

The logo for Arthritis Australia, featuring a stylized blue 'A' with a white circle inside, followed by the word 'Arthritis' in a blue serif font.

**Arthritis**

AUSTRALIAN CAPITAL TERRITORY  
Incorporating Osteoporosis ACT

# **ANNUAL REPORT**

**2009-2010**

## **PATRON**

Ms Annette Ellis

## **DIRECTORS OF THE BOARD**

President:	Mr Bill Wood
Vice President:	Ms Anna Hackett
Secretary:	Ms Kristine Riethmiller (Director, Arthritis Australia)
Hon. Treasurer:	Mr Andrew Fleming

## **ORDINARY MEMBERS**

Ms Helen Cody  
(Director, Osteoporosis Australia)

Dr David Graham

Ms Helen Tyrrell

Mrs Helen Davies

## **CEO**

Mr Tony Holland

# President's Report

I report that the board has again worked diligently during the year as it sets in place the structure under which the organisation operates and oversees its activities. I believe you have a very strong board – nine members of varying but high skills and dedicated to the role that they have undertaken.

With the provision the constitution allows, the Board has nominated two new members to join its numbers this last year. Helen Davies and Wendy Prowse bring different backgrounds and high interest to the Board and I thank them for their participation.

But with this meeting the Board loses the services of Helen Cody, a valuable and long serving member. Helen has been a member over two periods for seventeen years, secretary for a time in these periods, and was president for three years. Significantly her contribution should be expressed in much more than years of service. Her leadership, wide experience and interest have been of inestimable value both to the ACT and the national bodies. She has long filled the role of board member of Arthritis Australia and more recently of Osteoarthritis Australia. Thank you, Helen.

Our secretary, Kristine Riethmiller, has most efficiently carried out this role for a number of years, but now looks to pass that task to another Board member. She has been our director on the board of Arthritis Australia who have recognised her skills by appointing her chair of a sub-committee to review its constitution. This necessitates meetings with state bodies around Australia. Kristine continues to be very busy.

Over the last two years the Board has devoted considerable time to reviewing its constitution and all policies. This necessary process is substantially complete due to the efforts of CEO Tony Holland and Board members who have used their skills in the preparation of the necessary documents.

Tony Holland has worked tirelessly as CEO, running the office, managing a wide variety of activities, preparing policies, encouraging fund raising and organising volunteers. It's a complex task and the Board is pleased with his work. Importantly he has expanded our links to the bureaucracy, and the community and private sectors. Upgraded accounting procedures are in place, (thanks also to treasurer Andrew Fleming), with the actual book-keeping being contracted out – an effective arrangement.

There have been some changes in paid office staff due to a continuing difficulty in the community sector's inability to match employment conditions in the public sector, exacerbated by the generally part-time work we offer. Monte Scharbow has left us for the Commonwealth. Monte gave us four years of outstanding work and we thank him for his contribution.



### ***Monte Scharbow at a Community Training Seminar***

After a further recruitment process Tony has appointed an educator and a volunteer coordinator. We anticipate a productive engagement.

As always, we rely heavily on our volunteers, more so when paid staff move on, creating pressures within the office. Without them the organisation would not function. Whether in the myriad jobs around the running of the office, continuing the large task of organising warm water exercises, fund raising or many other tasks the volunteers are the heart and muscles of the organisation. The Fund Raising Committee brings valuable funds while also offering enjoyable social activities. They continue to be an essential and valued part of the organisation. Thank you.

Again this year, with outside help, the "Have a Ball" event was an outstanding success. Thank you to Tony and those who organised it

Our patron, Annette Ellis, has always been most diligent in her support of the organisation. So diligent that she is keen to continue as patron though she has retired from the Federal Parliament. We are pleased to continue this association.

The year now passed has been one of progress with more links to other agencies, a higher profile, effective fund raising, and most of all, the continuing provision of a range of services to the community. We look to establish a constancy with staffing and expect a productive year ahead.

**Bill Wood**  
**President**

# CEO Report

Another year of activities, challenges and opportunities has now been completed for us and I would like to take this opportunity to make mention of a number of key issues which have been significant to the organization.

