

HEALTH INFORMATICS SOCIETY OF AUSTRALIA LTD
ABN: 80 097 598 742
DIRECTORS' REPORT

Your directors present their report on the company for the financial year ended 30 April 2007.

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

John Bennett (retired August 2006)	Marie Cameron - NSW
Robyn Cook (retired August 2006)	Peter Croll (appointed August 2006)
Evelyn Hovenga	Stuart Hope - WA
Jon Hilton (appointed January 2007)	Michael Hurse - Qld
Michael Legg	George Margelis
Phil Robinson (resigned January 2007)	Paul Willma
Marcus Wise	

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

A small loss was recorded for the company for the financial year amounting to \$2,146.

This result reflected the Boards strategy to run a break-even budget for 2006-2007, recognising the need to build the infrastructure for the delivery of Medinfo and its associated conferences ; The First World Congress of Pathology Informatics (WCPI07), Nursing Leadership and ITHC. The balance sheet however shows that cash held has increased by \$284,780 reflecting the activities related to these conferences but not taken up in the current financial year profit and loss statement because of accounting policies. The revenue and many of the associated costs for these conferences will be shown in next year's profit and loss statement (2007-2008 financial year).

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:

- Provide a national focus for health informatics, its practioners, industry and users
- Advocate on behalf of its members, and
- Provide opportunities for learning and professional development in health informatics

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

No matters or 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.

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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.

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

Directors' Qualifications

Michael Legg: Chairman

Qualifications

BSc(Hons) MCom(BIS) PhD FAICD FAIM FACHI MACS

Experience

15 years at CEO level small, medium and large health organisations
6 years as an expert consultant in Information and organisational systems
Company Director since 1989

Special responsibilities

HISA Chairman, leader of the Pathology Informatics Special Interest Group,
HISA Chairman of the first World Congress of Pathology Informatics.

Other Directorships held

Clinical Decisions Group

Evelyn Hovenga: Vice-Chairman

Qualifications

RN, Dip.App.Sc., B.App.Sc., M.H.A PhD, FACHI, FCHSE, FRCNA, FACS

Experience

Extensive clinical nursing experience, transitioning into nursing management. Senior health management positions with the Victorian State Government. A 15 year distinguished academic career in Health Informatics at the Central Queensland University.

Special responsibilities

Chairman of the Medinfo 2007 Organising Committee managing the 12th World Congress on medical Informatics hosted by HISA.

Other Directorships held

None

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Robyn Cook: Treasurer

Qualifications

RN, Bbus, MBA, AFACHSE, Intensive Care Nursing Certificate, Neuroscience Nursing Certificate, Justice of the Peace

Experience

27 years health experience including clinical and management. 16 years informatics experience with last 6 years in senior management roles.

Special responsibilities

Treasurer and Company Secretary, Chair HISA NSW Branch

Other Directorships held

None

Marie Cameron: Treasurer / NSW

Qualifications:

BA (Psychology), MSc Health Policy & Management RN, RM, FPC

Experience

15 years Senior Mgt/ CEO Disability Services organisations

16 years Senior Mgt/ Information Systems Support (including introduction/ management/ analysis of multiple informatics projects) primarily Rehabilitation related

Special responsibilities

HISA NSW branch representative, Secretary HISA NSW

Other Directorships held

None

Marcus Wise: Board Secretary

Qualifications

Registered Nurse, Diploma in Nursing Education, Bachelor of Arts (Humanities), Graduate Diploma of Computing, Fellow of the College of Nursing Australia, Justice of the Peace

Experience

Member of HISA for 14 years. Board member 6 years

Special responsibilities

HISA Board secretary

Other Directorships held

Nil

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John Bennett (retired)

Qualifications

BMedSc MBBS BA Hons (Comp Sci) PhD FRACGP FACHI

Experience

Over 20 years as a general practitioner and in health informatics, acting as a consultant to state and federal governments, as well for the NHS in the UK. Also held an academic post in medical informatics.

Special responsibilities

Medinfo 2007 tutorial chair.

Other Directorships held

None

Stuart Hope

Qualifications

BSc(Hons) MSc MIEEE, MACM, Comp IEAUST

Experience

Three decades of experience in the Information, Communication and Technology (ICT) industry. He has equally served large corporations, government and start-up companies developing and managing both large and small scale software systems. Stuart is Managing Director of AutumnCare Systems, a software company specialising in leading edge enterprise scale clinical solutions for the aged care sector.

