

# ANNUAL REPORT TO MEMBERS

## FINANCIAL YEAR 2009 - 2010



### Message from the President

I welcome all our Members to this new look Annual Report of Ostomy NSW Limited for 2009-2010. The year was one of significant growth and change and I trust you will find this report about the company's activities interesting and informative.

### Our Members

As indicated in the highlights segment, membership grew from 5,683 in 2008-2009 to 5,990 in 2009-2010. The graph in the Company Snapshot traces our membership numbers of the last five years.

### Our Board of Directors

I wish to publicly and formally thank them on your behalf for their individual and combined efforts over the last year.

Under the Company's Constitution, all current serving Directors must retire their appointments at the Annual General Meeting. However, I am very pleased to say that all are also standing for re-election.

### United Ostomy Association's Regional Meetings

Meetings in 2009 -2010 were held at Orange (where we celebrated World Ostomy Day with members from Bathurst) and Tamworth.

Both were well supported and the Tamworth meeting agreed to form a local ostomy support group to help local members adjust to the new life style. A metropolitan meeting was held at Blacktown.

### ACSA Annual Conference

ONL representatives attended the 2009 conference which was held in Canberra, with most of the twenty two stoma associations also being represented.

### STN Scholarship

Once again ONL is grateful for the support of the NSW Chamber of Fruit & Vegetable Industries at Sydney Fruit Markets for their generous donation of \$5,000 for an annual Stoma Nurse Scholarship.

ONL matches this amount to provide a second scholarship, the winner of which will be announced at the AGM.

## Highlights

- Membership at 30<sup>th</sup> June was 5,990, an increase of 5.4% over last year.
- Orders dispatched during the year were 33,222, 21% more than last year.
- The average value of each order dispatched was \$346.
- For the average annual membership fee of \$40.00, each member received products and appliances valued at an average of \$1,918.00.
- ONL remains in a strong financial position and achieved a significant turn around in operating results over last year.



## Message from the General Manager

I join with Tom Flood, to reinforce the message that ONL has provided its Members with positive growth and a good financial result in 2009 -2010. I am grateful to those who have preceded me for my inheritance of a strong, vibrant association, with a great vision for the future and a cohesive team of Directors, staff and volunteers dedicated to providing first class service for our members.

With new management, inevitably some changes will be involved, but these will only be made where they match our primary objective of providing excellent service to our Members. This is something to which I am deeply committed and assure you that I will work towards always putting the best interests of Members first.

So far we have restructured our financial and accounting processes so that regular monthly reports are reviewed by the Board's Finance Committee and we have introduced improved stock management procedures.

Operational and administrative processes have been reviewed in relation to record keeping, dispatching member orders and dealing with back order problems.

A significant change is improvement to our computer systems by upgrading our local area network, website and email facilities. A project, in three distinct phases over the next three years, has been approved by the Board and funding allocated under a capital expenditure budget.

I am confident that we will save a great deal of time and eliminate the propensity for data entry errors by implementing the stock control and member ordering processing functions included in this project.

I am pleased to say that within ONL there is a very real "can do" attitude and a willingness and spirit to improve wherever and whenever we can.

Turning now to our financial results, we have included snapshot details separately in a later section of this report. It is gratifying that the deficit of the previous year has been turned around and that all key performance indicators are very positive.

It would be remiss of me if I did not thank Tom Flood for his wealth of experience which has translated into sound advice and strong support. Also my thanks go out to the Board of Directors for their support and vision for the future.

In particular I want to thank our stalwart volunteers without whose help we could not have achieved the results that we have in 2009-2010.

Last, but by no means least, I want to mention our staff. There are only 12 members of staff and they deserve all the praise and thanks they can get. for their hard work during the year.

ONL has a bright future and I look forward to the challenges of 2010-2011 and working with Members to meet their needs.

## WE CAN'T DO IT WITHOUT OUR VOLUNTEERS

From the Board of Directors, Management and Staff, we say a very big thank you to all our wonderful volunteers. Without them, we could not achieve as much as we do. The contribution made by these dedicated people ensures that our loyal staff can focus on their primary role to answer queries over the phone from Members and process their orders. It is vital that we continue to receive volunteers' support. If you can spare some time, we would be grateful for your services. Please contact either Michael Peebles or Colleen Lamond on 02 9542 1300, or by fax on 02 9542 1400 or by email via our website at [www.ostomynsw.org.au](http://www.ostomynsw.org.au) or via [info@ostomynsw.org.au](mailto:info@ostomynsw.org.au)

## Board of Directors



Left to Right - Stephen Grange, Warren Nalty (Vice President), Heather Hill, AM, Tom Flood (President), Gerard Watts (Treasurer), Pearce Anderson

**Mr Tom Flood** has been a Director since 1990 and President since 1998. He is also a member of the Finance Committee. He worked for BHP for 34 years and also worked in the real estate business.

