

**HEALTH INFORMATICS SOCIETY OF AUSTRALIA LIMITED**  
**ABN 80 097 598 742**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**  
**30 APRIL 2013**

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**30 APRIL 2013**

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**DIRECTORS' REPORT**

Your directors present this report on the Health Informatics Society of Australia for the year ended 30 April 2013.

The names of each person who has been a director during the year and to the date of this report are:

Katerina Andronis (Chair)	Lis Herbert
Jon Hilton (Vice-Chair)	Tam Shepherd
David Hansen (Secretary)	John Wilson (resigned August 2012)
Philip Robinson (Treasurer)	Peter Croll (resigned August 2012)
Fernando Martin-Sanchez	David Rowlands
Jen Bichel-Findlay	Michael Gill (appointed August 2012)
Denis Tebbutt (appointed August 2012)	Nick Buckmaster (appointed August 2012)

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

**Principal Activities**

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.

**Short-term and Long-term Objectives**

<b>HISA's overarching objective is to:</b>	
<b>Ensure ongoing improvements in Australian healthcare are achieved through the use of information and technology.</b>	
<b>Contributions</b>	<b>Strategies</b>
HISA's contributions to this overarching objective are to:	To achieve its stated overarching objectives and contributions, the company has adopted the following strategies:
1. Create and foster communities of interest via which the contributions of health information and technologies to healthcare improvement are advocated, designed and where possible facilitated	Implementation of a comprehensive stakeholder engagement strategy; develop effective working relationships with targeted critical stakeholders, interviews with stakeholders, reinvigoration of State Branches & Sigs, increase the diversity of membership, submissions to Government; White Papers; generation of media interest.
2. Deliver learning and development programs that motivate and enable healthcare stakeholders to improve healthcare through the use of information and technology	Provide a valued HISA program of learning and development events and programs with a consistent focus on healthcare improvement through I&T
3. Certify Australian health informatics professionals, embracing a results orientation	Develop and implement a Certification Program; allocate CPD points to all HISA events
4. Monitor, promote and undertake and/or catalyse research on the use of information and technology to improve healthcare	Improve access to existing research by establishing an online repository available to members only, with depth of analysis
5. Recognise that HIT is a critical enabler for the health sector, HISA monitors the state of health informatics in Australia	Develop measurement strategy, collect and report on data with high depth of analysis

**DIRECTORS' REPORT**

**Performance Measures**

HISA measures its performance through the use of both quantitative and qualitative benchmarks. The benchmarks are used by directors to assess the financial sustainability of the organisation and whether the organisations objectives and contributions are being achieved.

**INFORMATION ON DIRECTORS**

**HISA Chair - Katerina Andronis**

**Qualifications**

- Structured Problem Solving
- Consulting Excellence
- Project Management
- Process Mapping – Systems Thinking Methodology
- Lean Six Sigma Yellow Belt
- Member of Australian Computer Society MACS (Snr) CP

**Experience**

- Senior Health IT and Change Management, Health CIO.
- Experience extends across IT, Patient and Clinical Management, Research and developing road maps for innovative organisational change.
- Katerina is currently working as a Director, Consulting, Deloitte in Melbourne
- Over 30 years' experience in Health Informatics in the Private and Public sector across Australia

**Special Responsibilities**

- Chair, Health Informatics Society of Australia (Current)
- Committee member of HISA Victorian branch (Current)
- Committee member HIC 2013 Organising Committee

**Other Directorships held**

- Member, Board Melbourne Fringe Festival (Current)

**HISA Vice Chair - Jon Hilton**

**Qualifications**

- Certificate, Software Project Management

**Experience**

- 26 years in health informatics .
- 16 years information technology consulting to a broad range of private and public healthcare organisations.

