



IHEA

INSTITUTE OF HOSPITAL ENGINEERING, AUSTRALIA
SUPPORTING HEALTH FACILITIES MANAGEMENT

ABN 51 004 313 142

ANNUAL REPORT

2006 - 2007

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Meet Your Directors

John Dransfield - President

John has 24 years experience in Health Facility Management and Engineering, twelve years in senior management positions: Maintenance Manager, Operations Manager, Campus Facility Manager and currently Manager Infrastructure Support Child and Adolescent Health Service/Women and Newborn Health Service Western Australia.

Henk DeDeugd - Vice President / Professional Development

Henk has continued his focus in the last twelve months with the strategic approach to the enrichment of professional development activities. Henk is currently the Executive Director Corporate Services, Northern Health, Victoria

Len Mumme – Secretary / AssetMark Coordinator

Len has been 18 years in the WA health industry and currently holds the position of Manager, Physical Resources in the WACHS Wheat Belt – Southern, based at Narrogin Regional Hospital in Western Australia.

Steve Jones - Treasurer

Steve has spent 13 years in health engineering and management and currently holds the position of Engineering Services Manager at Portland District Health. A member of IHEA - 12 years and AFCHSE.

Michael McCambridge - Membership Registrar / Immediate Past President

Michael's work on the board over the past twelve months has been related to membership, including the database upgrade, renewal cards/calendars and its interconnection to the secretariat/financial systems. He has also been the convener of the 2007 National Conference Organizing Committee.

Peter White – Standards Coordinator

Prior to joining the health sector, Peter had engineering and management experience in process industries (sugar, chemicals) and consulting experience in construction and management. In health, Peter has held senior facilities and strategic asset management roles, currently managing capital development for a division of Queensland Health. Peter is Queensland Branch President and has been responsible for Standards Coordination since joining the Board in September 2006.

Kevin Moon – Communications Co-ordinator

Kevin's work in the past twelve months has been the upgrading of the Institute's website and the Journal and protocol for technical writing.

Geoff Johnston – Assistant Membership Registrar

Geoff was employed at Nepean Hospital, Penrith, NSW, for 28 years prior to his retirement in July 2002. His role before retirement was Chief Engineer of the Wentworth Area Health Service with Fire Officer's duties. Geoff's term as Hon. Membership Registrar expires at the AGM in 2006.

Cliff Pollock - Board Member

Cliff is currently employed as the Engineering Services Manager at the St. George Hospital in Sydney. Prior to this he was the Engineering Operations Manager at the John Hunter Hospital in Newcastle. Cliff has been employed in the health engineering & facilities management

John Wilson - Board Member

John has held various roles in health engineering in Sydney for 30 years, and has been a member of the NSW Committee of Management constantly for 28 of those years. He currently holds the position of Engineer, Building Services at Royal North Shore Hospital and Community Health Services – Northern Sydney / Central Coast Health.

Vince Russo- Board Member

Vince has 25 years experience in the health facility management area. He is currently the Engineering & Building Services Manager at the Women's & Children's Hospital, Adelaide and has held the role for the past 8 years. Vince has only recently joined as board member in 2006 but has been the SA IHEA branch President since July 2004. Vince is keen to assist working within various portfolios, particularly AssetMark and Professional Development.

President's Report

The demand for statutory compliance and sustainability of the Institute continues to be the focus for the Board.

It has been a year in which the IHEA has consolidated and implemented the changes caused by the modifications to our constitution. The Board and members are to be congratulated on approving these changes, ensuring we have robust, clear governance processes in place.

At the June board meeting we adopted our Board of Directors; Directors Manual, which sets out the roles, responsibilities and requirements for Directors. This will be prescribed to all new directors and is lodged on the 'members' section of the website enabling prospective directors to view. It is necessary that all Directors and those seeking election understand these requirements for the role.

The Institute's profile as an industry peak body is improving. We have been invited as an Institute to provide comment and input to several State Government Departments regarding Health Facilities Management.

