

HEALTH INFORMATICS SOCIETY OF AUSTRALIA LIMITED
ABN 80 097 598 742

FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30 APRIL 2010

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ABN 80 097 598 742

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30 APRIL 2010

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HEALTH INFORMATICS SOCIETY OF AUSTRALIA LIMITED
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DIRECTORS' REPORT

Your directors present their financial statements on the Health Informatics Society of Australia for the year ended 30 April 2010.

The names of the directors throughout the year and at the date of these statements unless otherwise stated are:

Michael Legg (President)	George Margelis
Peter Croll (Vice President)	Tam Shepherd (appointed 9/2/10)
Joan Edgecumbe (Secretary)	John Zelcer (appointed 9/2/10)
David Rowlands (Treasurer)	Marie Cameron (resigned 23/3/10)
Rachael De Sain (appointed 9/2/10)	Gary Morgan (resigned 20/8/09)
Brendan Lovelock (appointed 9/2/10)	Stuart Hope (resigned 20/8/09)
Jon Hilton	Melanie Ford (resigned 20/8/09)
Anthony Maeder	

No significant changes in the state of affairs of the company occurred during the financial year.

The principal activities of the Company during the financial year were:

- to provide a national focus for health informatics;
- advocate on behalf of its members; and
- provide opportunities for learning and professional development in health informatics.

The loss from ordinary activities after income tax amounted to \$11,583.

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

Likely developments in the operations of the company 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 company.

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

The company has paid insurance premiums to insure all of the executive officers against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity as directors of the company, other than conduct involving a wilful breach of duty in relation to the company.

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

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

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DIRECTORS' REPORT

INFORMATION ON DIRECTORS

HISA Chairman Michael Legg

Qualifications:

- BSc(Hons) MCom PhD FAICD FAIM FACHI MACS ARCPA

Experience:

- More than 20 years experience in senior positions in the health industry including CEO of small, medium and large for-profit and not-for profit healthcare providers
- Principal of Michael Legg and Associates. Consultants in information and Organisational Systems
- Director Developments for Pathology with Mayne
- Professorial Fellow, Health Informatics Research Centre, University of Wollongong

Special Responsibilities:

- HISA President
- Leader, Pathology and Bio-informatics Special Interest Group
- Chairman, HIC'08 - The Person at the Centre

Other Directorship Held:

- Clinical Decisions Group

HISA Vice-President Peter Croll

Qualifications

- BSc (Hons), PhD, FACS, FBCS CITP, CEng

Experience

- Over 30 years in Software Engineering of critical ICT systems in both industry and academia with the past 10 years focussing on Health Informatics research and development.
- University IT Professor 10 years to include responsibilities as a director of research institute (TITR), a research centre (CITI) and as Head of School (SITACS). Adjunct Professor, Faculty of Health Science, University of Queensland.

Special responsibilities

- Chair of HISA's special interest group: Health Informatics Privacy and Security (HIPS)
- Australian representative for HISA on International Medical Informatics Association (IMIA) Information Security Working Group (WG4)
- Chair of HISA QLD: organising local events in Queensland (see QLD branch pages)
- Chair Organisation Committee HIC'09, Canberra
- Member Organisation Committee, HIC'10, Melbourne

Other Directorships held

- Director, International Association of Privacy Professionals, iappANZ

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DIRECTORS' REPORT

INFORMATION ON DIRECTORS (cont.)

