

Financial Statements of

**COLLEGE OF TRADITIONAL
CHINESE MEDICINE PRACTITIONERS
AND ACUPUNCTURISTS OF
BRITISH COLUMBIA**

Year ended March 31, 2006

AUDITORS' REPORT

To the members of
College of Traditional Chinese Medicine Practitioners and Acupuncturists of British Columbia:

We have audited the balance sheet of College of Traditional Chinese Medicine Practitioners and Acupuncturists of British Columbia as at March 31, 2006 and the statements of operations and changes in net assets for the year then ended. These financial statements are the responsibility of the College's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the College as at March 31, 2006 and the results of its operations and changes in its net assets for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the Society Act of British Columbia, we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

SRTK Tam Kurozumi

Chartered Accountants

Vancouver, Canada

July 7, 2006

**COLLEGE OF TRADITIONAL CHINESE MEDICINE PRACTITIONERS
AND ACUPUNCTURISTS OF BRITISH COLUMBIA**

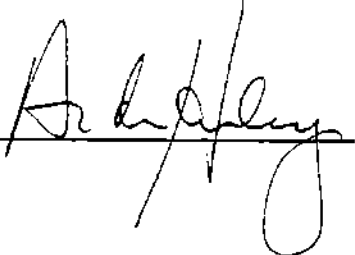
Balance Sheet

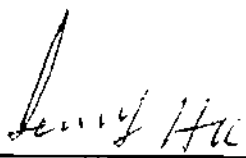
March 31, 2006, with comparative figures for 2005

	2006	2005
Assets		
Current assets:		
Cash	\$ 243,783	\$ 373,713
Short-term investments	268,602	342,229
Accounts receivable	-	2,000
Prepaid expenses and deposits	3,911	3,453
	<u>516,296</u>	<u>721,395</u>
Office equipment (note 2)	26,689	31,066
	<u>\$ 542,985</u>	<u>\$ 752,461</u>
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 34,116	\$ 69,804
Deferred revenue	428,959	360,030
Current portions of obligation under capital lease	-	5,025
	<u>463,075</u>	<u>434,859</u>
Obligations under capital lease	-	894
	<u>463,075</u>	<u>435,753</u>
Net assets	79,910	316,708
Contingency (note 3)		
	<u>\$ 542,985</u>	<u>\$ 752,461</u>

See accompanying notes to financial statements.

On behalf of the Board:

 Director

 Director

**COLLEGE OF TRADITIONAL CHINESE MEDICINE PRACTITIONERS
AND ACUPUNCTURISTS OF BRITISH COLUMBIA**

Statement of Operations

Year ended March 31, 2006, with comparative figures for 2005

	2006	2005
Revenues:		
License and registration fees	\$ 440,079	\$ 487,436
Course and examination fees	307,339	214,765
Interest and other income	40,269	29,303
	<u>787,687</u>	<u>731,504</u>
Expenses:		
Advertising	10,178	1,166
Amortization	7,960	11,741
Computer services	5,970	7,580
Courses and examinations	112,066	85,444
Honorariums	5,700	6,400
Interest on capital lease	380	929
License and registration	4,700	3,000
Meetings	12,521	17,759
Office and miscellaneous	34,296	36,651
Professional fees	166,670	160,177
Publications	5,086	3,248
Rent	38,717	34,028
Telephone	6,104	6,828
Travelling	15,591	16,479
Wages, subcontractors and employee benefits	598,546	329,311
	<u>1,024,485</u>	<u>720,741</u>
Excess (deficiency) of revenues over expenses for the year	\$ (236,798)	\$ 10,763

See accompanying notes to financial statements.

**COLLEGE OF TRADITIONAL CHINESE MEDICINE PRACTITIONERS
AND ACUPUNCTURISTS OF BRITISH COLUMBIA**

Statement of Changes in Net Assets

Year ended March 31, 2006, with comparative figures for 2005

				2006	2005
	Funds invested in office equipment	Funds internally restricted for acquisition of office	Unrestricted funds	Total	Total
Balance, beginning of year	\$ 31,065	\$ 50,000	\$ 235,643	\$ 316,708	\$ 305,945
Additions during the year	3,583	-	(3,583)	-	-
Excess (deficiency) of revenues over expenses for the year	(7,960)	750	(229,588)	(236,798)	10,763
Balance, end of year	\$ 26,688	\$ 50,750	\$ 2,472	\$ 79,910	\$ 316,708

See accompanying notes to financial statements.

COLLEGE OF TRADITIONAL CHINESE MEDICINE PRACTITIONERS AND ACUPUNCTURISTS OF BRITISH COLUMBIA

Notes to Financial Statements, page 1

Year ended March 31, 2006

The College of Traditional Chinese Medicine Practitioners and Acupuncturists of British Columbia (the "College") is provincially incorporated under the Health Professions Act of British Columbia to govern, control, and administer the affairs of its registrants. The College is a non-profit organization under the Income Tax Act and, as such, is exempt from income taxes.

I. Significant accounting policies:

(a) Short-term investments:

Short-term investments include highly liquid investments with terms to maturity of greater than three months when purchased. Short-term investments are recorded at cost plus accrued interest, which approximate their current market values.

(b) Office equipment:

Office equipment is stated at cost. Depreciation and amortization are provided on the declining balance basis at rates reflecting the estimated useful lives as follows:

Asset	Rate
Furniture and equipment	20%
Computer hardware	30%
Computer software	100%

(c) Revenue recognition:

License and registration fees are recognized as revenue in the year to which they relate. Course and examination fees are recognized as revenue when the courses or examinations are taken.

(d) Use of estimates:

The presentation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates.

(e) Financial instruments:

The carrying amounts of all the College's financial instruments approximated their fair values in all material respects at March 31, 2006. It is management's opinion that the College is not exposed to significant interest, currency or credit risks arising from these financial instruments.

(f) Statement of cash flows:

A statement of cash flows has not been presented as management is of the opinion that it would not provide any additional meaningful information.

**COLLEGE OF TRADITIONAL CHINESE MEDICINE PRACTITIONERS
AND ACUPUNCTURISTS OF BRITISH COLUMBIA**

Notes to Financial Statements, page 2

Year ended March 31, 2006

2. Office equipment:

			2006	2005
	Cost	Accumulated depreciation and amortization	Net book value	Net book value
Furniture and equipment	\$ 36,854	\$ 19,763	\$ 17,091	\$ 9,415
Computer hardware	37,423	27,825	9,598	12,853
Computer software	8,882	8,882	-	-
Equipment under capital lease	-	-	-	8,798
	\$ 83,159	\$ 56,470	\$ 26,689	\$ 31,066

3. Contingency:

The College has been named defendant in the Small Claims Court by a former employee for insufficient severance payment. Management is of the opinion that the College will be successful in defending the claim. As the outcome of this claim is not determinable at this time, the College has made no provision for any amounts that may be owed to the former employee. In the event that any further payment is incurred in the resolution of this claim, such payment will be charged to operations in the year the claim is resolved.