The Institute now has a fully functioning Membership Database. This has amalgamated data held in several other data sets into one base. It includes the ability to record individuals Professional Development hours and also maintain contact and mailing lists for the Journal, E-news, membership invoicing, etc. All data is secure, access is password protected, and only appropriate officers of the board and our secretariat have access. The institute's privacy provisions prevent any of the data leaking to the public domain. Development, verification of data and testing was managed by Michael McCambridge who is to be thanked.

The Board continues to meet four times a year, with an extended meeting in February, allowing for the training of new directors. It is incumbent on the Institute to provide this training, so that Directors are fully informed of their responsibilities under ASIC and ATO requirements and the Corporations Act 2001.

Finance

The institute is on a sound financial footing and we have set our operating budget for 2007/2008 based on achieving a slight surplus.

Membership

We have increased our membership this year, and the board believes that this will develop further as we improve our Professional Development Delivery.

Website

Thanks must go to the website coordinator and webmaster for the tremendous work done in upgrading the site to a truly useful dynamic tool. I urge all members to visit the site and view the improvements themselves.

Journal

We continue to have difficulty in sourcing articles for the journal and it is disappointing to note that members seem reluctant to consider writing articles on their own facilities. Considering this, the Journal still maintains its high quality thanks to the excellent effort of the editorial team led by Sergio Adofaci. I would like to publicly acknowledge and place on record the Institutes gratitude and thanks to Sergio for his many years of work in editing the journal. The IHEA understands how frustrating this has been at times, considering that Sergio manages his own business, as well as performing the role of Journal Editor, I believe this deserves our acclamation.

Corporate/Strategic Plan

The Strategic Plan has been updated and will be presented at the National Conference for debate and review.

Collaboration

The memorandum of understanding with AIRAH to provide secretarial services, continues to work well. The relationship has matured to a level where AIRAH understand our requirements and needs almost intuitively. The Board Executive meets with AIRAH twice per year to review performance and revise, if required, any change to the scope of service.

This is my last annual report as I will step down as President after the Annual General Meeting in September, I will then continue on the board as Immediate Past President.

It has been an interesting time as President, both personally challenging and invigorating. At all times I have strived to serve you, the members, with the one aim to develop and grow this great Institute. I have learnt from, and I hope built on, the work carried on by my predecessors. Change is inevitable, but I believe we are changing and will continue to move in the direction of growth and member service improvement.

I personally thank with gratitude my fellow Directors for their support, advice and criticism. Without their input, work and many hours of voluntary work the Institute would not function. I wish the new President and Directors well and offer my continued support as Immediate Past President.

Finally I acknowledge all Institute members of all grades for their continued support. Without you we wouldn't have an Institute. Please continue to support your local branches and strive to attend meetings and professional development sessions, these take some effort to organise and it is pleasing when they are well attended.

I hope to see many of you at the National Conference in Melbourne.

John K Dransfield
National President 2006/2007

National Vice President's Report

The IHEA continues to be revitalised as it forges ahead to develop best practice in the health engineering. The Board guided by the strategic direction, has provided strong leadership which has resulted in the delivery of more effective services to members through the integration of networking opportunities, site tours, technical workshops and seminars, conferences and the strengthening of industry alliances.

This is further supported by the increased membership response to branch activities, particularly those activities with substantial technical content, sharing opportunities, site inspections and the opportunities to build industry networks. Other states have also recorded an improvement in meeting attendance by members and non-members and an increase in the request for membership.

The support of members last year for a new Board structure and an upgraded constitution has streamlined the governance of the Institute and allowed the Board to focus more time for develop ways to better serve its members.

Henk DeDeugd
National Vice-President

National Secretary's Report

The main emphasis to the corporate management of the Institute this financial year has been the commencement in the transition to the new Constitution. The transition has implemented changes under the new Constitution to which the National Board and the State Branches conducts its management responsibilities.