HISA Secretary Joan Edgecumbe

Qualifications

- RN RM Diploma Nursing Admin TAA40104

Experience

- Clinical tertiary health practice 16 years
- Health services management 16 years
- Private practice consultant 4 years
- Executive management of a professional national society 15 years
- Private Business, Education

Other Directorships held

- eHealth Education Pty Ltd
- Infonomics Pty Ltd

HISA Treasurer David Rowlands

Qualifications

- B.Ec.(Hons) Economics, G.D.B.A. Business Administration, FACHI, AFACHSM

Experience

- Principal of Direkt Consulting Pty Ltd, a management consultancy specializing in governance, standards, strategy and information in the health sector.
- 30 years experience in health and information management
- Served on the Boards of Child Health, Aged Care and health informatics agencies

Special responsibilities

- Chair, Organisation Committee, HIC'10, Melbourne

Other Directorships held

- Director, Direkt Consulting Pty Ltd
- Director, HL7 Australia
- Director, USDA Pty Ltd
- Director, USDA Investments Pty Ltd

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DIRECTORS' REPORT

INFORMATION ON DIRECTORS (cont.)

Rachael De Sain

Experience

- Worked in the digital industry sector for over 13years.
- Working with Accenture in the UK and Scandinavia on one of the first mobile internet applications for the financial sector in '99.
- Lead teams to develop world first mobile product's and services for companies such as T-Mobile and MTV Networks in which she became Director of Mobile Context.
- Developed first European mobile video streaming trials with Deutsche Telekom / T-Mobile.

Qualifications

- No formal academic qualifications, however attended Victoria University in Wellington briefly.

Special responsibilities

- Digital Marketing, Social Media, Cloud Computing, web 2.0 advisor to the board.

Other Directorships held

- Vice President AIMIA Victoria
- Board member VIC ICT for Women

Jon Hilton

Qualifications

- Certificate, Software Project Management

Experience

- 20 years in health informatics .
- 10 years independent consulting to private and public healthcare organisations. Clients include General Practitioners, most Melbourne Metropolitan Health Services and Community Health Centres.

Special Responsibilities

- None

Other Directorships held

- Director, Centred Care Pty Ltd., Board Member (Uniting Care Community Options, Victoria)

Brendan Lovelock

Qualifications

- BSc, PhD, AFAIM, MRACI C. Chem

Experience

- Currently holds the position of the Health Practice Lead at Cisco Systems Australia Pty.
- He is a former HISA CEO.
- Extensive Australian and international experience leading IT technology companies, including KODAK's ASPAC Region digital businesses, Telstra's distribution operations and several years managing small to medium software companies.

Special Responsibilities

Other Directorships held

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DIRECTORS' REPORT

INFORMATION ON DIRECTORS (cont.)

Anthony Maeder

Qualifications

- BSc, BSc(Hons), MSc cum laude, PhD, GCEd, FIEAust, MACS, MACM, MIEEE

Experience

- Professor of Health Informatics, School of Computing & Mathematics, University of Western Sydney.
- Foundation Research Director, eHealth Research Centre, CSIRO ICT Centre
- Professor and Head, School of Electrical & Electronic Systems Engineering, Queensland University of Technology.
- Professor and Head, School of Engineering, University of Ballarat.

Special responsibilities

- Australian representative for HISA on International Medical Informatics Association (IMIA) Education Working Group (WG1).

Other Directorships held

- Chair of Standards Australia Subcommittee IT-14-12 (Telehealth), and Committee Member of IT-14 (Health Informatics) .
- Vice President, Australasian Telehealth Society .
- National Executive Committee Member of Australian Pattern Recognition Society .
- International Technical Committee Member for SPIE Medical Imaging .

George Margelis

Qualifications

- MBBS M.Optom GCEBUS

Experience

- 20 years health care provider, optometrist, and medical practitioner. Company director since 1991.

Special Responsibilities

Other Directorships held

- Company Director Sarwax Pty Ltd .

DIRECTORS' REPORT

INFORMATION ON DIRECTORS (cont.)

Tam Shepherd

Qualifications

Experience

- Background in ICT, Law and Political Science with degrees from Victoria University in Wellington.
- Leadership roles in the public and private sectors over the past 15 years including key roles in transformation projects in the welfare, taxation and healthcare sectors.
- Queensland Health Senior Director for eHealth and is responsible for the implementation of Queensland's eHealth Strategy.
- Head of the eHealth Branch of the Commonwealth Department of Health and Ageing .
- Former lead consultant with CISCO's Internet Business Solutions Group ANZ.