Special responsibilities

Representative of the WA Branch of HISA

Other Directorships held

Spiral Technology Pty Ltd; Sanctuary Systems Pty Ltd; Sockpuppet Pty Ltd; Unleashed Technology (Aust) Ltd

Michael Hurse

Qualifications

Assoc. Dip Wilderness and Wildlife

Experience

20 plus years in IT ranging from help desk, network engineer, software development, IT support management, IT consultancy and eBusiness Development / Commercialisation

Special responsibilities

QLD Branch Representative

Other Directorships

Director, Client Services - EpiSoft Pty Ltd

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George Margelis

Qualifications

MBBS M.Optom GCEBUS

Experience

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

Special responsibilities

None

Other Directorships held

Company Director Sarwax Pty Ltd

Phil Robinson (resigned)

Qualifications

B. Pharm, Grad Dip Computer Science, MACS

Experience

Over 20 years in health informatics including 10 years as the senior IT professional in two of Victoria's largest teaching hospitals. Previous Board roles include St Georges Hospital & Inner East Geriatric Service, and Councillor for the City of Collingwood. 10 years in hospital pharmacy.

Special responsibilities

None

Other Directorships held

Board Member (North Yarra Community Health)

Paul Wilma

Qualifications

MBA, B.E. (Electrical Engineering), B.A. (Psychology)

Experience

17 years in technical and managerial positions in the IT industry. The last 9 years have been leading marketing, sales and operational divisions of major international software developers in the healthcare industry. These companies include Cerner Corp, Microsoft and Johnston & Johnston.

Special responsibilities

None

Other Directorships held

Range of advisory board memberships and Cerner corporate level Directorship

HEALTH INFORMATICS SOCIETY OF AUSTRALIA LTD
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Jon Hilton

Qualifications

Certificate, Software Project Management

Experience

Over 20 years in health informatics including 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, Project Net Pty Ltd., Board Member (Uniting Care Community Options, Victoria)

Peter Croll

Qualifications

BSc (Hons), PhD, FACS, FBCS CITP, Ceng

Experience

30 years in Software Engineering of critical ICT systems in both industry and academia with the past 7 years focussing on Health Informatics research. University professor 8 years to include responsibilities as a director of research institute (TITR), a research centres (CITI) and as Head of School (SITACS)

Special responsibilities

Chair of HISA's special interest group: Health Informatics Privacy and Security (HIPS)

Other Directorships held

None

HEALTH INFORMATICS SOCIETY OF AUSTRALIA LTD
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DIRECTORS' REPORT

Attendance at Board Meetings

<i>Board Executive</i>		Possible Meetings	Attended	Apology
Michael Legg	Chair	7	7	0
Evelyn Hovenga	Deputy Chair	7	6	1
Marcus Wise	Secretary	7	7	0
Robyn Cook****^	Treasurer	3	3	0
Marie Cameron^^	Treasurer/NSW	7	7	0
Board Members				
Phil Robinson*	VIC	4	4	0
Michael Hurse	QLD	7	5	2
Stuart Hope	W.A.	7	4	3
Jon Hilton^	VIC	2	2	0
George Margelis		7	6	1
Paul Wilma		7	6	1
John Bennett***		3	3	0
Peter Croll**		5	3	2
Co-opted Members				
Phil Robinson*		1	1	0

* Phil Robinson - co-opted member to June 2006 and thereafter nominated as Victorian State Representative
Resigned January

** Peter Croll elected August 2006

*** Robyn Cook and John Bennett retired August 2006

^ Jin Hilton nominated by Vic branch as replacement for Phil Robinson from January 2007

^^ Robyn Cook treasurer to August 2006, Marie Cameron thereafter

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

Director

Michael Legg

Director

Marie Cameron

Dated this

day of

2007

HEALTH INFORMATICS SOCIETY OF AUSTRALIA LTD
ABN: 80 097 598 742
AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF
THE CORPORATIONS ACT 2001

I declare that, to the best of my knowledge and belief, during the year ended 30 April 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.

Name of Firm _____
Bell Duke & Co.