Management Manuals

The maintaining of the regulatory and statutory requirements under the new Constitution has been guided by the development and implementation of manuals for the Board and National Secretary. The manuals provide directive details to the roles and responsibilities of Board members in their corporate management duties and their regulatory and statutory requirements to be met.

Website

The website has continued in its major revamp and has become a more informative and user-friendly website to visit. The website now includes a repository of documents accessible to members. The Communications Co-ordinator and the webmaster have done excellent work to achieve this website.

Communications

The Journal continues to seek articles for publications. The Board is promoting members to compile features on redevelopments at their sites or to write technical papers on projects they have conducted.

The E-Bulletin newsletter has continued to distribute current news and promote up-coming activities to members. Members can contact info@ihea.org.au to inform or promote an activity of interest to other members through the E-Bulletin.

Membership Database

A new membership database was introduced on 1st June 2007. This database supercedes other databases within the Institute and will maintain a complete record of a member – contact details, service award and professional development.

Professional Development

The professional development of members has been a primary task of the Board. A policy has been drafted in the structuring of a professional development pathway to result in the hospital engineer being recognized as a person qualified in their profession of managing healthcare facilities.

Len Mumme
National Secretary

National Treasurer Report

The reported result for 2006-2007 shows the Institute continues to maintain a sound financial position as a result of effective strategic planning.

As reported last year, many changes in financial management were implemented, including auditing, consolidation of expenditure, introduction of refined systems and particular attention to both A.S.I.C and A.T.O Guidelines have contributed significantly to the current financial position.

The Board is resolute in maintaining the current status and to continually monitor how we conduct our business, controlling income and expenditure.

The Institute continues to operate as a national body in this regard. The bookkeeping role is managed by our Management Accountant and all deposits are being directed through the I.H.E.A Head Office in Melbourne. A system and process that functions effectively, ensuring accounts are processed in a timely manner.

We will continue to centralize the accounting and management process to both improve efficiencies and reduce overheads. This is important to ensure sustainability and to assist the Board to implement plans in delivering better value and educational training programs to all members nationally.

At the June Board Meeting, the institutes 2007-2008 budget was ratified. A modest profit has been forecast for this period.

After my first year as National Treasurer, I would like to take this opportunity to thank the past Board members and particularly acknowledge Kevin Moon for his determination, attention to detail and vision in setting up a financial management system that is robust, transparent and efficient.

As I have settled into this role, the benefits of the fore mentioned foundation work to the Institute and the members, have become even more apparent.

Steve Jones
National Treasurer

Membership Registrar's Report

As part of our succession planning; I took the lead on membership this year with Geoff Johnston as assistant. The major achievement this year was the creation of the new membership database. After seeking expressions of interest from the market we chose to commission a software developer to write an access database that meets our specific needs, the scope included a how to use manual. The database went live as of 1st of June 2007, and is now the single repository for all member information including mail lists for all services.

Some of the new features include the ability to generate invoices, these alleviates the pressure on the financial software as debts are raised outside of MYOB. We now have the ability to track professional development hours, and report annually. The final exercise is to verify the data; this is being undertaken by our Secretariat who will phone all members to verify the accuracy and fill in any missing data, like e-mail address.

The other change to membership is the change in invoice payment dates; you will have noticed this year's invoices have 60 days to pay, this will speed up the financial reporting processes and allow the board and branches to follow up members post each fourth board meeting at the annual conference.

Michael McCambridge
Membership Registrar

AssetMark Coordinator Report

AssetMark has become a visible component on the website. The web-master has set up the links to AssetMark in the Resource folder, opening to the "Preview", an introductory information segment with a download link to an Information Pack.

The brochure for AssetMark has been rejuvenated to provide a more current and descriptive promotion of the benchmarking system.

In conjunction with the brochure update, the AssetMark advertising has been re-displayed in the Journal, with emphasis on ACHS accreditation and benchmarking to achieve an exceptional EA outcome.

