



Annual Report to Members Financial Year 2012 – 2013

President's Message

As I write this annual report and look back across the year, I am reminded what an exciting and challenging year it has been. With the anticipation that comes from upgrading our computer programs which will enable us to eliminate many tedious jobs of the past. As I said in my report to members last year, our Manager, Bob Newman is a man of vision and action; he has not disappointed us; he has kept things moving at a challenging pace. Many things that needed looking at and change, Bob has accomplished. Our operations are running so much better since he has been directing activities.

We continue to work with Colostomy Association of NSW in presenting three combined regional ostomy information open days in various NSW country venues. It is very important that country members from both associations have this opportunity to share in friendship and fellowship the same as city members. These meetings enable members and their families to share experiences and gain information on products and how to better handle living with a stoma. Positive responses from members attending these meetings ensure that we continue this type of away-from-the-city get-togethers.

The 2012 Annual Get-together and AGM was very well received with a record number of members guests attending. This was due in part to more information being provided to members during the months leading up to the meeting and lower luncheon cost for attendees. This year looks like being even better. Our thanks to the AGM organising committee; good work.

The annual raffle was also well received with an increase in ticket sales over previous years, which enables ONL to cover expenses.

Our new computer system has been installed and after some implementation issues, which

invariable arise with such systems, it is now working well and our people are being trained in its use. Productivity gains will be gained over coming months.

The Federal Government has introduced a new commission to oversee charities and not for profit organisations to ensure that they comply with more stringent rules in terms of accounting and financial management and the responsibilities of executives and governing bodies (board of directors). Your Board has been receiving advice on these changes from our accountant and auditor to ensure that our association is compliant with the changes.

By the time of our AGM, the annual Australian Council of Stoma Associations (ACSA) conference for 2013 will have been held in Hobart, Tasmania. The conference brings together representatives from the twenty-two associations across Australia for discussion and sharing of information. The 2013 Conference period has been reduced from three to two days. Much of the discussion at these conferences focus on what is happening in the ostomy world; Health Department officers address the conference outlining changes or important aspects of the Stoma Appliance Scheme, under which all ostomates are able to receive their supplies at no direct cost.

As this year draws to its close, I take this opportunity on your behalf to thank our staff members who once again have excelled in service to our members. A short account of our financial affairs is available to any member who wishes to receive a copy by writing to the ONL Board of Directors; a copy will also be available from the ONL website.

2014 watch out; we are getting ready to move ahead once again into a new year.

Tom Flood

Our members

Our total membership has reduced from 6,663 in 2012 to 6,354 as at 30/6/13.

Number of orders filled in the 2013 year was approximately 50,422, an average of 4,202 per month, up from 3,415 in 2012.

The average value of each order was \$315.27 and the average value of goods supplied under the Stoma Appliance Scheme was \$2,282.00

STN Scholarship

ONL was again able to support the education of stomal therapy nurses through scholarships awarded in conjunction with the Australian Association of Stomal Therapy Nurses (NSW Branch)—(AASTN)

The recipients of the 2013 Scholarships will be announced at our AGM and will be presented at an AASTN meeting in December.

We have been able to fund the scholarships through the generous bequests of former members and donations from Narwee Baptist Creative Craft Group plus generous member donations.

Manager's Report

This past year has been one of change at Kirrawee, some of which were noted in my report last year.

In late 2012 we engaged the services of a Software Development Company to write a complete suite of computer systems to manage all aspects of the Association and reduce double handling of orders and data.

These systems are now in the testing phase.

January 2013 we experienced a major meltdown of the computer hardware. This required replacement of the server (heart of the system) and some of the individual PC's/monitors to bring them up to date and work at speeds available to us with the new software.

The Board of Directors took the decision to undertake a complete review of the entire I.T. function of the Association, written

specifications are now in place for all hardware and software systems. This has placed a great deal of additional work on the part of staff members and project leaders we engaged. I cannot express enough, my sincere thanks to all involved for their efforts and achievements.

We engaged Ms Janet Forsyth, to staff the clinic at Kirrawee on the second Tuesday of each month. Members needing to see Janet should book an appointment time by phoning (02) 9542-1300.

Janet can also be contacted Monday to Thursday from 10:00 am to 3:00 pm on mobile # 0408 449 362 to discuss problems members may encounter, between normal clinic times.

Bequests by former members and donations from Ostomates, such as Narwee Baptist Creative Craft Group have increased funds available to the STN Scholarship Fund, this will permit additional awards to be made this year and into the future.

I take this opportunity to extend to our staff, volunteers my thanks for their efforts across this past year and hope the changes we have introduced has made their day more rewarding and interesting

How to help

Nominations for a position on the Board of Directors should be submitted now for acceptance at the Annual General Meeting. Please see nomination form sent with the Notice of AGM or contact the President.

As a not-for-profit company, ONL is reliant on the support of members, friends, volunteers and a very dedicated paid staff. ONL is endorsed as an income tax exempt charitable entity and as a deductible gift recipient. Funds to continue our member services come from fees for distribution of Ostomy appliances under the Pharmaceutical Benefits Scheme (PBS); sale of non-PBS products; interest earned on retained funds invested in bank deposits; sale of raffle tickets; donations and bequests.