Special Responsibilities

Other Directorships held

John Zelcer

Qualifications

M.B., B.S., B.Med.Sc. (Hons), F.A.N.Z.C.A., M.A.I.C.D.

Experience

- Medical practitioner and healthcare strategy consultant with more than 30 years experience covering the private, public and not-for-profit sectors.
- His commercial experience includes healthcare services and products companies in both Australia and the United States.
- As a medical practitioner and anaesthetist he has held academic appointments and delivered clinical practice in both countries.
- Strategy management consulting, investment banking and medical technology development roles, and has worked with Andersen Consulting (Accenture), Computer Sciences Corporation (CSC) and Hewlett Packard in strategic advisory roles.

Special Responsibilities

Other Directorships held

- Board chairmanship, board directorship, and senior executive roles in strategic planning and business development.
- Board member of Eastern Health, Victoria and holds executive and board positions in Australian non-profit organisations committed to health service delivery and reconciliation in the Middle East.

HEALTH INFORMATICS SOCIETY OF AUSTRALIA LIMITED
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DIRECTORS' REPORT

Attendance at Board Meetings

Board Member Name	Possible Meetings	Attended	Non Attendance
Michael Legg, President	7	7	0
Peter Croll, Vice Chairman	7	6	1
Joan Edgecumbe, Secretary	7	6	1
David Rowlands, Treasurer	7	6	1
Jon Hilton	7	6	1
George Margelis	7	5	2
Anthony Maeder	7	3	4
Tam Shepherd (appointed February 2010)	2	1	1
John Zelcer (appointed February 2010)	2	1	1
Rachel de Sain (appointed February 2010)	2	2	0
Brendan Lovelock (appointed February 2010)	2	1	1
Marie Cameron (retired February 2010)	6	6	0

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 8.

Signed in accordance with a resolution of the Board of Directors:

Director

Dated: 25. Aug - 2010

Director

Dated: 25/8/2010

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

I declare that to the best of my knowledge and belief, during the year ended 30 April 2010 there have been:

- i. No contraventions of the auditor's 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.

Sean Denham

Dated: 18 August 2010
Sean Denham & Associates
Suite 6, 707 Mt Alexander Road
Moonee Ponds VIC 3039

HEALTH INFORMATICS SOCIETY OF AUSTRALIA LIMITED
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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED
30 APRIL 2010

	Note	2010 \$	2009 \$
Revenue	2	<u>1,529,624</u>	<u>1,545,492</u>
Total Revenue		<u>1,529,624</u>	<u>1,545,492</u>
Annual conference expenditure		(804,964)	(767,516)
Employee benefits expense		(369,815)	(389,868)
Bad and doubtful debts		(1,270)	(10,841)
Consultancy fees		(66,169)	(73,705)
Depreciation and amortisation expenses		(1,541)	(7,700)
Interest expense		(9,796)	(2,676)
Other expenses		<u>(287,652)</u>	<u>(275,569)</u>
		<u>(1,541,207)</u>	<u>(1,527,875)</u>
Surplus (loss) before income tax		(11,583)	17,617
Income tax expense		<u>-</u>	<u>-</u>
Surplus (loss) for the year		<u>(11,583)</u>	<u>17,617</u>
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>(11,583)</u>	<u>17,617</u>
Profit attributable to members of the entity		<u>(11,583)</u>	<u>17,617</u>
Total comprehensive income attributable to members of the entity		<u>(11,583)</u>	<u>17,617</u>

The accompanying notes form part of this financial statements.