Inquiries on AssetMark continue to be received, with most inquiries from Victoria and Western Australia. Several hospitals have undertaken a second survey. A hybrid survey form has been introduced to seek more water data for the database. Sites that had previously undertaken the surveys were contacted to provide water data and assist expedite a water database.

An AssetMark Coordinators Guidelines was tabled at a National Board meeting, to assist future portfolio holders in the procedures for managing the role and responsibility as AssetMark Coordinator.

Len Mumme
Asset Mark Coordinator

Communications Coordinator Report

Website

Progress is still being made on improvements to website content with the Events section still being under utilised by some branches. I encourage all branches to send branch meeting information to the web site co-ordinator as soon as dates have been set and again once the agenda has been set. This section is our advertisement to the world that we are a productive organization worthy of joining. As an example our site averages over **2300 hits per day!**

A Board Only section of the web site in the document repository has been created to maintain a central document storage system. This will allow board members ready access to all important IHEA information allowing for more efficient use of resources.

The member's only document repository has been greatly expanded in the past 12 months and is now a useful resource. I recommend members regularly check this section for update.

We are always looking for content for the document repository so if you have specifications, policies, procedures or just that great spreadsheet that you constantly use, please share it with fellow members via the website. Remember, it is the MEMBERS website – so use it!

Journal

The new journal editorial committee of Bill Geerlings, Roy Aitken, Kim Bruton, Kevin Moon and Sergio have been looking for a new editor as Sergio has signalled his intention to step down once a successor is found. I am happy to announce that Kim Bruton, Chief Engineer, Wodonga Hospital has been appointed to the position. More news on this appointment will be in the autumn journal.

As usual we are struggling to obtain articles from members. This is an exhausting exercise and I pay full credit to Sergio for having been able to constantly come up with technical content. I have asked Gosia from our head office to contact IFHE member countries to see if we can source articles globally. Any other suggestions would be gratefully accepted.

I encourage all members to consider writing an article for the journal. If you find the thought daunting, don't walk away as the editorial committee will help you write an article. We can provide assistance at all levels from content type right through to final proof reading and editing. Go on, have a go as all of us had to start with the first one – and you never forget the thrill of seeing your paper in print!

Kevin Moon
Communications Coordinator

Standards Coordinator's Report

The primary tasks ahead for this portfolio were:

- to establish a set of sanctioned guidelines for representation on Standards Committees,
- to disseminate the guidelines to members' and
- to populate the health-related Committees with IHEA representatives.

A set of Guidelines has been prepared that provides a framework around member nomination, endorsement and tenure management for representatives on Standards Committees. The Guidelines were presented to (were sanctioned at) the June Board meeting and will be made available to members through posting the IHEA website.

At present, IHEA is invited to provide representation on ten (10) Standards Committees, as follows:

Committee	Name	Status	Membership
HE017	Medical Gas Systems	Active	Awaiting Nomination
HE020	Medical Refrigeration	Active	Awaiting Nomination
HE022	Sphygomanometers	Inactive	Awaiting Nomination
HE023	Processing of Medical and Surgical Instruments	Active	Awaiting Nomination
HE027	Hospital Beds	Active	Awaiting Nomination
HT021	Wiring of Medical Treatment Areas in Hospitals	Active	IHEA Represented
ME003	Sterilizing Equipment	Active	Awaiting Nomination
SF016	Identification of Pipes	Inactive	IHEA Represented
WS026	Valves for Primary Use in Warm and Hot Systems	Active	IHEA Represented

In the second half of 2007, we will be calling for nominations from IHEA members to fill the vacancies that exist in the Standards Australia committee structure for health standards.

