

Ostomy NSW Limited

ABN 92 003 107 220

Financial Statements

For the year ended 30 June 2012

IN 2 BUSINESS PTY LIMITED

9/429 The Boulevard

KIRRAWEE 2232

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Ostomy NSW Limited
ABN 92 003 107 220

Financial Report for the Year Ended 30 June 2012

DIRECTORS' REPORT

Your directors present this report on the entity for the financial year ended 30 June 2012.

Directors

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

Mr Thomas Flood
Mr Warren Nalty
Mr Gerard Watts
Mr Michael Peebles, AM (Retired 20/1/12)
Mr Stephen Grange
Mr Robert Newman
Ms Heather Hill, AM
Mr Kevin Skerritt (Appointed 20/12/11)

Principal Activities

The principal activity of the entity during the financial year were to supply surgical appliances and services under the Federal Government Stoma Appliance Scheme to members with or likely to have surgical conditions known as ileostomy, ileal conduit, urostomy, colostomy or other medical conditions requiring the use of an external pouch system. No significant change in the nature of these activities occurred during the year.

Short-term and Long-term Objectives

The entity's short-term objectives are to:

- Continue to provide efficient and accurate delivery of stoma appliances and ancillary products to the company members; and,
- Keep members informed of any issues that directly affect their deliveries or products, without attempting at any time to provide or imply any medical advice.

The entity's long-term objectives are to:

- Be recognised by its members as the Ostomy association that excels in member service; and,
- Improve the wellbeing and quality of life of all ostomates and the community in general.

Strategies

To achieve its stated objectives, the company has adopted the following strategies:

- Appropriate training of employees and volunteers;
- Maintain adequate premises;
- Make the best use of computer and electronic technology; and,
- Adoption and use of a financial model that ensures long term viability, liquidity and solvency, with capacity for growth.

Key Performance Measures

The company measures its own performance through the use of both quantitative and qualitative benchmarks. The benchmarks are used by the directors to assess the financial sustainability of the company and whether the company's short-term and long-term objectives are being achieved.

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DIRECTORS' REPORT

For the year ended 30 June 2012, the company set Key Performance Measures in place for the following areas:

- To measure the Cost to Income Ratio, and to achieve an improvement over the prior year;
- To measure the Staff Cost to Income Ratio, and to ensure no increase over the prior year;
- To manage the finance function of the company, to achieve an improvement in the number of end-of-year adjustments required in the books of the company;
- To manage the average level of Inventory held during the year, to be equal or less than the average stock required to fill Member orders per month;
- To achieve a 'zero' level of fines from regulatory bodies through the year;
- To manage the warehouse and distribution function, to achieve an improvement in the order turnaround time.

Overall, the Board has been pleased with the level of achievement of these objectives during the current financial year, and will continue to monitor and review the objectives in the future.

Information on Directors

Thomas Flood	–	Director and President
Experience	–	A member of the Board since 1990 and President since 1998. He worked for BHP for 34 years and also worked in property management.
Special Responsibilities	–	President and Chairman of the Board of Directors and member of the Finance Committee.
Warren Nalty	–	Director and Vice President
Experience	–	Has over 40 years banking experience specialising in performance management. Current JP. A member of the Board of Directors since 2007.
Special Responsibilities	–	Vice President and member of the Finance Committee, Chair of the Risk Management and Fund Raising Committees.
Gerard Watts	–	Director and Treasurer
Qualifications	–	B. Comm. Member of IPA.
Experience	–	A member of the Board of Directors since 2007. He has over 25 years accounting and finance experience.
Special Responsibilities	–	Treasurer and Chair of the Finance Committee.
Michael Peebles, AM	–	Director and Company Secretary (retired 20/1/12)
Qualifications	–	B. Fin Admin. Fellow of IPA. Member of Australian Institute of Management and the Order of Australia Association.
Experience	–	Extensive experience in civil and military roles.
Special Responsibilities	–	Company Secretary (retired 20/1/12)
Stephen Grange	–	Director
Qualifications	–	MBA. Fellow of Australian and New Zealand Institute of

DIRECTORS' REPORT

Insurance & Finance.