Name of Partner _____
T. G. Rees

Date _____

Address _____
Level 7
_____ 468 St. Kilda Road
_____ Melbourne VIC 3004

HEALTH INFORMATICS SOCIETY OF AUSTRALIA LTD
ABN: 80 097 598 742
INCOME STATEMENT
FOR THE YEAR ENDED 30 APRIL 2007

	Note	2007 \$	2006 \$
Revenue	2	1,146,514	1,126,662
Annual HIC Conference Expenditure		(574,995)	(531,585)
Salaries and Wages		(402,464)	(100,776)
Other Conference Expenditure		(37,824)	(27,606)
Depreciation and amortisation expenses		(8,175)	(9,565)
Other expenses		(125,202)	(290,966)
Profit / (Loss) attributable to members of the entity		<u>(2,146)</u>	<u>166,164</u>

The accompanying notes form part of these financial statements.

HEALTH INFORMATICS SOCIETY OF AUSTRALIA LTD**ABN: 80 097 598 742****BALANCE SHEET****AS AT 30 APRIL 2007**

	Note	2007	2006
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	635,435	350,655
Trade and other receivables	6	12,125	7,722
Other current assets	7	502,050	162,445
TOTAL CURRENT ASSETS		1,149,610	520,822
NON-CURRENT ASSETS			
Property, plant and equipment	8	30,142	35,088
TOTAL NON-CURRENT ASSETS		30,142	35,088
TOTAL ASSETS		1,179,752	555,910
CURRENT LIABILITIES			
Trade and other payables	9	938,523	329,544
Short-term provisions	10	41,134	27,366
TOTAL CURRENT LIABILITIES		979,657	356,910
NON-CURRENT LIABILITIES			
Long-term provisions	10	3,241	-
TOTAL NON-CURRENT LIABILITIES		3,241	-
TOTAL LIABILITIES		982,898	356,910
NET ASSETS		196,854	199,000
EQUITY			
Retained earnings		196,854	199,000
TOTAL EQUITY		196,854	199,000

The accompanying notes form part of these financial statements.

HEALTH INFORMATICS SOCIETY OF AUSTRALIA LTD
ABN: 80 097 598 742
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2007

	Retained Earnings (Accumulated Losses)	Total
	\$	\$
Balance at 1 May 2005	32,836	32,836
Surplus / (Loss) attributable to members	166,164	166,164
Balance at 30 April 2006	199,000	199,000
Profit attributable to equity shareholders	(2,146)	(2,146)
Balance at 30 April 2007	196,854	196,854

The accompanying notes form part of these financial statements.

HEALTH INFORMATICS SOCIETY OF AUSTRALIA LTD
ABN: 80 097 598 742
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 APRIL 2007

	Note	2007 \$	2006 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		899,862	1,294,613
Payments to suppliers and employees		(613,354)	(1,042,557)
Interest received		7,442	5,853
Net cash provided by (used in) operating activities	11	<u>293,950</u>	<u>257,909</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		<u>(9,170)</u>	<u>(20,027)</u>
Net cash provided by (used in) investing activities		<u>(9,170)</u>	<u>(20,027)</u>
Net (decrease) increase in cash held		284,780	237,882
Cash at beginning of financial year		350,655	112,773
Cash at end of financial year	5	<u><u>635,435</u></u>	<u><u>350,655</u></u>

The accompanying notes form part of these financial statements.

HEALTH INFORMATICS SOCIETY OF AUSTRALIA LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2007

Note 1 Statement of Significant Accounting Policies

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report covers Health Informatics Society of Australia Ltd as an individual company. Health Informatics Society of Australia Ltd is a company limited by guarantee, incorporated and domiciled in Australia.

The financial report of Health Informatics Society of Australia Ltd as an individual company and complies with all equivalents to International Financial Reporting Standards (IFRS) in their entirety.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Basis of Preparation

The accounting policies set out below have been consistently applied to all years presented.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets financial liabilities for which the fair value basis of accounting has been applied.

Accounting Policies

(a) Income Tax

Health Informatics Society of Australia Ltd is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

(b) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

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 as the depreciated replacement cost of the asset.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives 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	20% - 33%

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.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(c) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

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 stated at amortised cost using the effective interest rate method.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Impairment

At each reporting date, the company assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the income statement.

(d) 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.

HEALTH INFORMATICS SOCIETY OF AUSTRALIA LTD

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2007**

(e) 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, plus related oncosts. 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.

(f) Cash and Cash Equivalents

Cash and cash equivalents include 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. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

(g) Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

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

(h) Goods and Services Tax (GST)

Revenues, 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 acquisition of the asset or as part of an item of the expense. Receivables 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 disclosed as operating cash flows.