Peter White
Standards Coordinator

**INSTITUTE OF HOSPITAL ENGINEERING, AUSTRALIA
ABN 51 004 313 142**

**SPECIAL PURPOSE FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2007**

INSTITUTE OF HOSPITAL ENGINEERING, AUSTRALIA
ABN 51 004 313 142

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INSTITUTE OF HOSPITAL ENGINEERING, AUSTRALIA
ABN 51 004 313 142

DIRECTORS' REPORT

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

DIRECTORS

The names and particulars of the National Council of the Institute, in office at the date of this report, are set out below together with their qualifications and experience. No director has a special responsibility:

Directors	Date Appointed	Experience
John Dransfield - WA (President)	13/10/2004	John has 24 years experience in Health Facility Management and Engineering, twelve years in senior management positions: Maintenance Manager, Operations Manager, Campus Facility Manager and currently Manager Infrastructure Support Child and Adolescent Health Service/Women and Newborn Health Service Western Australia.
Henk DeDeugd – Vic/Tas (Vice-President/Professional Development)	13/10/2004	20 yrs experience in health related industry. Director of Engineering Women's & Children's Health (Melb); Consulting Engineer
Len Mumme - WA (Secretary)	13/10/2004	18 yrs Health Engineering, 5 yrs Service Engineer in Industrial, Mining and Transport Power Drive / transmission systems, 20 yrs RAN marine engineering
Steve Jones – Vic/Tas (Treasurer)	13/09/2006	13 years health engineering and management; 12 years IHEA. AFCHSE. Currently Engineering Services Manager, Portland District Health.
Mike McCambridge – Vic/Tas (Immediate Past President/Membership Registrar)	16/10/2003	22 years in Health, Engineering Services, in major teaching hospitals, the past 8 years in senior management positions. Currently the Deputy Director of Infrastructure at The Royal Melbourne Hospital.
Kevin Moon – Vic/Tas (Communications)	16/10/2003	15 years in Health Engineering & Management. 3 years Asst. Eng. Mt. Royal Hospital, 10 years Senior Projects Engineer Austin Hospital, 1 year Project Manager NW Health, Facilities Engineering Consultant

Peter White - Qld	12/09/2006	18 years, facilities and operational management in process industries; 10 years management consulting, particularly in HR; 5 years engineering and strategic asset management in health sector; BE(Hons), MBA
Sergio Adofaci – Vic/Tas	13/10/2004	21 years as Director of Engineering P.A.N.C.H. Hospital Melbourne, 10 years Consulting Engineer in Health Facilities.
Geoff Johnston – NSW	13/10/2004	28 years in Health Engineering & Management, 5 years Maintenance Supervisor, 5 years Area Engineer, 18 years Chief Engineer Nepean Hospital.
John Wilson – NSW	13/10/2004	28 yrs Health Engineering, 13 yrs Deputy Engineer, 3 yrs Building Engineer, 12 yrs Chief Engineer.
Vince Russo – SA	13/19/2006	25 years experience in the health facility management area; past 8 years as the Engineering & Building Services Manager at the Women’s & Children’s Hospital, Adelaide.
Cliff Pollock – NSW	20/10/2005	Cliff is currently employed as the Engineering Services Manager at the St. George Hospital in Sydney. Prior to this he was the Engineering Operations Manager at the John Hunter Hospital in Newcastle.
Mike Ellis – SA	17/10/2001	Prior National Secretary. Retired from National Board at AGM September 2006.
Bruce Gilpin – Vic/Tas	20/10/2005	Prior National Secretary. Retired from National Board at AGM September 2006.

PRINCIPAL ACTIVITIES

The principal activities of the Institute during the financial year were the promotion, training and cultivation of persons engaged in the design, construction and maintenance of health care facilities. There were no significant changes in the nature of the Institute’s activities during the financial year.

OPERATING RESULT

The operating profit of the Institute before providing for income tax was \$1,136. Due to the principle of mutuality the operating result after income tax was a loss of \$955.

DIVIDENDS PAID OR RECOMMENDED

In accordance with the Institute’s Rules, no dividend can be paid or declared.

REVIEW OF OPERATIONS

The income for the year ended 30 June 2007 of the Institute was \$326,813 compared to \$337,696 for the previous financial year. The operating profit before income tax of \$1,136 is significantly less than the profit of \$74,391 incurred in the previous year and is due to increased costs incurred for the national conference in 2006.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

During the financial year there was no significant change in the state of affairs of the Institute other than that referred to in the accounts or notes thereto.