I would firstly like to acknowledge the generosity of a large number of individual donors during the year. Donations small and large all combine to provide much needed funding to assist in the development of programs, education and advocacy throughout the ACT and region. There were also a number of large donations from trusts and benevolent organizations. For all of these, we say thank you.

As the major individual source of funds for the foundation I would like to thank the ACT Government for their assistance with both ongoing funding and project funding received during the year. Income of more than \$170,000 was made available to assist with the delivery of core services and for the Falls Prevention and Workplace Wellness programs, both of which will be expanded on later in this report.

I would also like to personally thank our Board President, Mr Bill Wood and the entire Board for their dedication and hard work during the year. Each and every member of the Board has been extremely generous with their support to me in my role as CEO. My appreciation particularly goes to our retiring Board members, Julie Cochrane and Elizabeth Maher, both of whom were excellent mentors to me in my first year in the job. We miss them both a great deal. Welcome also to Helen Davies who joined the Board in May 2010.

Now to some highlights from the 2009/10 year, and what a productive year it has been.

On the staffing front, we said goodbye to our Workplace Wellness Project Officer in July and congratulate Carla on her permanent appointment with DOHA. After a period of short term staff to fill in for this project, we were pleased to appoint Linda Tregonning in late 2009 to the Project Officer's position. Linda quickly settled into the role and delivered the major aspects of the program to the 6 targeted workplaces in the second year of the pilot. We are very pleased with the outcomes from this pilot and I have detailed some of these outcomes below. I also need to specifically thank Shirley Syme for her preparedness to step in and assist with the project in the latter part of the 2009 year.

We also said farewell to Wen Liu in March and welcomed Sallie Hand into the newly created Volunteer Coordinators role. The change in structure allows us to focus very strongly on our 100 plus volunteers in the key areas of training, encouragement, recruitment and retention.

Now to our volunteers, who total more than 100, and what a fantastic band they are. I am constantly amazed at how diverse and detailed volunteering can be in this sector. We have relied so heavily on all of them and their contribution is very much appreciated.



### ***Morning Tea for Volunteers***

The Board was very pleased to present, at the Volunteers morning tea last year and early in 2010, plaques to Katrina Muir, Joe Stewart, Eunice Hewatt, Julie Cochrane and Matt Smee from Hudson Recruiting.

To all our volunteers, thank you for your wonderful work and know that your contribution impacts directly and positively on how and what we do within the Canberra community.

### **Workplace Wellness Project**

A total of just over 500 staff attended educational sessions around musculoskeletal health and 78 people completed the tailored Stage Two part of the program where they set wellness goals and attended a range of self management activities designed to improve their short and long term health outcome. The statistics below relate to the 78 people from the targeted phase:

- 98% of people said they would inform others that the program was worthwhile
- 80% indicated they felt more skilled to manage changes to their lifestyle which increased their overall wellbeing
- 40% of participants felt their chronic pain had reduced
- 92% indicated it was worthwhile them being involved personally
- 78% identified they believed they were more likely to stay in the workforce for a longer period as a result of being involved

The next phase of the development of the project will see a more holistic approach to wellness with a significant increase in the range of options available to prospective workplace being offered.

We also plan to develop a number of corporate partners to work with the foundation to move this project from a fully government-funded pilot to a commercially viable income producing stream for the organization.

## **Falls Prevention Program**

Another major focus during this year was the further development of a Falls Prevention strategy, again with the assistance of funding from ACT Government as noted earlier. The focus for this year was to develop an excellent gentle exercise program around strength and balance training. Our educator Monte Scharbow was the prime driver in this area and has done a great job developing this.

Now to some statistics to help demonstrate the sorts of services that we perform:

<b>Activity</b>	<b>Number during 2002/10 Year</b>
Community Education sessions	33
Support group meetings held	17
Newsletter produced	4
Help line information provided	479
Warm Water Exercise sessions conducted	576
Funded projects conducted	3
Chronic Illness Self Management Courses	4

In addition to all of the items listed above, we have also been involved in activities such as the Living a Healthy Life with Long Term Conditions course, Healthy Bones Week, National Science Festival, Arthritis Week, World Osteoporosis Day and much more, again with much involvement from our fantastic volunteers.