HEALTH INFORMATICS SOCIETY OF AUSTRALIA LIMITED

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STATEMENT OF FINANCIAL POSITION

AS AT 30 APRIL 2010

	Note	2010 \$	2009 \$
CURRENT ASSETS			
Cash and cash equivalents	5	440,729	405,887
Trade and other receivables	6	287,122	49,644
Other assets	7	84,046	98,420
Financial assets	8	15,528	15,643
TOTAL CURRENT ASSETS		<u>827,425</u>	<u>569,594</u>
NON-CURRENT ASSETS			
Property, plant & equipment	9	9,271	10,812
TOTAL NON-CURRENT ASSETS		<u>9,271</u>	<u>10,812</u>
TOTAL ASSETS		<u>836,696</u>	<u>580,406</u>
CURRENT LIABILITIES			
Trade and other payables	10	80,376	111,707
Income in advance	11	545,424	233,811
Short-term provisions	12	12,837	29,868
TOTAL CURRENT LIABILITIES		<u>638,637</u>	<u>375,386</u>
NON-CURRENT LIABILITIES			
Long-term provisions	12	8,441	3,819
TOTAL NON-CURRENT LIABILITIES		<u>8,441</u>	<u>3,819</u>
TOTAL LIABILITIES		<u>647,078</u>	<u>379,205</u>
NET ASSETS		<u>189,618</u>	<u>201,201</u>
MEMBERS' FUNDS			
Retained surplus	18	189,618	201,201
TOTAL MEMBERS' FUNDS		<u>189,618</u>	<u>201,201</u>

The accompanying notes form part of this financial statements.

HEALTH INFORMATICS SOCIETY OF AUSTRALIA LIMITED
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED
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	Note	Retained Earnings \$	Total \$
Balance at 1 May 2008	18	183,584	183,584
Surplus attributable to the entity		17,617	17,617
Other comprehensive income		-	-
Balance at 30 April 2009		201,201	201,201
Surplus attributable to the entity		(11,583)	(11,583)
Other comprehensive income		-	-
Balance at 30 April 2010		<u>189,618</u>	<u>189,618</u>

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED
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	Note	2010 \$	2009 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers & other sources		1,277,461	1,692,210
Other revenue		4,543	39,801
Payments to suppliers and employees		(1,257,419)	(1,705,590)
Interest received		<u>10,142</u>	<u>25,581</u>
Net Cash provided by operating activities	13	<u>34,727</u>	<u>52,002</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments		115	(290)
Payments for purchase of property and equipment		<u>-</u>	<u>(2,005)</u>
Net Cash provided by (used in) investing activities		<u>115</u>	<u>(2,295)</u>
Net increase (decrease) in cash held		34,842	49,707
Cash and cash equivalents at the beginning of the financial year		405,887	356,180
Cash and cash equivalents at the end of the financial year	5	<u><u>440,729</u></u>	<u><u>405,887</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
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Note 1: Statement of Significant Accounting Policies

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

Accounting Policies

a. Revenue

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers. Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument

b. Income Tax

The charge for current income tax expenses is based on profit for the year adjusted for non-assessable or disallowed items. It is calculated using tax rates that have been enacted by the balance sheet date.

The company is exempt from paying income tax by virtue of Division 50 of the Income Tax Assessment Act, 1997. Accordingly, tax effect accounting has not been adopted.

c. Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

d. Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of the acquisition of the asset or as part of an item of the expense. Receivable and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are described as operating cash flows.

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e. Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses. The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the company includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Fixed Asset	Depreciation Rate
Plant and equipment	25% – 100%
	25% – 100%

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
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f. Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Finance instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as: (i) the amount at which the financial asset or financial liability is measured at initial recognition; (ii) less principal repayments; (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and (iv) less any reduction for impairment.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

(i) *Financial assets at fair value through profit or loss*

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

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NOTES TO THE FINANCIAL STATEMENTS
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f. Financial Instruments (cont.)

Classification and subsequent measurement (cont.)