Experience – Employed in the finance industry in a business development role. A member of the Board since 2007.

Special Responsibilities – Member of Risk Management and Fund Raising Committees.

Heather Hill, AM – Director

Qualifications – RN. BAsc (Nursing), Fellow Royal College of Nursing, Life Member World College of Enterostomal Therapy, Life Member Australian Association of Stomal Therapy Nurses.

Experience – Extensive experience in stomal therapy nursing. Presented and published nationally and internationally. Awarded an Order of Australia in 2003 for services in the field of stomal therapy nursing.

Special Responsibilities – Board meetings Minutes Secretary

Robert Newman – Director and Company Secretary

Qualifications – B. Ec.

Experience – Appointed to the Board in 2010. Over 30 years experience in the paper and packaging industry, in the fields of marketing, operations and finance. Owner and manager of retail gift store outlets.

Special Responsibilities – Company Secretary (Appointed 20/1/12)

Kevin Skerritt – Director (appointed 20/12/11)

Qualifications – Retired Solicitor

Experience – Extensive experience in law.

Meetings of Directors

During the financial year, 12 Board Meetings were held. Attendances by each director were as follows:

	Board Meetings	
	Number eligible to attend	Number attended
Mr Thomas Flood	12	11
Mr Warren Nally	12	12
Mr Gerard Watts	12	10
Mr Michael Peebles, AM	7	1
Mr Stephen Grange	12	10
Mr Robert Newman	12	7
Ms Heather Hill, AM	12	10
Mr Kevin Skerritt	6	2


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 member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the entity. At 30 June 2012, the total amount that members of the company are liable to contribute if the company is wound up is \$66,630 (2011: \$62,810).

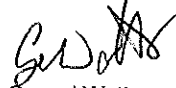
Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2012 has been received and can be found on page 5 of this financial report.

This directors' report is signed in accordance with a resolution of the Board of Directors.

Thomas Flood
Director and President


Dated this 16th day of October 2012


Gerard Watts
Director and Treasurer

BUSINESS PARTNER ACCOUNTANTS

ABN 31 254 110 993

Chartered Accountants and Business Advisors

PO Box 634
Miranda NSW 1490

Principal: Mark J. Lennon B.Comm., FCA

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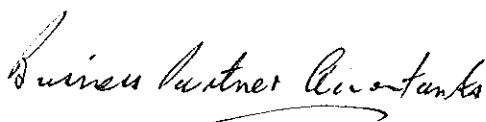
Suite 6, First Floor
525 Kingsway
(Cnr. Clubb Cr.)
Miranda NSW 2228

Auditor Independence Declaration Under Section 307C of the *Corporations Act 2001*

To the Directors of Ostomy NSW Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2012 there have been:

- (i) no contraventions of the auditor independence requirements of 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.



**Business Partner Accountants
Chartered Accountants**



Mark J Lennon

16 October, 2012

Ostomy NSW Limited ABN 92 003 107 220

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2012

	Note	2012	2011
		\$	\$
Revenue	2	12,787,394	12,296,672
Cost of Goods Traded		(12,867,327)	(12,196,221)
Gross Surplus		(79,933)	100,451
Other income	2	1,100,468	1,018,946
Employee benefits expense	3a	(524,626)	(502,152)
Depreciation and amortisation expense	3a	(20,482)	(14,393)
Finance costs	3	-	(105)
Freight and Cartage		(219,067)	(200,660)
Fundraising & Nurse Support expense		(12,570)	(14,744)
Other operating expenses		(259,363)	(176,454)
Profit before income tax		(15,573)	210,889
Income tax expense		-	-
Profit for the year		(15,573)	210,889
Other comprehensive income after income tax:			
Net gain on revaluation of non-current assets		-	-
Net fair value (loss)/gain on revaluation of financial assets		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		(15,573)	210,889
Total comprehensive income attributable to members of the entity		(15,573)	210,889

The accompanying notes form part of these financial statements.