AFTER BALANCE DATE EVENTS

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

FUTURE DEVELOPMENTS

Likely developments in the operations of the Institute 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 Institute.

DIRECTORS INTEREST IN SHARES AND OPTIONS

The Institute is a company limited by guarantee. Accordingly, there are no shares or options on issue.

ENVIRONMENTAL ISSUES

The Institute is not subject to significant environmental regulations under the law of the Commonwealth and State.

INSTITUTE OF HOSPITAL ENGINEERING, AUSTRALIA
ABN 51 004 313 142

DIRECTORS' REPORT

INDEMNIFYING OFFICERS OR AUDITOR

The Institute has not, during or since the financial year, in respect of any person who is or has been an officer or auditor of the Institute or a related body corporate:

- indemnified or made any relevant agreement for indemnifying against a liability, including costs and expenses in successfully defending legal proceedings; or
- paid or agreed to pay a premium in respect of a contract insuring against a liability for the costs or expenses to defend legal proceedings.

MEETING OF DIRECTORS

The number of meetings of the Institute's board of directors held during the year ended 30 June 2007, and the number of meetings attended by each director were:

	Meetings Attended	Number of Eligible Meetings
John Dransfield (President)	5	5
Henk deDeugd (Vice-president)	5	5
Steve Jones (Treasurer)	2	2#
Len Mumme (Secretary)	5	5
Kevin Moon (Communications Coord)	5	5
Peter White (Journal Coord)	2	2#
Cliff Pollock	5	5
John Wilson	5	4
Geoff Johnston (Membership Registrar)	5	5
Mike McCambridge (Membership Registrar)	5	5
Vince Russo	2	2
Mike Ellis	2	2*
Bruce Gilpin	2	2**

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

- # - elected to Board at AGM on 7th September 2006
- * - term on Board completed on 7th September 2006
- ** - retired from National Board at AGM on 7th September 2006.

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

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

The Institute was not a party of any such proceedings during the year.

Signed in accordance with the resolution of the Board of Directors.

On behalf of the Directors



Steve Jones
Treasurer

Dated this 17th day of August 2007

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
INSTITUTE OF HOSPITAL ENGINEERING, AUSTRALIA
ABN 51 004 313 142**

We have audited the attached financial report, being a special purpose financial report of Institute of Hospital Engineering, Australia for the year ended 30 June 2007, as set out on pages 6 to 13. The Institute's Directors are responsible for the financial report and have determined that the accounting policies used and described in Note I to the financial statements are appropriate to meet the requirements of the Corporations Act 2001 and are appropriate to meet the needs of the members. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the Institute. No opinion is expressed as to whether the accounting policies used, and described in Note I, are appropriate to the needs of the members.

The financial report has been prepared for distribution to members for the purpose of fulfilling the Directors' financial reporting requirements under the Corporations Act 2001. We disclaim any assumption of responsibility for any reliance on this audit 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.

Our audit has been conducted in accordance with Australian Auditing Standards. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report and the evaluation of significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with the accounting policies described in Note I, so as to present a view which is consistent with our understanding of the Institute's financial position, and performance as represented by the results of its operations and its cash flows. These policies do not require the application of all Accounting Standards and other mandatory professional reporting requirements in Australia.

The audit opinion expressed in this report has been formed on the above basis.