The 2010/11 year promises to be just as busy and just as exciting and I hope most beneficial for our members. We have some new challenges with the recent resignation of our Educator, Monte Scharbow and Volunteer Coordinator, Sallie Hand, although with the recent appointment of our new Educator, Laura Calligaro and Volunteer Coordinator, Michael Farr, we will continue to progress our plan of growth in range and number of activities. We wish Monte and Sallie all the very best in their new roles.

Thank you again for your support for us as we endeavour to support you. I look forward to even more services, activities and opportunities as we seek to encourage the many thousands of people who suffer from one or more of the many musculoskeletal conditions which are our concern.

**Tony Holland**  
**Chief Executive Officer**

## Education and Support Programme

Without the generous support of the many volunteers who help with our numerous events, programs and projects; attend our various display stalls and other promotional activities; assist with warm water exercise (WWX) supervision; do fundraising activities; and help with office operations in a number of ways; the variety and quality of services provided by Arthritis ACT would not be possible. A few of the standout volunteers have been:

- **Shirley Syme** dedicated numerous hours and much effort to coordinating the WWX program.
- **Joanne Stewart** continued to coordinate and run Chronic Disease Self Management (CDSM) courses, and as a CDSM master trainer, train others to facilitate this worthwhile program.
- **Barbara Gillies** continued to successfully co-ordinate the Community Talks Program.
- **Mary Lindsay** was instrumental in the preparation of grant applications and other documents.
- **Jenifer North** has skillfully designed and organised the newsletter publication for years.

### World Osteoporosis Day Seminar

This 20 October 2009 event featured Osteoporosis Australia's Professor Peter Ebeling speaking on *Current developments in osteoporosis risk identification, medical diagnosis, genetics and treatment*. The program also included a radiographer speaking about DXA scans and a physiotherapist addressing the importance and appropriate types of physical activity.



**Professor Peter Ebeling with Rob de Castella on World Osteoporosis Day**

An evening seminar, produced in association with the Division of General Practice as a continuing educational offering to GPs, also featured Professor Ebeling, Dr Paul Smith of the Canberra Hospital Orthopaedics section, a radiographer and a physiotherapist.

### **Early Arthritis Seminar**

Aimed for people newly diagnosed with or in the early stages of inflammatory arthritis, this seminar consisted of a rheumatologist, a person living with arthritis, a health physiologist, a physiotherapist and the Arthritis ACT health educator.

### **National Healthy Bones Week - Canberra's Big Healthy Bones Morning Tea, 2009**

Canberra's Big Healthy Bones Morning Tea was held on 5 August with the launch occurring at St. Jude's Primary School. The aim of the morning tea was to raise awareness of the importance of building strong and healthy bones as a means of preventing osteoporosis. After the launch, Kellysports led the children in games and activities.

Almost 21,000 students participated and milk and fruit were provided to 60 schools all over Canberra for the 15<sup>th</sup> year of the morning tea. Canberra Milk & Capitol Chilled Foods and Belconnen Fresh Food Markets were again generous sponsors of this event.

### **Warm Water Exercise Program**

We continue to offer a valuable, affordable warm water exercise program for members. Approximately 2857 attendances were recorded over more than 573 warm water exercise sessions held at the Canberra Hospital (TCH) in Garran, John James Hospital (JJH) in Deakin, Club MMM! in Belconnen and Black Mountain School Pool in O'Connor.

The attendance and session number was down because of the loss of TCH pool for most of the year due to maintenance issues. Fortunately we were able to make an arrangement with JJH to use their hydrotherapy pool in the interim, with fewer sessions. This caused a drop in pool attendance due to fewer pool sessions but, with TCH pool reopening, the program has once again expanded in sessions only to face issues surrounding parking because of the construction at TCH. A limited number of sessions continue to be run at JJH.

Each session supervisor receives Pool Rescue Certification procedure and CPR training. Australia Royal Lifesaving completed their audit and review of the pool rescue procedures and conducted pool rescue training for all of our WWX supervisors. They will continue to train our appointed personnel to conduct the pool rescue training on an annual basis.