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STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2012

	Note	2012 \$	2011 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	401,248	590,291
Trade and other receivables	5	1,084,285	1,088,297
Inventories	6	974,400	647,322
Other assets	7	6,666	14,943
TOTAL CURRENT ASSETS		<u>2,466,599</u>	<u>2,340,853</u>
NON-CURRENT ASSETS			
Other assets	7	450	450
Property, plant and equipment	8	1,265,982	1,265,533
TOTAL NON-CURRENT ASSETS		<u>1,266,432</u>	<u>1,265,983</u>
TOTAL ASSETS		<u>3,733,031</u>	<u>3,606,836</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	1,256,913	1,172,676
Other Liabilities	10	21,044	13,019
Provisions	11	102,075	47,084
TOTAL CURRENT LIABILITIES		<u>1,380,032</u>	<u>1,232,779</u>
NON-CURRENT LIABILITIES			
Other Liabilities	10	250	100
Provisions	11	-	5,635
TOTAL NON-CURRENT LIABILITIES		<u>250</u>	<u>5,735</u>
TOTAL LIABILITIES		<u>1,380,282</u>	<u>1,238,514</u>
NET ASSETS		<u>2,352,749</u>	<u>2,368,322</u>
EQUITY			
Retained earnings		2,352,749	2,368,322
Reserves		-	-
TOTAL EQUITY		<u>2,352,749</u>	<u>2,368,322</u>

The accompanying notes form part of these financial statements.

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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2012

Note	Retained Earnings \$	Financial Assets Reserve \$	Revaluation Surplus \$	Total \$
Balance at 1 July 2010	2,157,433	-	-	2,157,433
Total comprehensive income for the year	210,889	-	-	210,889
Profit attributable to members	-	-	-	-
Other comprehensive income for the year:	-	-	-	-
Net gain on revaluation of assets	-	-	-	-
Total other comprehensive income	-	-	-	-
Total comprehensive income for the year attributable to members of the entity	210,889	-	-	210,889
Balance at 30 June 2011	2,368,322	-	-	2,368,322
Balance at 1 July 2011	2,368,322	-	-	2,368,322
Total comprehensive income for the year	(15,573)	-	-	(15,573)
Profit attributable to members	-	-	-	-
Other comprehensive income for the year:	-	-	-	-
Net loss on revaluation of assets	-	-	-	-
Total other comprehensive income	-	-	-	-
Total comprehensive income for the year attributable to members of the entity	(15,573)	-	-	(15,573)
Transactions with owners, in their capacity as owners, and other transfers	-	-	-	-
Transfer on sale of asset	-	-	-	-
Total transactions with owners and other transfers	-	-	-	-
Balance at 30 June 2012	2,352,749	-	-	2,352,749

The accompanying notes form part of these financial statements.

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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2012

	Note	2012	2011
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Government and Customers		13,855,078	13,220,256
Other receipts		-	-
Payments to suppliers and employees		(14,059,986)	(13,095,751)
Interest received		36,796	30,542
Finance costs		-	(105)
Net cash generated from operating activities		(168,112)	154,942
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		-	-
Payment for property, plant and equipment		(20,931)	(40,240)
Proceeds from sale of available-for-sale investments		-	-
Payment for available-for-sale investments		-	-
Payment for financial assets at fair value through profit or loss		-	-
Payment for intangible assets		-	-
Payment for held-to-maturity investments		-	-
Net cash generated by/(used in) investing activities		(20,931)	(40,240)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of finance lease commitments		-	-
Increase in finance lease commitments		-	-
Net cash generated by/(used in) financing activities		-	-
Net increase in cash held		(189,043)	114,702
Cash and cash equivalents at beginning of financial year		590,291	475,589
Cash and cash equivalents at end of financial year	4	401,248	590,291

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

Ostomy NSW Limited has elected to early adopt the pronouncements AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements. As a consequence, the entity has also adopted AASB 2011-2: Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements and AASB 2011-6: Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation – Reduced Disclosure Requirements. This is because the reduced disclosure requirements in AASB 2011-2 and AASB 2011-6 relate to Australian Accounting Standards that mandatorily apply to annual reporting periods beginning on or after 1 July 2011.