(i) Comparative Figures

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

Critical accounting estimates and judgments

The directors evaluate estimates and judgments incorporated into the financial report 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 estimates — Impairment

The company assesses impairment at each reporting date by evaluating conditions specific to the company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Key judgments — 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 entitled to long service leave on a pro-rata basis. These probabilities are estimates based on past history of staff turnover.

Note 2 Revenue

	Note	2007 \$	2006 \$
Sales revenue			
— Membership		45,085	26,348
— Annual HIC Conference Income		866,774	841,631
— Other Conferene Income		181,863	183,565
Total sales revenue		1,093,721	1,051,544
Other revenue			
— interest received	2(b)	7,442	5,853
— other revenues		45,351	69,265
Total other revenue		52,793	75,118
Total sales revenue and other revenue		1,146,514	1,126,662
(b) Interest revenue from:			
— other persons		7,442	5,853
Total interest revenue		7,442	5,853

Note 3 Key Management Personnel Compensation

Key Management Personal

John Bennett (retired August 2006)	Marie Cameron - NSW
Robyn Cook (retired August 2006)	Peter Croll (appointed August 2006)
Evelyn Hovenga	Stuart Hope - WA
Jon Hilton (appointed January 2007)	Michael Hurse - Qld
Michael Legg	George Margelis
Phil Robinson (resigned January 2007)	Paul Willma
Marcus Wise	

The only Key Management Personnel who receives compensation is the General Manager which is not disclosed for privacy reasons.

HEALTH INFORMATICS SOCIETY OF AUSTRALIA LTD
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NOTES TO THE FINANCIAL STATEMENTS
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Note 4 Auditors' Remuneration		
	2007 \$	2006 \$
Remuneration of the auditor for:		
— auditing or reviewing the financial report	8,000	6,500

Note 5 Cash and Cash Equivalents		
	2007 \$	2006 \$
	Note	
HISA Commonwealth Bank Cheque	83,712	159,109
HISA Medinfo 2007 Account	505,487	144,105
HISA WA Branch Account	8,454	8,244
HISA NSW Branch Account	20,876	30,886
Petty Cash	392	200
HISA QLD Branch Account	4,466	8,111
HISA VIC	48	-
Nursing SIG	11,229	-
Payroll Cheque Account	772	-
	<u>635,435</u>	<u>350,655</u>
Reconciliation of cash		
Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:		
Cash and cash equivalents	<u>635,435</u>	<u>350,655</u>
	<u>635,435</u>	<u>350,655</u>

Note 6 Trade and Other Receivables		
	2007 \$	2006 \$
	Note	
CURRENT		
Trade receivables	12,125	7,722
	<u>12,125</u>	<u>7,722</u>

Note 7 Other Assets		
	2007 \$	2006 \$
CURRENT		
HIC Prepaid Expenses	-	50,832
NACIC Prepaid Expenses	-	21,401
Medinfo 2007 Prepaid Expenses	452,696	90,212
Prepaid Conference Expenses	49,354	-
	<u>502,050</u>	<u>162,445</u>

HEALTH INFORMATICS SOCIETY OF AUSTRALIA LTD
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Note 8 Property, Plant and Equipment

	2007 \$	2006 \$
PLANT AND EQUIPMENT		
Plant and equipment:		
At cost	74,826	65,657
Accumulated depreciation	(44,684)	(30,569)
	<u>30,142</u>	<u>35,088</u>
Total Plant and Equipment	<u>30,142</u>	<u>35,088</u>

(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 at 1 May 2005	24,626	24,626
Additions	20,027	20,027
Disposals	-	-
Depreciation expense	(9,565)	(9,565)
Balance at 30 April 2006	<u>35,088</u>	<u>35,088</u>
Additions	9,170	9,170
Disposals	-	-
Depreciation expense	(14,116)	(14,116)
Carrying amount at 30 April 2007	<u>30,142</u>	<u>30,142</u>

Note 9 Trade and Other Payables

	2007 \$	2006 \$
CURRENT		
Amounts payable to:		
— HISA Payables	18,769	14,579
— Medinfo Unearned Income	796,260	182,658
— GST Payable	58,419	(267)
— PAYG Payable	9,515	2,631
— Superannuation Payable	4,049	1,037
— FBT Payable	7,617	-
— HIC Unearned Income	-	96,243
— NACIC Unearned Income	27,471	26,247
— Accrued Expenses	13,091	6,416
— Don Walker Awards Prepaid	3,331	-
	<u>938,523</u>	<u>329,544</u>