**Special Responsibilities**

- Board Member Health Informatics Society of Australia (Current)
- HISA Victorian Branch Committee

**Other Directorships held**

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

## DIRECTORS' REPORT

### INFORMATION ON DIRECTORS (cont.)

#### **HISA Secretary - David Hansen**

##### **Qualifications**

- B. Sc (Hons) – University of Queensland
- PhD – Australian National University
- MBA – University of Queensland

##### **Experience**

- David Hansen is CEO of the Australian E-Health Research Centre, a joint venture between CSIRO and the Queensland Government
- David leads a research portfolio developing information and communication technologies for the healthcare system
- David led the research and development for the genomic data and tool integration software SRS at LION bioscience Ltd in the UK between 1998 and 2004

##### **Special Responsibilities within HISA**

- Member HIC 2013 Strategic Advisory Committee
- Board Member Health Informatics Society of Australia (Current)
- Treasurer, HISA Qld

#### **HISA Treasurer - Philip Robinson**

##### **Qualifications**

- B. Pharm, Grad. Dip. Computer Science, MACS (Snr), CP.
- Certificate in Project Management (Prince2)

##### **Experience**

- An experienced CIO and executive level consultant, Philip is a specialist in the evaluation and implementation of health information systems. He has over 25 years' experience in Health Information Technology including 12 years as a Chief Information Officer or Director of Information Technology in major public hospitals.
- Philip is a former Local Government Councillor, Hospital Board Member and VHA Council Member.

##### **Special Responsibilities**

- Treasurer & Board Member Health Informatics Society of Australia (Current)
- HISA Victorian Branch Committee

##### **Other Directorships held**

- Director (North Yarra Community Health Inc.)

#### **Peter Croll (Resigned August 2012)**

##### **Qualifications**

- B.Sc (Hons), PhD, FACS, FBICS, CITP, CENG

##### **Experience**

- Over 30 years in Software Engineering of critical ICT systems in both industry and academia with the past 10 years focusing on Health Informatics research and development.
- University IT Professor for 10 years including responsibilities as director of a 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
- Chair Organisation Committee HIC'09, Canberra
- Member Organisation Committee, HIC'10, Melbourne

DIRECTORS' REPORT

INFORMATION ON DIRECTORS (cont.)

**Fernando Martin-Sanchez**

**Qualifications**

- B.Sc (Biochemistry and Molecular Biology), M.Sc. (Knowledge Engineering), PhD (Informatics), PhD (Medicine)

**Experience**

- CIO of the 'Carlos III' Health Institute of Spain and in 1998 became the Founding Director of the Medical Bioinformatics Research Unit.
- Vice-President of IMIA (International Medical Informatics Association) from 2007 to 2012.
- Professor and Chair of Health Informatics at the Melbourne Medical School (Since Feb 2011)
- Head of the IBES Health and Biomedical Informatics Research Laboratory (2011-2013) University of Melbourne
- Director, Health and Biomedical Informatics Centre (HABIC). The University of Melbourne. Since May 2013.
- Fernando is co-author of more than 100 peer-reviewed publications and his research has been funded by some 30 grants from the European Commission and the Spanish Ministries of Health, Science and Defence and the Australian NHMRC, IBES and DOHA.

**Special Responsibilities**

- Board Member Health Informatics Society of Australia (Current)
- Co-Chair HIC 2012 Scientific Program Committee
- Co-Chair HIC 2013 Personalised Medicine Workshop
- Chair SPC BIG DATA 2013

**David Rowlands**

**Qualifications**

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

**Experience**

- Principal of Direkt Consulting Pty Ltd, a management consultancy specialising 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**

- Board Member Health Informatics Society of Australia (Current)

**Other Directorships Held**

- Director, Direkt Consulting Pty Ltd
- Director, Direkt Consulting Limited (Hong Kong)
- Director, Direkt Consulting Pte Ltd (Singapore)
- Director, USDA Pty Ltd
- Director, USDA Investments Pty Ltd

**Jen Bichel-Findlay**

**Qualifications**

- HScD MPH MN GDipN DipAppSc BAppSc RN FACHI FRCNA AFCHSM

**Experience**

- Jen has more than 35 years' experience in in the health service industry and has been working in the health informatics field for the last 13 years.

**Special Responsibilities**

- Board Member Health Informatics Society of Australia (Current)
- Chair HISA NSW 2011/2012

**DIRECTORS' REPORT**

**INFORMATION ON DIRECTORS (cont.)**

**Lis Herbert**

**Education and Training**

**Experience**

- Lis is currently working with the Gold Coast Medicare Local implementing eHealth into primary care. She has over 30 years experience within Queensland Health, as both a clinical nurse in ICU/CCU and the OT, and in the informatics arena. Her experience as a nurse informatician includes project management, business analysis, district and state wide system implementations engagement and principally change management

**Special Responsibilities**

- Board Member Health Informatics Society of Australia (Current)
- Chair of Nursing Informatics Australia (HISA SIG)