Pool supervisor meetings were held to keep supervisors informed and as a forum for resolving procedural issues. **Shirley Syme**, the WWX coordinator, did an exceptional task balancing and coordinating sessions, pools and supervisors throughout all the turmoil.

### **CDSM, Arthritis and Osteoporosis Self-Management Programs**

We continued to offer Chronic Disease Self Management (CDSM) courses each calendar year. We held CDSM courses in September/October 2009 and March/April 2010. **Jo Stewart** facilitated at both the courses. **Jo Stewart**, a CDSM Master Trainer coordinates our self-management services.

### **Joint Replacement Seminar**

A joint replacement surgery seminar was presented on 11 May with orthopaedic surgeon Dr Damian Smith as the featured speaker. A physiotherapist also discussed preparation for surgery and how to have a successful recovery.

### **Community Talks Program**

Community Talks, our education outreach program, continues to be a mainstay of our activities. The diverse audiences, from government departments to nursing homes, have ranged in size from an intimate few to approximately 150. The Community Talks PowerPoint presentations on Arthritis, Osteoporosis and falls prevention were reviewed to ensure currency and to keep the presentations interesting and entertaining.

**Barbara Gillies**, program coordinator, along with 8 other volunteer presenters completed a two-day nationally accredited course *ARTHRITAS01 Deliver Health Care Information on Musculoskeletal Conditions* and were awarded Statements of Attainment issued by the registered training organisation, Arthritis Tasmania.

### **Arthritis Awareness Week**

The theme for the March National Arthritis Week 2010 was ***Rheumatoid Arthritis can be managed. Let's work together.*** The theme encourages inflammatory arthritis sufferers to seek treatment early and take control of managing their condition. The promotional activities included:

- Arthritis Awareness Week was launched on 22 March at the ACT Legislative Assembly. MLA Alistair Coe hosted the event which was held in the courtyard. Several politicians attended and they were led through some Strength & Balance exercises and tai chi demonstration.
- I presented a public seminar on arthritis, along with an exercise physiologist and tai chi instructor at the Rheinberger Centre in Yarralumla.

### **Falls Prevention Project**

The ACT Health "Stay on Your Feet – Falls Prevention" Promotion Grant project continued for a second year and included incorporating a falls prevention message into all of our member and outreach services. The key initiative for this project was another round of *Strength and Balance (S&B) Exercise Workshops*. This year the workshops were expanded to include "dry-land" or classroom exercise pilot workshops, designed for people with arthritis.

With the assistance of an exercise physiologist, six volunteer S&B exercise workshop leaders were trained over 2½ days and the pilot workshops were run in all of the WWX sessions and in room venues on the north and south sides of Canberra.

### **Rheumatology Health Professional Association**

I continued to act as the ACT representative for the Rheumatology Health Professional Association. This organization provides and supports educational opportunities and professional training for health professionals in the field of Rheumatology.

### **Senior's Day Information Stall**

An information stall was set up to disseminate information at the Old Bus Depot on 23 March.

### **Challenging Pain Workshop Leader Training**

**Carol Mackay** and I conducted leader training for the Challenging Pain Workshop Course in May and June 2010. Seven volunteer leaders were trained and accredited. They will be co-leading the Challenging Pain Workshops, which run for 2½ hours a week for two weeks. The workshops are designed to introduce a variety of cognitive techniques and coping skills to manage pain and its impact on lives more effectively.

### **Support Groups**

Our regular support groups, the Rheumatoid and Sjogrens Group, led by **Helen Cody** and **Jo Stewart**, and the Arthritis Support Group, which I lead, continued to meet monthly. We had one combined support group which featured an ACT Health podiatrist presenting their new DVD *Footsure*. **Steve Norris** and **Nicky Gray**, continued to run the Young Adults group.

An evening support group, formed in alliance with several of the smaller non-profit chronic condition support organisations, began monthly meetings in 2010 under the name of FOCCUS, which was later changed to ACT Chronic Conditions Alliance support group. Each meeting features a guest speaker on a topic of mutual interest to the alliance.