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 stated otherwise.

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 16/10/12 by the directors of the company.

Accounting Policies

a. **Revenue**

Ostomy NSW Limited receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in the statement of comprehensive income.

Fees paid by company members are recognised as revenue at the time of receipt.

Donations, bequests, raffles and other income are recognised as revenue when received.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

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

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

b. **Inventories**

Inventories are measured at the lower of cost and current replacement cost. Inventories held for distribution are measured at cost, adjusted, when applicable, for any loss of service potential.

Inventories acquired at no cost, or for nominal consideration, are valued at the current replacement cost as at the date of acquisition.

c. **Property, Plant and Equipment**

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

Freehold property

Freehold land and buildings are shown at their fair value based on periodic, but at least triennial,

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

valuations by external independent valuers, less subsequent depreciation for buildings.

In periods when the freehold land and buildings are not subject to an independent valuation, the directors conduct directors' valuations to ensure the carrying amount for the land and buildings is not materially different to the fair value.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the revaluation surplus in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are recognised in the statement of comprehensive income.

As the revalued buildings are depreciated, the difference between depreciation recognised in the statement of comprehensive income, which is based on the revalued carrying amount of the asset and the depreciation based on the asset's original cost, is transferred from the revaluation surplus to retained earnings.

Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Freehold land and buildings that have been contributed at no cost, or for nominal cost, are initially recognised and measured at the fair value of the asset at the date it is acquired.

Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(f) for details of impairment).

Plant and equipment that have been contributed at no cost, or for nominal cost, are valued and recognised at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over the asset's useful life to the entity commencing from the time the asset is held ready for use. Leasehold improvements, if any, are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Fixed Asset	Depreciation Rate
Buildings and Building Improvements	2.5% - 100%
Plant and equipment	5% - 50%
Computer Software	25% - 50%

The asset 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 the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

d. **Leases**

The entity held no Leases throughout the reporting period.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

e. **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 (ie 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 and loss" in which case transaction costs are expensed to profit and loss immediately.

Financial Instruments of the company comprise of cash and cash equivalents, trade receivables, and trade payables. They are expressed at fair value in the financial statements, which is cost.

f. **Impairment of Assets**

At the end of each reporting period, the entity assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount 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 (eg 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.

g. **Employee Benefits**

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits have been measured at the amounts expected to be paid when the liability is settled.

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

h. **Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts if any (none present as at 30/6/11 or 30/6/12).

i. **Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables 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 in the Statement of Cash Flows on a net basis.

j. **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*.

k. **Intangibles**

Software

Software is initially recognised at cost. It has a finite life and is carried at cost less any accumulated amortisation and impairment losses. Software has an estimated useful life of between one and three years. It is assessed annually for impairment.

l. **Provisions**

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

m. **Comparative Figures**

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

n. **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.

o. **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

Impairment

The freehold land and buildings were independently appraised at 17 January 2011 by L J Hooker Commercial Miranda. The appraisal was based on the fair value less cost to sell. The critical assumptions adopted in determining the valuation included the location of the land and buildings, the current demand for land and buildings in the area and recent sales data for similar properties. The appraisal arrived at a price range between \$900,000 and \$1,000,000 (plus GST) for the freehold land and buildings.

At 30 June 2012, the directors have performed a directors' valuation on the freehold land and buildings. Land and buildings are not held on an "Available for Resale" basis. The directors have determined to leave the value of the land and buildings unchanged at 30 June 2012, as the Directors are of the opinion that the carrying value of land and buildings represents 'fair value'.

p. **Economic Dependence**

Ostomy NSW Limited is dependent on the Department of Health and Aging (Medicare Australia) for the majority of its revenue used to operate the business. At the date of this report the Board of Directors has no reason to believe the Department will not continue to support Ostomy NSW Limited.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