**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 and is currently the CEO of the Greater Metro South Brisbane Medicare Local. In addition Tam has over the past 15 years' experience including key roles in transformation projects in the welfare, taxation and healthcare sectors.
- Queensland Health Executive Director in charge of Clinical and Business Solutions.
- 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**

- Board Member Health Informatics Society of Australia (Current)
- Chair Indigenous Informatics Conference

**Other Directorships Held**

- Managing Director B3 Consultants

**Michael Gill (Appointed August 2012)**

**Qualifications**

- BA (double major in Sociology and Statistics), ANU

**Experience**

- Michael brings over 30 years of experience as a senior management consultant
- 13 years with Cisco Systems and 12 years as CEO of Michael Gill and Associates Pty td

**Special Responsibilities**

- Board Member Health Informatics Society of Australia (Current)
- Member HIC 2013 Strategic Advisory Committee
- Commercial Development of HISA

**Other Directorships held**

- Director of Michael Gill and Associates Pty Ltd; and IH- Integrated Health Pty Ltd

DIRECTORS' REPORT

**INFORMATION ON DIRECTORS (cont.)**

**Denis Tebbutt (Appointed August 2012)**

**Qualifications**

- Mathematics & Engineering at Sir William Collins
- Corporate General Management Training Program with Granada
- Corporate executive training through Prime Computers with Cambridge Executive Development Center and action learning MBA based program Through SCICON/BP

**Experience**

- Denis entered the Computer Industry in 1972
- Denis is currently the Managing Director at Dudley Mann International
- Managing Director ANZ at iSOFT
- Managing Director at InterSystems
- Chief Operating Officer at Financial Network Services
- Managing Director at Policy Management Services Corporation

**Special Responsibilities**

- Board Member Health Informatics Society of Australia (Current)
- Member HIC 2013 Strategic Advisory Committee
- Chair of Telehealth 2014

**Nick Buckmaster (Appointed August 2012)**

**Qualifications**

- Dual trained General Physician and Respiratory Physician
- MBBS FRACP
- Associate Professor Bond University

**Experience**

- Experienced General and respiratory physician
- eHealth advisor to Qld health ieMR program
- previous chair of state-wide General Medicine Clinical network
- Previous chair of AMA Queensland State Council
- President Australian Salaried Medical Officers Federation Queensland
- Executive Member of Adult medicine Divisional Council, Royal Australasian College of Physicians
- Member of Medical Training Review Tribunal and Chair of Data subcommittee

**Special Responsibilities**

- Board Member Health Informatics Society of Australia (Current)

**John Wilson (Resigned August 2012)**

**Qualifications**

- BSc (Hons), MBBS, PhD, FRACP, FCC

**Experience**

- Head of the Cystic Fibrosis Service, Alfred Hospital Melbourne.
- PhD in the role of inflammation in asthma

**Special Responsibilities**

- Member Digital Hospital Design SIG



**DIRECTORS' REPORT**

**Attendance at Board Meetings**

<b>Board Member Name</b>	<b>Number eligible to attend</b>	<b>Number attended</b>
Katerina Andronis (Chair)	11	10
Jon Hilton (Vice Chair)	11	7
Phil Robinson (Treasurer)	11	11
David Hansen (Secretary)	11	10
David Rowlands	11	7
Peter Croll (resigned August 2012)	3	-
Tam Shepherd	11	7
John Wilson (resigned August 2012)	3	-
Lis Herbert	11	10
Jen Bichel Findlay	11	9
Fernando Martin-Sanchez	11	8
Michael Gill (appointed August 2012)	7	3
Denis Tebbutt (appointed August 2012)	7	6
Nick Buckmaster (appointed August 2012)	7	3

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 ordinary member is required to contribute a maximum of \$50 each towards meeting any outstandings and obligations of the entity. At 30 April 2013 the total amount that members of the company are liable to contribute if the company is wound up is \$28,050 (2012: \$23,900).