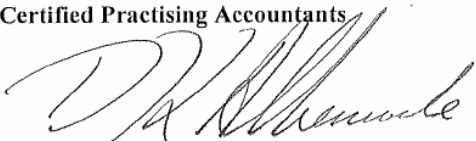
Audit Opinion

In our opinion, the financial report of Institute of Hospital Engineering, Australia is in accordance with:

1. the Corporations Act 2001, including:
 - (a) giving a true and fair view of the Institute's financial position as at 30 June 2007 and of its performance for the year ended on that date in accordance with the accounting policies described in Note I; and
 - (b) complying with Accounting Standards to the extent described in Note I and the Corporations Regulations; and
2. other mandatory professional reporting requirements to the extent described in Note I

ALKEMADE & ASSOCIATES

Certified Practising Accountants



DONALD ALKEMADE
Melbourne

Date: 17th day of August 2007

INSTITUTE OF HOSPITAL ENGINEERING, AUSTRALIA
ABN 51 004 313 142

DIRECTORS' DECLARATION

The Directors have determined that the Institute is not a reporting entity. The Directors have determined that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements:

The Directors of the Institute declare that:

1. The financial statements and notes, as set out on pages 6 to 13, presents fairly the financial position of Institute of Hospital Engineering, Australia as at 30 June 2007, and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.
2. In the Directors' opinion there are reasonable grounds to believe that the Institute of Hospital Engineering, Australia 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 Directors signed on behalf of the Institute by:



Steve Jones
Treasurer

Dated this 17th day of August 2007

	Note	2007 \$	2006 \$
Revenue from ordinary activities	2(b)	326,813	337,696
Other expenses from ordinary activities	2(c)	(325,677)	(263,305)
Profit / (loss) from ordinary activities before income tax expenses		<hr/> 1,136	<hr/> 74,391
Income tax expense relating to ordinary activities		2091	8,374
Net profit / (loss) from ordinary activities after income tax expense		<hr/> <u>(955)</u>	<hr/> <u>66,017</u>

The accompanying notes form part of these financial statements.

	Note	2007 \$	2006 \$
CURRENT ASSETS			
Cash assets	3	314,528	301,767
Receivables	4	20,542	20,580
Inventories		-	-
		<hr/>	<hr/>
Total Current Assets		<u>335,070</u>	<u>322,347</u>
NON-CURRENT ASSETS			
Property, plant and equipment	5	1,786	2977
		<hr/>	<hr/>
Total Assets		<u>336,856</u>	<u>325,324</u>
CURRENT LIABILITIES			
Payables	6	9,182	925
Tax liabilities	7	10,319	8,228
		<hr/>	<hr/>
Total Current Liabilities		<u>19,501</u>	<u>9,153</u>
Total Liabilities		<u>19,501</u>	<u>9,153</u>
Net Assets		<u><u>317,355</u></u>	<u><u>316,171</u></u>
EQUITY			
Retained profits	8	317,355	316,171
		<hr/>	<hr/>
Total Equity		<u><u>317,355</u></u>	<u><u>316,171</u></u>

The accompanying notes form part of these financial statements.

	Notes	2007 \$	2006 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		322,314	300,115
Payments to suppliers		(323,004)	(248,685)
Interest received		13,451	12,977
Income tax received/(paid)		-	-
		<hr/>	<hr/>
Net cash provided by (used in) operating activities	10	12,761	64,407
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		-	-
		<hr/>	<hr/>
Net cash used in investing activities		-	-
		<hr/>	<hr/>
Net increase/(decrease) in cash held		12,761	64,407
Cash at the beginning of the financial year		301,767	237,360
		<hr/>	<hr/>
Cash at the end of financial year	3	<u>314,528</u>	<u>301,767</u>

The accompanying notes form part of these financial statements.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Corporations Act 2001. The Council has determined that the Institute is not a reporting entity.

The report has been prepared in accordance with the requirements the following Accounting Standards:

AASB 110:	Events After The Balance Sheet Date
AASB 101:	Presentation Of Financial Statements
AASB 107:	Cash Flow Statements
AASB 1031:	Materiality

No other Australian Accounting Standards, Urgent Issues Group Consensus Views or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

This report is also prepared on an accruals basis and is based on historical cost, and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following specific accounting policies, which are consistent with the previous year, unless otherwise stated, have been adopted in the preparation of these statements:

(a) Income Tax

The Institute adopts the liability method of tax effect accounting whereby the income tax expense is based on the operating profit adjusted for any permanent differences.