**Mr Warren Nalty** has been a Director since 2007 and Vice President since 2009. He is also a member of the Finance Committee. He has 42 years experience in the banking industry. He is a Justice of the Peace and member of the Financial Services Institute of Australia.

**Mr Gerard Watts** has been a Director since 2007 and is Chairman of the Finance Committee. He has 26 years experience in accounting and financial management. His qualifications include a Bachelor of Commerce and membership of the National Institute of Accountants.

**Mr Stephen Grange** has been a Director since 2007 and is a business development specialist employed in the finance industry. His qualifications include a Master of Business Administration and he is a member of the Financial Services Institute of Australia and a fellow of the Australian and New Zealand Institute of Insurance and Finance.

**Mr Pearce Anderson** has been a Director since 2007 and has 15 years business experience. He is a Chemical Engineer by profession and his qualifications include a Bachelor of Engineering and a Master of Business and Technology degree.

**Ms Heather Hill, AM** has been a Director since 2009 and was Company Secretary until this year. She worked as a Clinical Nurse in Stomal Therapy and Wound Management. She holds a Bachelor of Science (Nursing). Her 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.

## Board Committees

At 30th June 2010 the Finance Committee was the only committee of the Board and its members were:

- Gerard Watts, Chair
- Warren Nalty
- Tom Flood

## Key Management Personnel

**Michael Peebles, AM** was appointed as the General Manager in March 2010 and the Company Secretary in June 2010, at which time he became an ex-officio Director. He has extensive management and work experience at a senior level. He was made a Member of the Order of Australia in 1994 for services in the Army Reserve in the fields of leadership and management. He holds a Bachelor of Financial Administration and Accounting Certificate. He is a Life Member of the Order of Australia Association, a member of the National Institute of Accountants and the Australian Institute of Management.

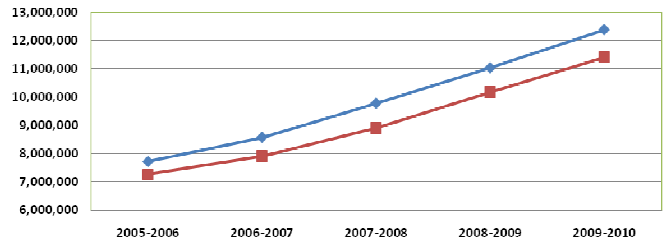
**Ms Colleen Lamond** is the ONL Finance Officer and has been with ONL for three and half years. She is also the registered Public Officer with the Australian Taxation Office. Prior to joining ONL, Colleen had twenty one years in ostomy care and customer service. Colleen holds an Accounting Diploma and formal qualifications in computer accounting systems, as well as a First Aid Certificate.

## Company Snapshot

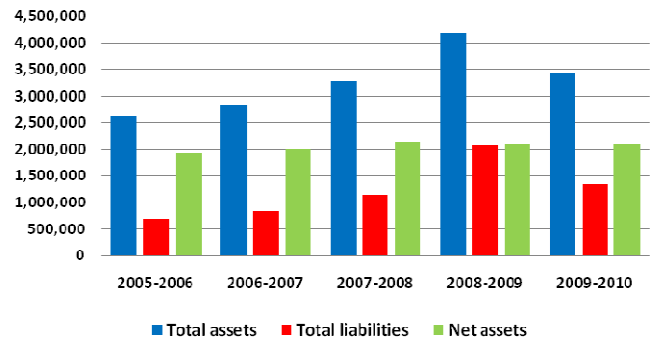
### Financial Data 2009-2010

Total income	\$12,423,456
Cost of sales	\$11,501,301
Gross surplus	\$ 922,155
Total Expenses	\$ 876,088
Interest received	\$ 9,461
Net surplus	\$ 55,528
Total assets	\$ 3,530,624
Total liabilities	\$ 1,373,191
Net assets/equity	\$ 2,157,433
Cash on hand	\$ 475,588
Stock	\$ 785,922
Liquidity ratio	1.71 : 1.00
Working capital	\$ 919, 891

Comparison of Revenue & Orders Despatched



Comparison of Assets & Liabilities

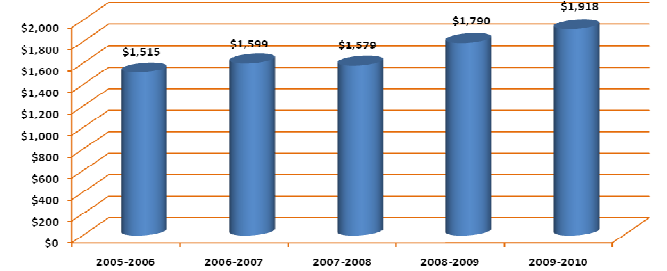


### Memberships

Start of the year	5,683
New members	1,648
Transfers out	10
Deceased members	330
Stoma reversals	1,001
End of the year	5,990

Orders despatched	33,222
Average order value	\$ 346
Average value of products received free by each member	\$ 1,918

Average Annual Value per Member p.a.



Membership Numbers at 30th June 2005 to 2010