**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:

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Director

Dated:

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Director

Dated:

**HEALTH INFORMATICS SOCIETY OF AUSTRALIA LIMITED**  
**ABN 80 097 598 742**

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION  
307C OF THE CORPORATION ACT 2001 TO THE DIRECTORS OF  
HEALTH INFORMATICS SOCIETY OF AUSTRALIA LIMITED**

I declare that to the best of my knowledge and belief, during the year ended 30 April 2013 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:  
Sean Denham & Associates  
Suite 1, 707 Mt Alexander Road  
Moonee Ponds VIC 3039

**HEALTH INFORMATICS SOCIETY OF AUSTRALIA LIMITED**  
**ABN 80 097 598 742**

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED**  
**30 APRIL 2013**

	Note	2013 \$	2012 \$
Revenue	2	<u>1,917,098</u>	<u>2,049,306</u>
Total Revenue		<u>1,917,098</u>	<u>2,049,306</u>
Annual conference expenditure	3	(866,154)	(954,434)
Employee benefits expense	3	(719,293)	(652,023)
Bad and doubtful debts		200	(4,323)
Consultancy fees		(28,329)	(106,052)
Depreciation and amortisation expenses		(38,119)	(32,099)
Interest expense		-	(358)
Other expenses		<u>(220,843)</u>	<u>(207,198)</u>
		<u>(1,872,538)</u>	<u>(1,956,487)</u>
Surplus (loss) before income tax		44,560	92,819
Income tax expense		<u>-</u>	<u>-</u>
Surplus (loss) for the year		<u>44,560</u>	<u>92,819</u>
Other comprehensive income for the year net of income tax		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u><u>44,560</u></u>	<u><u>92,819</u></u>
Net current year surplus attributable to members of the entity		<u>44,560</u>	<u>92,819</u>
Total comprehensive income attributable to members of the entity		<u><u>44,560</u></u>	<u><u>92,819</u></u>

**HEALTH INFORMATICS SOCIETY OF AUSTRALIA LIMITED**  
**ABN 80 097 598 742**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 APRIL 2013**

	<b>Note</b>	<b>2013</b>	<b>2012</b>
		<b>\$</b>	<b>\$</b>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	549,824	685,519
Trade and other receivables	6	135,473	246,178
Other assets	7	163,982	114,579
<b>TOTAL CURRENT ASSETS</b>		<u>849,279</u>	<u>1,046,276</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant & equipment	8	48,917	78,586
<b>TOTAL NON-CURRENT ASSETS</b>		<u>48,917</u>	<u>78,586</u>
<b>TOTAL ASSETS</b>		<u>898,196</u>	<u>1,124,862</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	478,247	749,473
Short-term provisions	10	-	-
<b>TOTAL CURRENT LIABILITIES</b>		<u>478,247</u>	<u>749,473</u>
<b>NON-CURRENT LIABILITIES</b>			
Long-term provisions	10	-	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>		<u>478,247</u>	<u>749,473</u>
<b>NET ASSETS</b>		<u>419,949</u>	<u>375,389</u>
<b>MEMBERS' FUNDS</b>			
Retained surplus		419,949	375,389
<b>TOTAL MEMBERS' FUNDS</b>		<u>419,949</u>	<u>375,389</u>

**HEALTH INFORMATICS SOCIETY OF AUSTRALIA LIMITED**  
**ABN 80 097 598 742**

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED**  
**30 APRIL 2013**

	Note	Retained Earnings \$	Total \$
<b>Balance at 1 May 2011</b>		282,570	282,570
<b>Comprehensive Income</b>			
Surplus for the year		92,819	92,819
Other comprehensive income for the year		-	-
<b>Total comprehensive income attributable to members of the entity for the year</b>		<u>92,819</u>	<u>92,819</u>
<b>Balance at 30 April 2012</b>		<u>375,389</u>	<u>375,389</u>
<b>Comprehensive Income</b>			
Surplus for the year		44,560	44,560
Other comprehensive income for the year		-	-
<b>Total comprehensive income attributable to members of the entity for the year</b>		<u>44,560</u>	<u>44,560</u>
<b>Balance at 30 April 2013</b>		<u><u>419,949</u></u>	<u><u>419,949</u></u>

**HEALTH INFORMATICS SOCIETY OF AUSTRALIA LIMITED**  
**ABN 80 097 598 742**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED**  
**30 APRIL 2013**