Note 10 Provisions

	2007 \$	2006 \$
CURRENT		
Short-term Employee Benefits		
Provision for Annual Leave	20,416	10,943
Provision for Long Service Leave	20,718	16,423
Balance at end of the year	<u>41,134</u>	<u>27,366</u>
NON-CURRENT		
Long-term Employee Benefits		
Provision for Long Service Leave	3,241	-
Balance at end of the year	<u>3,241</u>	<u>-</u>

Provision for Long-term Benefits

A provision has been recognised for employee entitlements relating to annual and long service leave for employees. In calculating the present value of future cash flows 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.

HEALTH INFORMATICS SOCIETY OF AUSTRALIA LTD

ABN: 80 097 598 742

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2007

Note 11 Cash Flow Information

	2007	2006
	\$	\$
(a) Reconciliation of Cash Flow from Operations with Profit		
Profit (Loss) attributable to members	(2,146)	166,164
Non-cash flows in profit		
Depreciation	14,116	9,565
Changes in assets and liabilities		
(Increase)/decrease in trade and term debtors	(4,403)	47,414
(Increase)/decrease in prepayments	113,091	(126,658)
(Increase)/decrease in other assets	(452,698)	
Increase/(decrease) in trade and other payables	608,981	152,334
Increase/(decrease) in provisions	17,009	9,090
	<u>293,950</u>	<u>257,909</u>

Note 12 Financial Instruments

(a) Financial Risk Management

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

(b) Interest Rate Risk

The company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities, is as follows:

	Weighted Average Effective Interest Rate		Floating Interest Rate		Within Year		Fixed Interest Rate Maturing 1 to 5 years	
	2007	2006	2007	2006	2007	2006	2007	2006
	%	%	\$	\$	\$	\$	\$	\$
Financial Assets:								
Cash	3.07	1.95	620,355	335,575	-	-	-	-
Term Deposits	5.73	4.10	-	-	-	-	15,080	15,080
Total Financial Assets			<u>620,355</u>	<u>335,575</u>	<u>-</u>	<u>-</u>	<u>15,080</u>	<u>15,080</u>

Note 13 Company Details

The registered office of the company is:

Health Informatics Society of Australia Ltd
413 Lygon Street
Brunswick East, Victoria
Australia, 3057

The principle place of business is:

Health Informatics Society of Australia Ltd
413 Lygon Street
Brunswick East, Victoria
Australia, 3057

HEALTH INFORMATICS SOCIETY OF AUSTRALIA LTD
ABN: 80 097 598 742
DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 9 to 17 are in accordance with the Corporations Act 2001:
 - (a) comply with Accounting Standards and the *Corporations Regulations 2001*; and
 - (b) give a true and fair view of the financial position as at 30 April 2007 and of the performance for the year ended on that date of the company.
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

Michael Legg

Dated this

day of

2007

Director

Marie Cameron

Dated this

day of

2007

HEALTH INFORMATICS SOCIETY OF AUSTRALIA LTD
ABN: 80 097 598 742
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
HEALTH INFORMATICS SOCIETY OF AUSTRALIA LTD

Report on the financial report

We have audited the accompanying financial report, being a general purpose financial report, of Health Informatics Society of Australia Ltd, which comprises the balance sheet as at 30 April 2007, and the income statement, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are appropriate to meet the requirements of the *Corporations Act 2001* and are appropriate to meet the needs of the members. The directors' responsibility also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report 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 report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. 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 report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, 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 report 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 directors, as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution to members for the purpose of fulfilling the directors' financial reporting under the *Corporations Act 2001*. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

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 Health Informatics Society of Australia Ltd on [insert date], 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 financial report of Health Informatics Society of Australia Ltd is in accordance with the *Corporations Act 2001*, including:

- a. giving a true and fair view of the company's financial position as at 30 April 2007 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1; and
- b. complying with Australian Accounting Standards to the extent described in Note 1 and complying with the *Corporations Regulations 2001*.

Name of Firm:

Bell Duke & Co.

Name of Partner:

T. G. Rees

Address:

Level 7 468 St. Kilda Road, Melbourne, VIC 3004

Dated this

_____ day of

2007