(iii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

(iv) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

(v) *Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Fair value

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

Impairment

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

g. Impairment of Assets

At each reporting date, the company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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h. Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. 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. Those cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

i. Comparative Figures

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

j. Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

Key judgements

(i) Impairment

The company assesses impairment at each reporting date by evaluation of conditions and events specific to the company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Key estimates

(ii) Employee Benefits

The employee benefits calculation is based upon the probability that staff will continue to be employed by the entity until such time as they are entitled to long service leave on a pro-rata basis. These probabilities are estimates based on past history of staff turnover.

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k. Adoption of New and Revised Accounting Standards

During the current year the company adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

The adoption of these standards has impacted the recognition, measurement and disclosure of certain transactions. The following is an explanation of the impact the adoption of these standards and interpretations has had on the financial statements of Health Informatics Society of Australia Limited.

AASB 101: Presentation of Financial Statements

In September 2007 the Australian Accounting Standards Board revised AASB 101 and as a result, there have been changes to the presentation and disclosure of certain information within the financial statements. Below is an overview of the key changes and the impact on the company's financial statements.

Disclosure impact

Terminology changes — The revised version of AASB 101 contains a number of terminology changes, including the amendment of the names of the primary financial statements.

Reporting changes in equity — The revised AASB 101 requires all changes in equity arising from transactions with owners, in their capacity as owners, to be presented separately from non-owner changes in equity. Owner changes in equity are to be presented in the statement of changes in equity, with non-owner changes in equity presented in the statement of comprehensive income. The previous version of AASB 101 required that owner changes in equity and other comprehensive income be presented in the statement of changes in equity.

Statement of comprehensive income — The revised AASB 101 requires all income and expenses to be presented in either one statement, the statement of comprehensive income, or two statements, a separate income statement and a statement of comprehensive income. The previous version of AASB 101 required only the presentation of a single income statement.

The entity has elected to present one statement.

Other comprehensive income — The revised version of AASB 101 introduces the concept of 'other comprehensive income' which comprises of income and expenses that are not recognised in profit or loss as required by other Australian Accounting Standards. Items of other comprehensive income are to be disclosed in the statement of comprehensive income. Entities are required to disclose the income tax relating to each component of other comprehensive income. The previous version of AASB 101 did not contain an equivalent concept.

Of the issued, not yet adopted standards, preliminary reviews indicate there will be no material impacts from their adoption.

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NOTES TO THE FINANCIAL STATEMENTS
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	2010 \$	2009 \$
Note 2: Revenue		
Operating revenue		
- memberships	68,861	47,920
- conference income	1,419,538	1,411,185
- other conference income	26,540	21,005
Total operating revenue	<u>1,514,939</u>	<u>1,480,110</u>
Other revenue		
- interest received	10,142	25,581
- other revenue	4,543	39,801
Total other revenue	<u>14,685</u>	<u>65,382</u>
Total operating revenue and other revenue	<u>1,529,624</u>	<u>1,545,492</u>
(a) Interest revenue from:		
- financial institutions	10,142	25,581
Total interest revenue	<u>10,142</u>	<u>25,581</u>
Note 3: Surplus Attributable to Members of the Company		
(a) Expenses		
Interest expense on financial liabilities not at fair value through profit and loss:		
- external	9,796	2,676
Depreciation		
- plant and equipment	1,541	7,700
Bad and doubtful debts	1,270	10,841
Rental expense on operating leases		
- minimum lease payments	18,192	18,075
Employee benefits expense		
- wages and salaries (including leave expense)	322,794	341,213
- superannuation expenses	28,941	32,450
- staff education	-	5,265
- workcover	13,880	10,940
	<u>365,615</u>	<u>389,868</u>
Consultancy Fees	66,169	73,705