	<b>Note</b>	<b>2013</b> \$	<b>2012</b> \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers & other sources		1,707,264	2,226,764
Other revenue		-	50
Payments to suppliers and employees		(1,859,484)	(1,979,579)
Interest received		<u>24,975</u>	<u>27,294</u>
Net Cash provided by operating activities	12	<u>(127,245)</u>	<u>274,529</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
(Purchase)/redemption of investments		-	-
Payments for purchase of property and equipment		<u>(8,450)</u>	<u>(81,676)</u>
Net Cash provided by (used in) investing activities		<u>(8,450)</u>	<u>(81,676)</u>
Net increase (decrease) in cash held		(135,695)	192,853
Cash and cash equivalents at the beginning of the financial year		685,519	492,666
Cash and cash equivalents at the end of the financial year	5	<u><u>549,824</u></u>	<u><u>685,519</u></u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**30 APRIL 2013**

**Note 1: Statement of Significant Accounting Policies**

**Basis of Preparation**

Health Informatics Society of Australia Limited has elected to early adopt the Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010–2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board and the Corporations Act 2001. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

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.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on 13 June 2013 by the directors of the company.

**Accounting Policies**

**a. Revenue**

Revenue from the rendering of a services (conference income) is recognised upon the delivery of the service to the member or customer. Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument. Revenue from memberships is recognised on a cash basis.

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

**b. Income Tax**

No provision for income tax has been raised as the entity is exempt from income tax under Div 50 of the Income Tax Assessment Act 1997.

**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 five months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

**d. Accounts Receivable and Other Debtors**

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from customers for services provided in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**30 APRIL 2013**

**Note 1: Statement of Significant Accounting Policies (cont.)**

**e. 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 the expense. Receivable and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities from or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

**f. Plant and equipment**

Plant and equipment are measured on the cost basis less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1h for details of impairment).

**Depreciation**

The depreciable amount of all fixed assets 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.

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

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
Plant and equipment	5% – 33%
IT equipment	20% – 33%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in profit or loss in the period in which they arise. When revalued assets are sold, amount included in the revaluation reserve relating to that asset are transferred to retained earnings.

**g. 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.



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
30 APRIL 2013

**Note 1: Statement of Significant Accounting Policies (cont.)**

**g. Financial Instruments (cont.)**

**Classification and subsequent measurement**

Financial 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.

*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.

(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. Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period. (All other loans and receivables are classified as non-current assets.)

(iii) *Financial liabilities*

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**30 APRIL 2013**

**Note 1: Statement of Significant Accounting Policies (cont.)**

**g. Financial Instruments (cont.)**

**Impairment**

At each reporting date, the entity assesses whether there is objective evidence that a financial instrument has been impaired. A financial asset or group of financial assets will be deemed to be impaired if, and only if, there is objective evidence of impairment as a result of the occurrence of one or more events (a "loss event"), which has an impact on the estimated future cash flows of the financial asset(s).

In the case of financial assets carried at amortised cost, loss events may include indications that the debtors, or a group of debtors, are experiencing significant financial difficulty, default or delinquency in interest or principal payments, indications that they will enter into bankruptcy or other financial reorganisation and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having undertaken all possible measures of recovery, if the management establishes that the carrying amount cannot be recovered by any means, at that point the writing off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance accounts.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

**Derecognition**

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying amount of the financial liability, which is extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

**h. 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 recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. In accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
30 APRIL 2013

**Note 1: Statement of Significant Accounting Policies (cont.)**

**h. Impairment of Assets (cont.)**

Where an impairment loss on a revalued asset is identified, this is debited against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

**i. 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.

Contributions are made by the entity to an employee superannuation fund and are charged as expenses when incurred.

**j. Comparative Figures**

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

**k. 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 estimates**

*(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 judgements**

*(i) 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.

**l. Leases**

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset but not the legal ownership are transferred to the entity, are classified as finance leases.

Finance leases are capitalised, recognising an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the lease term.

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

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
30 APRIL 2013

**Note 1: Statement of Significant Accounting Policies (cont.)**

**m. Trade and Other Payables**

Trade and other payables represent the liabilities for goods and services received by the company during the reporting period that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

**n. Provisions**

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

**HEALTH INFORMATICS SOCIETY OF AUSTRALIA LIMITED**  
**ABN 80 097 598 742**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**30 APRIL 2013**