**Monte Scharbow**  
**Education Officer**

# Treasurer's Report

In the financial year 2009-10, Arthritis ACT received \$350,974 in Revenue and other income with the main sources being provided by a Contract with the ACT Government worth \$112,239, Grants totaling \$107,559, Fundraising of \$40,892 and Gifts totaling \$27,299.

Total Revenue was hardly changed from the previous year with an increase in Fundraising income to \$40,892 compensating for decreases in Gifts and Grants.

Total expenditure for the year at \$338,591 increased by \$42,903 on the previous year resulting from increases in Fundraising costs and the costs of developing the Arthritis Data Management System (ADMS).

Increases in Fundraising Costs were matched by increases in Fundraising Revenue and were mainly generated by the two very successful "Have a Ball" fundraising nights in October 2009 and May this year.

The ADMS allows us to record and maintain membership details as well as efficiently communicating electronically with all our members. Additionally members are able to make bookings on line for Warm Water Exercise classes as well as other seminars and functions organised by the Foundation. Administrative savings are already being harnessed in 2010-11.

The cost of the development of the ADMS totaled \$28,636 which was in line with the budgeted cost and the development work was carried out throughout the year with the completed system going live, on time, in May 2010.

Development and implementation of the system was conducted extremely professionally and successfully and is a result of excellent work by our Chief Executive Officer, staff and volunteers as well as the outside contractor. I have no doubt that we will continue to invest in the system in the future to continually improve our communication and administrative capabilities.

As in previous years, the revenue generated has enabled the organisation to:

- deliver information services about arthritis, osteoporosis and related conditions to the ACT and region community,
- provide educational and training opportunities for health professionals and peer educators to enhance their capacity to prevent and reduce the impact of arthritis, osteoporosis and related conditions,
- deliver a range of self-management and support services designed to improve the health and quality of life for people affected by arthritis, osteoporosis and related conditions,
- raise community awareness about arthritis, osteoporosis and related conditions through health promotion programs,
- encourage and contribute to research, and promote the role of Arthritis ACT to the community.

In particular, grant monies and sponsorships enabled the organisation to pursue a range of educational programs and seminars during the year as well as undertake Community Talks and participate in events such as Healthy Bones Week and the National Science Festival.

Internally, we have continued to work on the organisation's overall governance and administrative effectiveness and efficiency. In addition to the successful roll-out of the ADMS, new and revised policies have been introduced as well as improved monthly financial reporting to the Board. The Strategic Plan for the organisation has been reviewed and strengthened to ensure we can achieve our longer term goals.

Uptake and utilisation of the website continues to grow with surveys indicating website services are positively received by members and the general community. Additional features are continually being added to provide more links to external sites and improve the overall effectiveness of the site for all our members.

The organisation would not have achieved its goals without significant financial assistance from fund raising contributions and gifts. As previously noted, net fundraising efforts generated income of approximately \$40,892 and the Foundation also received \$27,299 in gifts during the year. The Foundation sincerely thanks all who donated so generously.

Importantly, from a financial perspective, there is an enormous contribution made by the personnel and volunteers whose efforts are not reflected in the financial statements but who warrant special mention. Without their generous giving of time, achievement of the goals described above would not have been possible. We wish to acknowledge the significant benefit to Arthritis ACT of these unpaid efforts.

In summary, the Foundation has further developed and matured over the last year and continues to be well placed to build on its existing delivery of programs and services in 2010/11.

The Foundation recorded a Net Surplus for the year of \$12,383 and remains in a strong financial position with Funds available for future use totaling \$139,294 at 30 June 2010.

**Andrew Fleming**  
**Treasurer**

**ARTHRITIS FOUNDATION  
OF THE ACT  
INCORPORATED**  
*ABN 25 538 506 729*

*Financial Statements  
For The Year Ended 30 June 2010*

**Houston & Hanna**  
Chartered Accountants  
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**ARTHRITIS FOUNDATION ACT INCORPORATED**

**A.B.N. 25 538 506 729**

The Board presents this report on the association for the financial year ended 30 June 2010.