HEALTH INFORMATICS SOCIETY OF AUSTRALIA LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
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	2010 \$	2009 \$
Note 3: Surplus Attributable to Members of the Company (cont.)		
(b) Significant Revenue and Expenses		
The following significant revenue and expense items are relevant in explaining the financial performance:		
- conference income	1,419,538	1,411,185
- conference expenditure	(804,964)	(767,516)
Note 4: Auditors' Remuneration		
Remuneration of the auditor for:		
- auditing or reviewing the financial statements	3,500	9,000
- preparation of financial statements	1,500	6,000
Note 5: Cash and cash equivalents		
CURRENT		
Cash at bank and on hand:		
HISA VIC Branch	404,243	368,927
HISA WA Branch Account	3,844	4,179
HISA NSW Branch Account	16,526	16,323
HISA QLD Branch Account	2,303	2,978
Nursing SIG	13,813	13,480
	<u>440,729</u>	<u>405,887</u>
Reconciliation of Cash		
Cash at the end of the financial year shown in the cash flow statement is reconciled to items in the balance sheet as follows:		
Cash and cash equivalents	<u>440,729</u>	<u>405,887</u>
	<u>440,729</u>	<u>405,887</u>
Note 6: Trade and other receivables		
CURRENT		
Accounts Receivable	295,984	58,994
Less: Provision for impairment	(8,862)	(9,350)
	<u>287,122</u>	<u>49,644</u>

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(i) Provision for Impairment of Receivables

Current trade receivables are generally on 30-day terms. These receivables are assessed for recoverability and a provision for impairment is recognised when there is objective evidence that an individual trade receivable is impaired. These amounts have been included in bad and doubtful debts expense.

Movement in the provision for impairment of receivables is as follows:

	\$
Provision for impairment as at 30 April 2008	-
— Charge for year	10,841
— Written off	1,491
Provision for impairment as at 30 April 2009	9,350
— Charge for year	1,270
— Written off	1,758
Provision for impairment as at 30 April 2010	8,862

2010	2009
\$	\$

Note 7: Other assets

CURRENT

Sundry Debtors	1,813	27,232
Prepaid expenses	47,512	6,210
Prepaid conference expenses	34,721	64,978
	<u>84,046</u>	<u>98,420</u>

Note 8: Financial assets

CURRENT

Held to maturity financial assets		
Term deposits	15,528	15,643
	<u>15,528</u>	<u>15,643</u>

Note 9: Property, plant & equipment

Leasehold Improvements - at cost	76,831	76,831
Less: Accumulated depreciation	(67,560)	(66,019)
	<u>9,271</u>	<u>10,812</u>
Total Property, plant & equipment	<u>9,271</u>	<u>10,812</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
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Note 9: Property, plant & equipment (cont.)

a. 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.

	Plant and equipment	Total
	\$	\$
Balance as at 1 May 2008	16,507	16,507
Additions	2,005	2,005
Depreciation expense	<u>(7,700)</u>	<u>(7,700)</u>
Balance at 30 April 2009	<u>10,812</u>	<u>10,812</u>
Additions	-	-
Depreciation expense	<u>(1,541)</u>	<u>(1,541)</u>
Carrying amount at 30 April 2010	<u><u>9,271</u></u>	<u><u>9,271</u></u>
	2010	2009
	\$	\$

Note 10: Trade and other payables

CURRENT - Unsecured Liabilities

Trade Creditors and accruals	43,945	29,357
PAYG Tax payable	5,468	4,972
GST Payable	27,372	49,270
FBT Payable	-	24,578
Superannuation payable	<u>3,591</u>	<u>3,530</u>
	<u><u>80,376</u></u>	<u><u>111,707</u></u>

Note 11: Income in Advance

CURRENT - Unsecured Liabilities

HIC unearned income	308,005	20,083
ITAC unearned income	188,385	190,215
Other unearned income	3,124	2,909
Unearned Membership income	<u>45,910</u>	<u>20,604</u>
	<u><u>545,424</u></u>	<u><u>233,811</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
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Note 12: Provisions

	Long-term Employee Benefits	Total
	\$	\$
Balance at 1 May 2009	33,687	33,687
Additional provisions raised during the year	4,622	4,622
Amounts used	(17,031)	(17,031)
Carrying amount at 30 April 2010	<u>21,278</u>	<u>21,278</u>
	2010	2009
	\$	\$
Analysis of total provisions		
Current	12,837	29,868
Non-Current	8,441	3,819
	<u>21,278</u>	<u>33,687</u>

Provision for Long-term Benefits

A provision has been recognised for employee benefits relating to long service leave for employees. In calculating the present value of future cashflows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits has been included in Note 1.

