



President's Message

As the year comes to its close, once again your Board of Directors, together with paid staff and our faithful volunteers reflect on the changes that have taken place over the past twelve months. We said farewell to our former General Manager Mr Michael Peebles AM, who retired, welcomed our new manager and company secretary Mr Bob Newman, a man of vision and action. Many of the mentioned changes are part of Bob's vision for a more active and general community participative association. On the Board we welcomed Mr Kevin Skerritt, and Mr Perry Johnstone, both these men have had wide business experience.

While we have posted a small deficiency for the 2012 financial year we are still very financially viable. From time to time we have to make provisional adjustments to our staff entitlements and other liabilities, which of course lower our profit margin; this year was one of those times. Total membership income is up and costs are largely contained. The Board is confident as to the association's financial strength. With our use of technology in many areas of our operations we are confident that we can continue to provide our very efficient long standing service to our growing membership.

On behalf of the Board I extend a very warm welcome to attend our annual get together, in the Sydney Bowlers Club 97/99 York Street Saturday 17th November 2012, happy hour 11:00 to 12:00 noon, appliance companies will be displaying their products.

Annual Report to Members Financial Year 2011 – 2012

The 12:00 noon to 1:45 pm friendship lunch cost is only \$25.00 per person, then at 2:00 pm a short Annual General Meeting will be held which is the members' opportunity to have a say on how your association is operating.

Tom Flood

Our members

Our total membership has grown from 6,278 in 2011 to 6,663 as at 30/6/12.

Number of orders filled in the 2012 year was 40,974, an average of 3,415 per month, up from 2,874 in 2011.

The average value of each order was \$312, and the average value of goods supplied under the Stoma Appliance Scheme was \$1,920.

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 (AASTN).

The recipients of the 2012 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 bequest of deceased members and donations from

Narwee Baptist Creative Craft Group and NSW Chamber of Fruit & Vegetable Industries at Sydney Fruit Markets

Manager's Report

Following the retirement of Michael Peebles as General Manager at end of 2011, I took over as Manager from early 2012.

I have been working with all staff members to implement changes thought necessary by the Board of Directors in terms of systems both computer-based and paper flow to achieve improved service to our members with faster delivery of orders.

We have made changes to the warehouse layout of goods stocked and in physical terms such as a revised Monro Ave shop area, as would have been noted by those members who pick up their orders. These changes it is anticipated will bring time savings when picking orders and make things easier for warehouse staff.

More changes will be made over coming months, each with the aim of giving better service.

Currently, we experience a rush of orders during the first 2 weeks of each month, which can have the effect of delaying shipment of member orders.

We would ask members to make every effort to place their order across the month instead of just sending the order in for shipment at the start of each month. This should only be considered, provided you have sufficient supplies available.

Tom Flood is to be commended for the work he undertakes in organising and attending regional meetings of United Ostomy Associations of NSW.

These meetings can be educational in bringing to the attention of members new products on offer from suppliers or advice on how to cope with problems associated with a stoma.

My association with ONL has only been a recent, event, however during this time I found staff members make every effort to assist members and each other to ensure there is a minimum of delay in processing orders or in responding to all types of questions.

I take this opportunity to extend to our staff my thanks for their efforts in working with me and the other members of ONL .

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.

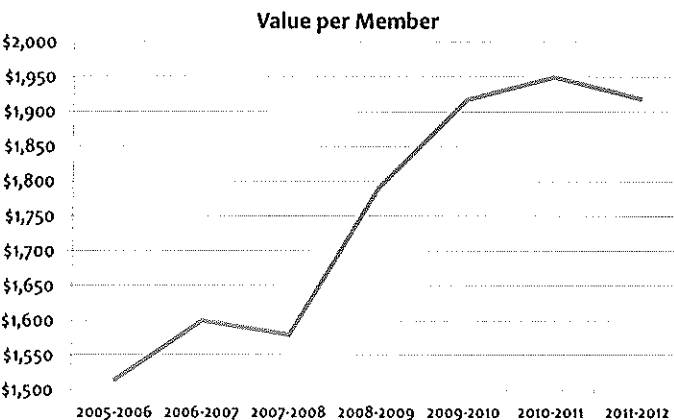
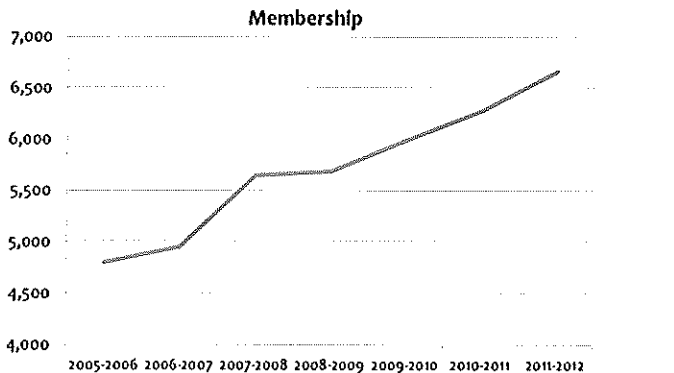
Please contact the office or visit www.ostomynsw.org.au for details of how you can help your association financially or through personal assistance.