**BOARD MEMBERS**

The following persons were members of the Board as at balance date:

Bill Wood	President		
Anna Hackett	Vice President	Helen Tyrell	Board Member
Andrew Fleming	Treasurer	Dr. David Graham	Board Member
Kristine Riethmiller	Secretary	Helen Davies	Board Member
Helen Cody	Board Member		

**SURPLUS**

The surplus of the association for the financial year was \$ 12,383

**PRINCIPAL ACTIVITIES**

The principal activities of the association during the course of the year were

- To provide support services to people with arthritis

There have been no significant changes in the nature of these activities during the year

**AFTER BALANCE DATE EVENTS**

No known matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the association's operations, the results of those operations or the state of affairs of the association in subsequent financial years

**ACTIONS**

No person has applied for leave of Court to bring proceedings on behalf of the association or intervene in any proceedings to which the association is a party for the purpose of taking responsibility on behalf of the association for all or any part of these proceedings.

The association was not a party to any such proceedings during the year.

Dated this 6th day of September 2010.

Bill Wood  
Board Member

BILL WOOD  
Name

Andrew Fleming  
Board Member

ANDREW FLEMING  
Name



# ARTHRITIS FOUNDATION ACT INCORPORATED

A.B.N. 25 538 506 729

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2010

	Notes	2010 \$	2009 \$
<b>Revenue and other income</b>	<b>2</b>	<b>350,974</b>	<b>351,551</b>
Employee benefits expense		200,918	191,350
Depreciation and Impairment expenses		3,985	4,953
Auditors Remuneration		2,070	1,435
Fund Raising costs		20,505	2,903
Insurance costs		6,824	7,257
Rent		11,627	12,325
Postage & Printing		8,551	8,297
Telephone & Fax		4,604	3,880
Projects		14,379	6,812
Courses, Workshops & Conferences		8,718	10,616
Loss on Disposal of Assets		-	187
Impairment of investments		-	24,520
ADM System costs		28,636	-
Other expenses from ordinary activities		27,774	21,151
<b>Expenditure</b>		<b>338,591</b>	<b>295,688</b>
<b>Net surplus for the year</b>		<b>12,383</b>	<b>55,864</b>

**ARTHRITIS FOUNDATION ACT INCORPORATED**

A.B.N. 25 538 506 729

**STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2010**

	Notes	2010 \$	2009 \$
<b>Current Assets</b>			
Cash assets	3	177,774	146,143
Receivables		146	520
Inventories		710	1,536
Other		6,500	2,329
<b>Total Current Assets</b>		<u>185,130</u>	<u>150,528</u>
<b>Non-Current Assets</b>			
Property, plant and equipment at WDV	4	6,576	8,330
Motor Vehicle at WDV		6,693	8,924
<b>Total Non-Current Assets</b>		<u>13,269</u>	<u>17,254</u>
<b>Investment</b>			
Shares in Public Companies at Market Value		21,053	20,116
<b>Total Assets</b>		<u>219,452</u>	<u>187,899</u>
<b>Current Liabilities</b>			
Payables	5	64,207	44,369
Provisions	6	15,952	16,619
<b>Total Current Liabilities</b>		<u>80,158</u>	<u>60,988</u>
<b>Total Liabilities</b>		<u>80,158</u>	<u>60,988</u>
<b>Net Assets</b>		<u><u>139,294</u></u>	<u><u>126,911</u></u>
<b>Funds</b>			
Funds available for future use beginning of the year		126,911	71,048
Surplus for the year		12,383	55,864
Funds available for future use end of the year	7	<u><u>139,294</u></u>	<u><u>126,911</u></u>