Non-member income of the Institute is only assessable for income tax as member income is excluded for income tax purposes due to the principal of mutuality.

(b) Revenue

Revenue from the rendering of services and the sale of goods to members is recognised on a cash receipts basis.

Receipts for services not performed at balance date are recognised as unearned income.

Interest revenue is recognised on a cash receipts basis.

(c) Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on a first-in first-out basis and include direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenses.

NOTE I: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(d) Property, plant and equipment

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

All assets are depreciated on a straight line basis over their useful lives to the Institute.

	2007	2006
	\$	\$
NOTE 2: PROFIT FROM ORDINARY ACTIVITIES		
Profit/(loss) from ordinary activities before income tax has been determined after:		
(a) Expenses		
Bad and doubtful debts	<u> </u>	<u> -</u>
Depreciation of property, plant and equipment	<u> </u>	<u> 1,985</u>
Remuneration of auditor:		
- audit or review	4,774	7,050
- other services	<u> </u>	<u> </u>
	<u> 4,774</u>	<u> 7,050</u>
(b) Revenue		
Conference and function fees	217,357	196,044
Membership revenue	81,501	99,485
Interest received	13,451	12,977
Other income	14,504	42,190
	<u> 326,813</u>	<u> 337,696</u>
(c) Other expenses from ordinary activities		
Conference costs	232,114	152,964
Honoraria	2,500	10,800
Secretarial Fees	28,581	20,157
Other expenses	62,482	79,384
	<u> 325,677</u>	<u> 263,305</u>
NOTE 3: CASH ASSETS		
Cash at bank	314,528	301,767
Short-term deposits	<u> -</u>	<u> -</u>
	<u> 314,528</u>	<u> 301,767</u>

	2007	2006
	\$	\$
NOTE 4: RECEIVABLES		
Trade debtors	7,600	10,085
Prepayments	10,000	10,495
GST Receivable	2,942	-
	<u>20,542</u>	<u>20,580</u>

NOTE 5: PROPERTY, PLANT AND EQUIPMENT

Office equipment – at cost	24,641	24,641
Less: Accumulated depreciation	(22,855)	(21,664)
	<u>1,786</u>	<u>2,977</u>

NOTE 6: PAYABLES

GST Liabilities	-	925
Prepaid Conference Income	9,182	-
	<u>9,182</u>	<u>925</u>

NOTE 7: TAX LIABILITY

Provision for income tax	<u>10,319</u>	<u>8,228</u>
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NOTE 8: RETAINED PROFITS

Retained profits at the beginning of the financial year	316,171	250,154
Historical Balancing Adjustment	2,139	-
Net profit / (loss) for the period	(955)	66,017
	<u>317,355</u>	<u>316,171</u>

NOTE 9: MEMBERS GUARANTEE

The Institute is incorporated under the Corporations Act 2001 as a company limited by guarantee and, as such does not have a share capital.

If the Institute is wound up, the Articles of Association state each member is required to contribute a maximum of \$20 towards meeting any outstanding obligations of the Institute.

2007
\$

2006
\$

NOTE 10: CASH FLOW INFORMATION

**Reconciliation of cash flow from operations with
Operating profit (loss) after income tax**

Operating profit/(loss) after income tax	(955)	66,017
Non-cash flows in operating profit:		
- depreciation of non-current assets	1,191	1,985
- adjustment to retained earnings	2,139	
Changes in assets and liabilities:		
- (increase)/decrease in receivables	38	(12,818)
- (increase)/decrease in inventories	-	-
- (decrease)/increase in payables	8,257	849
- (decrease)/increase in tax liability	2,091	8,374
Net cash inflow/(outflow) from operating activities	<u>12,761</u>	<u>64,407</u>

NOTE 11: COMPANY DETAILS

The registered office and place of business of the company is:

321A Koornang Road
Carnegie VIC 3163