	Note	2012	2011
		\$	\$
NOTE 2: REVENUE AND OTHER INCOME			
Revenue and Other Income			
Revenue from (non-reciprocal) government grants and other grants:			
– Sales and Medicare reimbursements		12,787,394	12,296,672
– Other revenue		1,063,672	988,404
– Interest revenue		36,796	30,542
		13,887,862	13,315,618
NOTE 3: PROFIT FOR THE YEAR			
Profit for the year has been determined after charging as expense:			
a. Expenses			
Cost of non-primary production goods traded		12,867,327	12,196,221
Employee benefits expense:		524,626	502,152
Depreciation and amortisation:			
– Buildings		8,788	5,856
– Plant & equipment		11,694	8,537
Total depreciation and amortisation		20,482	14,393
NOTE 4: CASH AND CASH EQUIVALENTS			
CURRENT			
Bank Accounts		400,798	589,841
Cash on hand		450	450
		401,248	590,291
NOTE 5: TRADE AND OTHER RECEIVABLES			
CURRENT			
Trade receivables		1,084,285	1,088,297
Provision for impairment		-	-
Total current trade and other receivables		1,084,285	1,088,297
NOTE 6: INVENTORIES			
CURRENT			
Finished goods at cost:		974,400	647,322

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

	Note	2012	2011
		\$	\$
NOTE 7: OTHER ASSETS			
CURRENT			
Prepayments		6,304	14,943
Other sundry receivable		362	-
		6,666	14,943
NON-CURRENT			
Security Deposit		450	450
		450	450
NOTE 8: PROPERTY, PLANT AND EQUIPMENT			
LAND AND BUILDINGS			
Freehold land and buildings - At fair value:		1,245,687	1,238,537
Less: accumulated depreciation		(26,026)	(17,238)
		1,219,661	1,221,299
PLANT AND EQUIPMENT			
Plant and equipment - At cost		114,049	100,269
Less: accumulated depreciation		(67,728)	(56,035)
		46,321	44,234
Total property, plant and equipment		1,265,982	1,265,533

Movements in Carrying Amounts

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

	Land and Buildings	Plant and Equipment	Total
Balance at the beginning of the year	1,221,299	44,234	1,265,533
Additions at cost	7,150	13,781	20,931
Additions at fair value	-	-	-
Disposals	-	-	-
Depreciation expense	(8,788)	(11,694)	(20,482)
Carrying amount at the end of the year	1,219,661	46,321	1,265,982

Asset Revaluations

The freehold land and buildings were independently appraised at 17/1/11 by L J Hooker Miranda. The appraisal was based on the fair value less cost to sell. The critical assumptions adopted in determining the value included the location of the land and buildings, the current demand for land and buildings in the area and recent sales data for similar properties. The appraisal did not result in a revaluation increment for the year ended 30 June 2011.

At 30 June 2012, the directors have performed a directors' valuation on the freehold land and buildings. While the directors recognise that the carrying value of land & buildings and improvements exceeds the market appraisal, the assets are not held for resale but are expected to be used long term in the company's operations, and therefore, the carrying amount stated as at 30/6/12 represents fair value in the

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opinion of the directors.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

	Note	2012	2011
		\$	\$
NOTE 9: TRADE AND OTHER PAYABLES			
CURRENT			
Trade payables		1,026,432	948,096
Prepaid Member fees		53,425	39,980
Prepaid Member postage		138,760	127,319
ACSA Conference 2011		-	24,635
Other creditors		38,296	32,646
		<u>1,256,913</u>	<u>1,172,676</u>

NOTE 10: OTHER LIABILITIES

CURRENT:

Accrued charges		21,044	13,019
		<u>21,044</u>	<u>13,019</u>

NON-CURRENT:

Prepaid Member fees		250	100
		<u>250</u>	<u>100</u>

NOTE 11: PROVISIONS

Current:

Employee benefits - Current		102,075	47,084
Employee benefits – Non-current		-	5,635
		<u>102,075</u>	<u>52,719</u>

A provision has been recognised for employee entitlements relating to long service leave. This has been stated at current estimated cost, as the directors believe the amount is immaterial, and re-statement onto a discounted current value basis is not material.

NOTE 12: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The entity is not aware of any contingent liabilities.

NOTE 13: EVENTS AFTER THE REPORTING PERIOD

The directors are not aware of any significant events since the end of the reporting period.