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<b>Note 2: Revenue</b>		
Operating revenue		
- memberships	208,766	165,806
- conference income	1,573,589	1,799,592
- other conference income	9,792	8,320
- corporate sponsorship program	18,250	-
Total operating revenue	<u>1,810,397</u>	<u>1,973,718</u>
Other revenue		
- interest received	24,975	27,294
- other revenue	81,726	48,294
Total other revenue	<u>106,701</u>	<u>75,588</u>
Total operating revenue and other revenue	<u>1,917,098</u>	<u>2,049,306</u>
(a) Interest revenue from:		
- financial institutions	24,975	27,294
Total interest revenue	<u>24,975</u>	<u>27,294</u>
<b>Note 3: Surplus Attributable to Members of the Company</b>		
(a) Expenses		
Interest expense on financial liabilities not at fair value through profit and loss:		
- external	-	358
Depreciation		
- plant and equipment	38,119	32,099
Bad and doubtful debts	(200)	4,323
Rental expense on operating leases		
- minimum lease payments	37,440	22,580
Employee benefits expense		
- wages and salaries (including leave expense)	636,609	576,107
- superannuation expenses	56,725	56,253
- staff education	13,535	6,119
- workcover	6,945	8,597
- payroll tax	5,479	4,947
	<u>719,293</u>	<u>652,023</u>
Consultancy Fees	28,329	106,052
(b) Significant Revenue and Expenses		
The following significant revenue and expense items are relevant in explaining the financial performance:		
- conference income	1,573,589	1,799,592
- conference expenditure	(866,154)	(954,434)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**30 APRIL 2013**

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<b>Note 4: Auditors' Remuneration</b>		
Remuneration of the auditor for:		
- auditing	4,000	3,800
- preparation of financial statements	-	1,500

**Note 5: Cash and cash equivalents**

**CURRENT**

Cash at bank and on hand:

HISA HQ and VIC Branch	265,216	327,632
HISA WA Branch Account	-	3,168
HISA NSW Branch Account	17,653	17,522
Nursing SIG	-	14,440
Term Deposits	266,955	322,757
	<u>549,824</u>	<u>685,519</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>549,824</u>	<u>685,519</u>
	<u>549,824</u>	<u>685,519</u>

**Note 6: Trade and other receivables**

**CURRENT**

Trade receivables	125,573	240,601
Less: Provision for impairment	(i) -	(4,323)
	<u>125,573</u>	<u>236,278</u>
Other receivables	<u>9,900</u>	<u>9,900</u>
	<u>135,473</u>	<u>246,178</u>

**(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:*

	<b>\$</b>
Provision for impairment as at 30 April 2011	-
— Charge for year	4,323
— Written off	-
Provision for impairment as at 30 April 2012	<u>4,323</u>
— Charge for year	-
— Written off	<u>4,323</u>
Provision for impairment as at 30 April 2013	<u>-</u>

**HEALTH INFORMATICS SOCIETY OF AUSTRALIA LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**30 APRIL 2013**

	2013 \$	2012 \$
<b>Note 7: Other assets</b>		
CURRENT		
Sundry Debtors	-	946
Prepaid expenses	20,219	11,838
Prepaid conference expenses	143,763	101,795
	<u>163,982</u>	<u>114,579</u>
<b>Note 8: Plant &amp; equipment</b>		
Office Equipment - at cost	87,571	85,769
Less: Accumulated depreciation	<u>(56,414)</u>	<u>(26,982)</u>
	<u>31,157</u>	<u>58,787</u>
IT Equipment - at cost	35,372	28,724
Less: Accumulated depreciation	<u>(17,612)</u>	<u>(8,925)</u>
	<u>17,760</u>	<u>19,799</u>
Total Plant & equipment	<u>48,917</u>	<u>78,586</u>

a. Movements in carrying amounts

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

	IT Equipment \$	Plant and equipment \$	Total \$
Balance as at 1 May 2011	14,733	14,276	29,009
Additions at cost	12,020	69,656	81,676
Depreciation expense	<u>(6,954)</u>	<u>(25,145)</u>	<u>(32,099)</u>
Balance at 30 April 2012	<u>19,799</u>	<u>58,787</u>	<u>78,586</u>
Additions at cost	6,648	1,802	8,450
Depreciation expense	<u>(8,687)</u>	<u>(29,432)</u>	<u>(38,119)</u>
Carrying amount at 30 April 2013	<u>17,760</u>	<u>31,157</u>	<u>48,917</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
30 APRIL 2013**

	2013	2012
	\$	\$
<b>Note 9: Trade and Other Payables</b>		
CURRENT		
Trade Creditors and accruals	22,511	9,717
Sundry Creditors	60,360	56,347
Unearned Income	358,353	654,863
Employee benefits	37,023	28,546
	<u>478,247</u>	<u>749,473</u>