**Note 13: Reconciliation of Cash Flow from
Operations with Profit from Ordinary
Activities after Income Tax**

	2010	2009
	\$	\$
Surplus/deficit after tax	(11,583)	17,617
Cash flows excluded from operating surplus attributable to operating activities;		
Non-cash flows in surplus		
- Depreciation	1,541	7,700
Changes in assets and liabilities;		
- (Increase)/decrease in trade and other debtors	(223,104)	(96,646)
- Increase/(decrease) in trade and other payables	(31,331)	40,838
- Increase/(decrease) in provisions	(12,409)	11,428
- Increase/(decrease) in other liabilities	311,613	71,065
Net cash provided by Operating Activities	<u>34,727</u>	<u>52,002</u>

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NOTES TO THE FINANCIAL STATEMENTS
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Note 14: Events After the Balance Sheet Date

There have been no events subsequent to balance date that would require adjustments to, or disclosure in, the financial statements.

Note 15: Related Party Transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

	Note	2010 \$	2009 \$
Transactions with related parties:			
a. The following transactions were entered into with related entities controlled by a director:			
- Michael Legg and Associates	i	27,272	-
- Joan Edgecumbe	ii	16,013	-
(i) For assistance in the Development of a report on the health informatics workforce commissioned at short notice by the Australian Department of Health and Ageing. HISA income from this activity was \$55,400 (incl GST).			
(ii) For assistance with HIC 2008 interoperability showcase and HIC 2009 event management.			

Note 16: Financial Risk Management

The company's financial instruments consist mainly of deposits with banks, accounts receivable and payable.

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:

	2010 \$	2009 \$
Financial Assets		
Cash and cash equivalents	440,729	405,887
Loans and receivables	287,122	49,644
Term deposits	15,528	15,643
	<u>743,379</u>	<u>471,174</u>
Financial Liabilities		
Trade and other payables	80,376	111,707
	<u>80,376</u>	<u>111,707</u>

Financial Risk Management Policies

a. Risk management objectives and policies

The nature of the operations of the company do not result in substantial financial risk. The entity considers that limited risk means that there is no need to enter into risk management strategies involving derivative instruments. The company does not enter into or trade financial instruments for speculative purposes.

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NOTES TO THE FINANCIAL STATEMENTS
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Financial Risk Management Policies (cont.)

b. Financial liability and financial asset maturity analysis

The tables below reflect the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts may not reconcile to the balance sheet.

	Floating Interest Rate		Within 1 Year		Non-Interest Bearing		Total	Total
	2010	2009	2010	2009	2010	2009	2010	2009
Financial Assets - cash flows realisable								
Cash and cash equivalents	440,729	405,887	-	-	-	-	440,729	405,887
Term Deposits	-	-	15,528	15,643	-	-	15,528	15,643
Total Financial Assets	440,729	405,887	15,528	15,643	-	-	456,257	421,530
Financial Liabilities due for payment								
Trade and other payables	-	-	80,376	111,707	-	-	80,376	111,707
Total Financial Liabilities	-	-	80,376	111,707	-	-	80,376	111,707

Sensitivity Analysis

The following table illustrates sensitivities to the company's exposure to changes in interest rates. The table indicates the impact on how profit and equity values reported at balance date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

2010 - Interest Rate Risk		- 1%		+ 1%	
		Surplus	Equity	Surplus	Equity
Financial Assets:					
Cash and cash equivalents (interest bearing only)		(4,407)	(4,407)	4,407	4,407
Total Increase/(Decrease)		(4,407)	(4,407)	4,407	4,407
2009 - Interest Rate Risk		- 1%		+ 1%	
		Surplus	Equity	Surplus	Equity
Financial Assets:					
Cash and cash equivalents (interest bearing only)		(4,059)	(4,059)	4,059	4,059
Total Increase/(Decrease)		(4,059)	(4,059)	4,059	4,059

All other financial instruments are not subject to interest rate risk as mentioned above.