Please contact the office or visit www.ostomynsw.org.au for details of how you can help your association financially or through personal assistance.

Treasurer's Report

Gerard Watts

ONL had a satisfactory 2012/13 financial year albeit with a modest deficit. This deficit of only \$5,322 (2012 deficit was \$15,573) was achieved despite significant expenditure in technology and lower interest rates. The efficiency and dedication of our staff and disciplined financial management has enabled Ostomy NSW to minimise any adverse effects on our bottom line. Following are some details for 2013 with the results for 2012 shown in parenthesis.

Medicare reimbursement for goods supplied to members was \$12.50m (\$12.74m) and provided a gross surplus of \$1.075m (\$0.98m). Interest income was \$26,430 down on last year (\$36,796) due to lower deposit interest rates, although we have been able to improve our average-monthly bank account savings through better cash flow management.

Operating Expenses were \$1.078m (\$1.015m). The difference is due to increases in the cost of postage, utilities, property maintenance and Information systems including depreciation. The latter includes updating our server and personal computer hardware and development of a new software program for management of our membership and stock records.

Your Board has prudently made all appropriate provisions for future costs including annual leave and long service leave.

Personnel costs are less in 2013 than 2012 due to continued efficiency gains. However, we do significantly rely upon volunteers, including members of the board, for their unpaid contribution to our association.

Our cash flow is sound and we continue to improve our processes and systems to ensure that ONL has the financial stability to continue to provide its essential services. Cash on hand as at 30 June 2013 was \$723,574 (2012 \$400,208).

We have received some most generous donations in recent times, which mean that we have funds available to fund the STN education scholarships. We hope that this support for Ostomy NSW will continue.

Our asset base is fundamentally unchanged, being our building, equipment and stock. The company has no non-current liabilities and operates effectively in accordance with accounting standards.

\$'000s	2013	2012
PBS payments received	12,503	12,742
Total Membership Income	13,547	13,777
Other Income	133	74
Cost of Sales	12,604	12,867
Gross surplus	1,075	984
Total expenses	1,107	1,036
Interest Income	26	36
Net Surplus (Deficit)	(5)	(16)
Expenses		
Freight	248	219
Premises	37	28
Communications	6	5
Computers	20	5
Insurance	20	22
Fees	32	42
Fundraising (Newsletter)	7	2
Support (Scholarship)	58	11
Office	41	52
Depreciation	29	20
Entertainment	5	5
Travel & accommodation	7	1
Employment	597	619
ACSA Conference		4
Assets		
Bank	724	400
Stock	823	874
Debtors	996	814
Prepayments	0	276
Land & Buildings	1,220	1,220
Office & computer equipment	79	46
Liabilities		
Creditors	1,132	1,026
Prepayments, accruals, employee entitlements, etc	363	353
Equity	2,347	2,352

Directors, Management, Employees, and Volunteers

No company can operate without its people. ONL has the benefit of a stable and experienced Board, management team and service / warehouse teams.

Board of Directors

Tom Flood, President has been a director since 1990 and President since 1998. He is a member of the Finance and Fund Raising Committees. Mr Flood worked for BHP for 34 years and has also worked in property management.



Warren Nalty, Vice President has been a director since 2007 and Vice President since 2009. He is also a member of the Finance, Fund Raising and Risk Committees. Warren has over forty years' experience in banking and finance and is a justice of the peace.



Gerard Watts, Treasurer has been a director since 2007 and is chairman of the Finance Committee. Gerard has 27 years' experience in accounting and financial management. He holds a Bachelor of Commerce degree and is a CPA.



Stephen Grange has been a director since 2007. He is a business development specialist employed in the finance and insurance industries. He holds a Master of Business Administration, is a member of the Financial Services Institute of Australia and a fellow of the ANZ Institute of Insurance and Finance. Stephen chairs the Risk Management Committee.



Heather Hill, AM has been a director since 2009. Heather was a clinical nurse consultant in stomal therapy and wound management and holds a Bachelor of Science (Nursing). Professional affiliations include Fellow of the Royal College of Nursing,



Australia; Fellow of the College of Nursing; life member of the World Council of Enterostomal Therapy; and life member of the Australian Association of Stomal Therapy Nurses.

Kevin Skerritt, has been a director since December 2011 and is a solicitor (Retired)

Perry Johnstone joined the Board in August 2012. Perry works in local government and is very involved in Junior Rugby League and in supporting young indigenous players in Sydney.



Robert (Bob) Newman has been **Company Secretary and Manager** since 2012 and has been a director since 2010. He has 30 years' experience in the paper and packaging industry in the fields of marketing, operations and finance. He has also been an owner and manager of retail gift stores.



Your ONL Team

Operations Supervisor — Colleen

Office Team — Ros, Cheryl, Aye Aye, Frank, Kim, Natalie, Bev, and Yvonne

Warehouse Team — Jim, Barry, Janice, Matt, Charlene

Plus our dedicated volunteers

Ostomy NSW Limited
6/555 Princes Highway
Kirrawee NSW 2232

☎ Tel: 02 9542 1300

📠 Fax: 02 9542 1400

✉ Email info@ostomynsw.org.au

📄 PO Box 3068. Kirrawee NSW 2232

🌐 www.ostomynsw.org.au