Unearned income consists of conference registrations and sponsorship received in advance of the date the conference.  
Unearned income is brought to account at the date of the conference.

a. Financial liabilities at amortised cost classified as trade and other payables

Trade and other payables:

- total current	478,247	749,473
- total non-current	-	-
	<u>478,247</u>	<u>749,473</u>
Less Unearned income	(358,353)	(654,863)
Less annual leave entitlements	<u>(37,023)</u>	<u>(28,546)</u>

Financial liabilities as trade and other payables	<u>82,871</u>	<u>66,064</u>
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**Note 10: Provisions for Employee Benefits**

	Long-term Employee Benefits	Total
	\$	\$
Balance at 1 May 2012	-	-
Additional provisions raised during the year	-	-
Amounts used	-	-
Carrying amount at 30 April 2013	<u>-</u>	<u>-</u>

	2013	2012
	\$	\$
Analysis of total provisions:		
Current	-	-
Non-Current	<u>-</u>	<u>-</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.



**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**30 APRIL 2013**

**Note 11: Capital and Leasing Commitments**

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<i>Operating Lease Commitments</i>		
Non-cancellable operating leases contracted for but not recognised in the financial statements.		
Payable – minimum lease payments:		
not later than 12 months	37,752	37,752
later than 12 months but not later than five years	42,343	80,095
later than five years	-	-
	<u>80,095</u>	<u>117,847</u>

The property lease commitments are non-cancellable operating leases contracted for but not capitalised in the financial statements with a five-year term. Increases in lease commitments will occur at a rate of 4% each year for the term of the lease. There is the option to increase the lease for a further two terms of 5 years each.

**Note 12: Reconciliation of Cash Flow from Operations with Profit from Ordinary Activities after Income Tax**

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
Surplus/deficit after tax	44,560	92,819
Cash flows excluded from operating surplus attributable to operating activities;		
Non-cash flows in surplus		
- Depreciation	38,119	32,099
Changes in assets and liabilities;		
- (Increase)/decrease in trade and other debtors	110,705	267,907
- (Increase)/decrease in other assets	(49,403)	(21,961)
- Increase/(decrease) in trade and other payables	(271,226)	(89,773)
- Increase/(decrease) in provisions	-	(6,562)
Net cash provided by Operating Activities	<u>(127,245)</u>	<u>274,529</u>

**Note 13: 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.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**30 APRIL 2013**

	2013	2012
	\$	\$
<b>Note 14: Related Party Transactions</b>		
<b>a. Key Management Personnel</b>		
Any person(s) having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly, including any director (whether executive or otherwise) is considered key management personnel.		
Key management personnel compensation	<u>141,700</u>	<u>137,761</u>
<b>b. Other Related Parties</b>		
Other related parties include close family members of key management personnel, and entities that are controlled or jointly controlled by those key management personnel individually or collectively with their close family members.		
During the year a company controlled by Louise Schaper, and her partner provided IT support services and website development for \$9,456.		
Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.		

**Note 15: Financial Risk Management**

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

The carrying amounts 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:

	Note	2013	2012
		\$	\$
<i>Financial Assets</i>			
Cash and cash equivalents	5	549,824	685,519
Accounts receivable and other debtors	6	<u>125,573</u>	<u>236,278</u>
		<u>675,397</u>	<u>921,797</u>
<i>Financial Liabilities</i>			
Trade and other payables	9	<u>82,871</u>	<u>66,064</u>
		<u>82,871</u>	<u>66,064</u>

**DIRECTORS' DECLARATION**

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 1 to 24 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 2013 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.

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Director

Dated:

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Director

Dated:

**HEALTH INFORMATICS SOCIETY OF AUSTRALIA LIMITED**  
**ABN 80 097 598 742**

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

**Report on the Financial Report**

We have audited the accompanying financial report of Health Informatics Society of Australia Limited (the company), which comprises the statement of financial position as at 30 April 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

*The Responsibility of the Directors for the Financial Statements*

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements (including Australian Accounting Interpretations) and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those 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.

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 Limited on 7 June 2013, 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 Limited 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 2013 and of its performance for the year ended on that date; and
- b. complying with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Regulations 2001.

Sean Denham

Dated:

Sean Denham & Associates - CPA's

Suite 1, 707 Mt Alexander Road

Moonee Ponds VIC 3039