HEALTH INFORMATICS SOCIETY OF AUSTRALIA LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 APRIL 2010

Note 17: Segment Reporting

The company operates predominantly in one business and geographical segment, being the provision of both a national focus for health informatics and the learning and professional development of health informatics. The company's business also includes advocacy on behalf of its members.

Note 18: Accounting Policies, Changes in Accounting Estimates and Errors

During 2009 it was detected that GST had been claimed on transactions prior to 30 April 2008 where the company was not entitled to claim such credits. Business Activity Statements for the periods concerned have been amended and lodged with the Australian Taxation Office. The errors relate to the 2005, 2006, 2007 & 2008 financial years and affect the reported profit/loss for each period.

As it is impractical and costly to revise prior financial reports, and the errors relate to the comparative year, the balance sheet opening balances at May 1 2008 were restated in accordance with AASB 108 as follows;

GST liability was increased by \$32,092

Accumulated funds were reduced by \$32,092

	Actual 2008	Adjustment	Corrected Actual 2008
	\$	\$	\$
Balance Sheet			
GST Payable/(Refundable)	(669)	32,092	31,423
Profit (Loss)			
Conference expenses	2,325,634	32,092	2,357,726

The GST liability arising from this adjustment had been paid in full as at 30 April 2010.

Note 19: Company Details

The registered office and principal place of business of the entity is:

Health Informatics Society of Australia Limited

413 Lygon Street

Brunswick East, Victoria, Australia, 3057.

Note 20: Members Guarantee

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 \$50 each towards meeting any outstandings and obligations of the entity. At 30 April 2010 the number of members was.

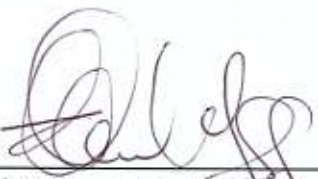
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DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 1 to 26 are in accordance with the Corporations Act 2001 and:
 - (a) comply with Australian Accounting Standards; and
 - (b) give a true and fair view of the financial position as at 30 April 2010 and of its performance for the year then ended on that date of the entity.
2. In the directors' opinion there are reasonable grounds to believe that the company 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 25-Aug-2010

Dated:



Director

Dated: 25/8/2010

HEALTH INFORMATICS SOCIETY OF AUSTRALIA LIMITED
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INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
HEALTH INFORMATICS SOCIETY OF AUSTRALIA LIMITED

We have audited the accompanying financial statements, being general purpose financial statements, of Health Informatics Society of Australia which comprises the statement of financial position as at 30 April 2010, and the statement of comprehensive income and statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes and the directors' declaration.

The Responsibility of the Directors for the Financial Statements

The director's 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 designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting financial statements that are free from material misstatement, whether due to fraud or error; selecting and 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 auditor's judgment, including the assessment of the risks and material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial 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 director's, 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 Health Informatics Society of Australia Ltd would be in the same terms if provided at the date of this auditor's report.

Auditor's Opinion

In our opinion the financial statements present fairly, in all material respects, the financial position of Health Informatics Society of Australia Ltd as of 30 April 2010, and its financial performance and cash flows for the year then ended in accordance with the Corporations Act 2001 and the Australian Accounting Standards (including Australian Accounting Interpretations).

Sean Denham

Dated: 18 August 2010

Sean Denham & Associates - CPA's

Suite 6, 707 Mt Alexander Road

Moonee Ponds VIC 3039