5,387,674
Other revenue from ordinary activities	1,373,324	1,030,673
Total revenue from ordinary activities	7,668,006	6,418,347
Total Revenue	7,668,006	6,418,347

Directors' Declaration

The Directors of the College declare that:

1. the financial statements and notes are in accordance with the Corporations Act 2001; and
 - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 30th June 2007 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 statement is made in accordance with the resolution of the Board of Directors,



Dr C Tippett, Director
President



Dr R Sherwood, Director
Honorary Secretary

Dated on this 27th day of September, 2007.