NOTE 14: KEY MANAGEMENT PERSONNEL COMPENSATION

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel.

The totals of remuneration paid to key management personnel (KMP) of the company during the year are as follows:

	2012	2011
	\$	\$
Key management personnel compensation	86,177	145,229
	<u>86,177</u>	<u>145,229</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 15: OTHER RELATED PARTY TRANSACTIONS

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.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other persons unless otherwise stated.

During the year there were no related party transactions.

NOTE 16: FINANCIAL RISK MANAGEMENT

The company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, and 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:

Financial assets		2012	2011
Cash and cash equivalents	4	401,248	590,291
Loans and receivables	5	1,084,285	1,088,297
Total financial assets		<u>1,485,533</u>	<u>1,678,588</u>
Financial liabilities			
Financial liabilities at amortised cost:			
– trade and other payables	9	1,026,432	972,731
Total financial liabilities		<u>1,026,432</u>	<u>972,731</u>

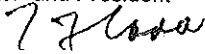
DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Ostomy NSW Limited, the directors of the entity declare that:

1. The financial statements and notes, as set out on pages 5 to 17, 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 June 2012 and of the performance for the year ended on that date of the entity.
2. In the directors' opinion there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

Thomas Flood

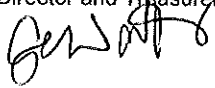
Director and President



Dated this 16th day of October, 2012

Gerard Watts

Director and Treasurer



BUSINESS PARTNER ACCOUNTANTS

ABN 31 254 110 993

Chartered Accountants and Business Advisors

PO Box 634
Miranda NSW 1490

Principal: Mark J. Lennon B.Comm., FCA

E-mail: info@bpaccountants.com.au

Tel: (02) 9524 2966
Fax: (02) 9524 2966

Suite 6, First Floor
525 Kingsway
(Cnr. Clubb Cr.)
Miranda NSW 2228

Independent Audit Report

To the members of Ostomy NSW Limited

Report on the Financial Report

We have audited the accompanying financial report of Ostomy NSW Limited (the company), which comprises the statement of financial position as at 30 June 2012, 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.

Directors' Responsibility for the Financial Report

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 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 company's preparation of the financial report that gives a true and fair view 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*, which has been given to the directors of Ostomy NSW Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion, the financial report of Ostomy NSW Limited is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the company's financial position as at 30 June 2012 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

Business Partner Accountants

**Business Partner Accountants
Chartered Accountants**

Signed at Miranda, NSW this 16th day of October 2012

Mark J Lennon
Mark J Lennon

We have compiled the accompanying general purpose financial statements of Ostomy NSW Limited, which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows, and a summary of significant accounting policies and other explanatory notes. The specific purpose for which the general purpose financial statements have been prepared is set out in Note 1.

The Responsibility of the Directors of Ostomy NSW Limited

The directors of Ostomy NSW Limited, are solely responsible for the information contained in the general purpose financial statements and have determined that the significant accounting policies adopted as set out in Note 1 to the financial statements are appropriate to meet their needs and for the purpose that the financial statements were prepared.

Our Responsibility

On the basis of the information provided by the directors of Ostomy NSW Limited, we have compiled the accompanying general purpose financial statements in accordance with the significant accounting policies adopted as set out in Note 1 to the financial statements and APES 315: Compilation of Financial Information.

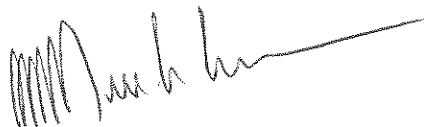
Our procedures use accounting expertise to collect, classify and summarise the financial information, which the Directors provided, in compiling the financial statements. Our procedures do not include verification or validation procedures. No audit or review has been performed by us, and accordingly no assurance is expressed.

The general purpose financial statements were compiled exclusively for the benefit of the directors of Ostomy NSW Limited. We do not accept responsibility to any other person for the contents of the general purpose financial statements.

IN 2 BUSINESS PTY LIMITED

9/429 The Boulevard

Kirrawee NSW 2232



Richard Broekhuysse, CPA