Financial Snapshot

| \$millions | 2009-2010 | 2010-2011 | 2011-2012 | Average |
|----------------------------|-----------|-----------|---------------|---------|
| Revenue | 12.433 | 13.242 | 13.851 | 13.175 |
| Value of orders dispatched | 11.486 | 12.242 | 12.787 | 12.172 |
| Total expenses | 0.876 | 0.908 | 0.999 | 0.928 |
| New leave provisions | 0.000 | 0.000 | 0.037 | |
| COGS | 11.501 | 12.196 | 12.867 | 12.188 |
| Interest Income | 0.000 | 0.031 | 0.037 | 0.022 |
| Surplus or deficit | 0.056 | 0.211 | -0.016 | 0.084 |
| Total assets | 3.531 | 3.607 | 3.733 | 3.623 |
| Total liabilities | 1.373 | 1.239 | 1.380 | 1.331 |
| Net assets | 2.157 | 2.368 | 2.353 | 2.293 |

A full copy of ONL Financial Accounts is available from our website or on request in writing to the Treasurer.

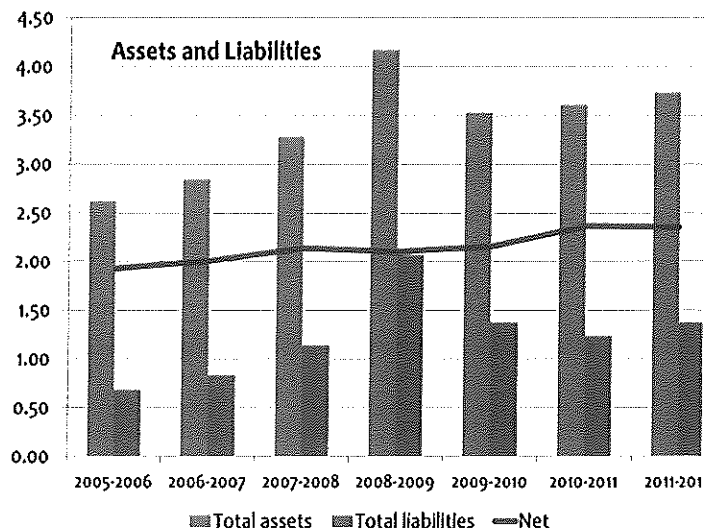
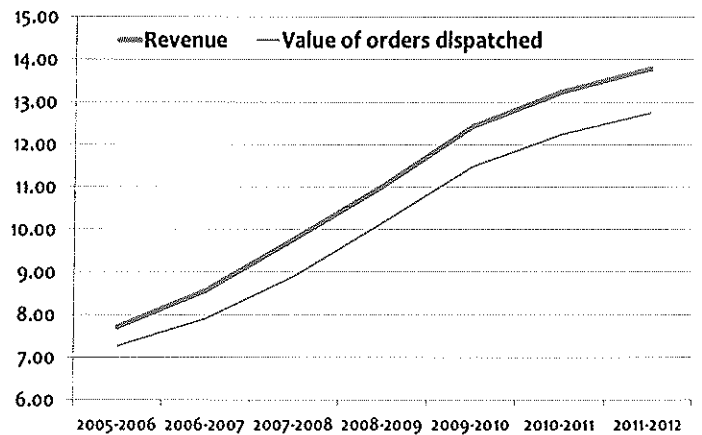
Total number of ONL members continues to increase each year; there is also an increase in percentage of temporary members.



Our Assets are primarily our Kirrawee premises, which are recorded at cost; stock on hand which is growing overall, but can vary as at reporting date from year to year; plus cash on hand. We are retaining surplus income to build our reserves to maintain the financial viability of your

association and to provide for long term needs. It "took 50 years" to build funds to purchase our premises.

Total value of supplies and average benefit to members continues to increase. The government is striving to control costs, but is also continuing to support the Stoma Appliance Scheme.



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)

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, Norma, Kim, Kelly, Natalie, Bev, Carmen;

Warehouse Team — Jim, Barry, Janice, Matt

Plus our dedicated volunteers

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Stephen, Warren, Heather, Tom and Gerard



Bob