ARTHRITIS FOUNDATION ACT INCORPORATED

A.B.N. 25 538 506 729

STATEMENT OF CASHFLOW  
FOR THE YEAR ENDED 30 JUNE 2010

	Notes	2010 \$	2009 \$
<b>Cash flows from operating activities</b>			
Receipts generated from operations		345,154	250,581
Payments to employees and suppliers		(319,343)	(263,764)
Interest received		5,820	6,758
<b>Net cash flows from/(used in) operating activities</b>	<b>10</b>	<u>31,631</u>	<u>(6,425)</u>
<b>Cash flows from investing activities</b>			
Fixed asset purchases		-	(12,648)
<b>Net cash flows from/(used in) investing activities</b>		<u>-</u>	<u>(12,648)</u>
<b>Net increase/(decrease) In cash held</b>		<u>31,631</u>	<u>(19,073)</u>
<b>Cash at the beginning of the year</b>		146,143	165,216
<b>Cash at the end of the year</b>	<b>10</b>	<u>177,774</u>	<u>146,143</u>

# ARTHRITIS FOUNDATION OF THE ACT INCORPORATED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

### **NOTE 1: Statement of Significant Accounting Policies**

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards and of the Associations Incorporation Act 1991.

The financial report covers Arthritis Foundation ACT Incorporated as an individual entity. The Association as an association incorporated in the ACT under Association Incorporation Act 1991.

The following is a summary of the material accounting policies adopted by the economic entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

#### **Basis of Preparation**

##### *Reporting Basis and Conventions*

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

#### **Accounting Policies**

##### **a. Income tax**

No provision has been made for income tax as the Association is exempt from taxation under Section 50-5 of the Income Tax Assessment Act 1997.

##### **b. Property, Plant and Equipment**

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

Where an asset is acquired at no cost, the cost is its fair value as at the date of acquisition

The carrying amount of the assets is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows is discounted to their present values in determining recoverable amounts.

#### **Depreciation**

The depreciable amount of all fixed assets is depreciated on a prime cost basis over its useful lives to the Association commencing from the time the asset is held ready for use.

The depreciating rates used for each class are:

<b>Class of Fixed Asset</b>	<b>Rates</b>
Computers	50%
Furniture	10-40%

# ARTHRITIS FOUNDATION OF THE ACT INCORPORATED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

### Financial Instruments

#### Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist

#### Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

#### Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

#### Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

#### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

#### Impairment of Financial Instruments

At each reporting date, the group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the income statement.

#### Impairment of Assets

At each reporting date, the Association reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

#### Employee Benefits

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than

## ARTHRITIS FOUNDATION OF THE ACT INCORPORATED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

#### **f. Provisions**

Provisions are recognised when the Association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

#### **g. Cash and Cash Equivalents**

Cash and cash equivalents includes 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. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

#### **h. Revenue**

##### *Sales of goods and services*

Revenue is recognised upon the delivery of goods and services to customers.

##### *Government Grants*

Government grants are recognised as income on a systematic and rational basis over the periods necessary to match them with the related costs.

##### *Donations*

Donations revenues are recognised when they are received.

##### *Interest revenue*

Interest is recognised on an accrual basis.

#### **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 Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

**ARTHRITIS FOUNDATION ACT INCORPORATED**

A.B.N. 25 538 506 729

**NOTES TO THE FINANCIAL ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2010**

<b>Note 2</b>	<b>Revenue</b>	<b>Notes</b>	<b>2010</b>	<b>2009</b>
			<b>\$</b>	<b>\$</b>
<b>Operating Activities</b>				
	Contracts		112,239	108,811
	Gifts	<b>11</b>	27,299	37,437
	Education		5,044	300
	Fund Raising	<b>12</b>	40,892	15,258
	Sale of Books & Videos		688	1,346
	Grants	<b>13</b>	107,559	125,767
	Hydrotherapy		19,235	20,965
	Subscriptions		14,948	10,624
	Miscellaneous		17,251	24,285
			<u>345,154</u>	<u>344,793</u>
<b>Non-operating Activities</b>				
	Interest Received		5,820	6,758
	<b>Total Revenue</b>		<u><u>350,974</u></u>	<u><u>351,551</u></u>
<b>Note 3</b>	<b>Cash at Bank</b>			
	Westpac Operations Account		20,649	5,776
	Westpac Gift Account		36,646	35,329
	Maxi Account		120,173	104,739
	Cash on Hand		306	300
			<u>177,774</u>	<u>146,143</u>
<b>Note 4</b>	<b>Property, Plant and Equipment</b>			
	Computers - at cost		20,950	20,950
	Less Accumulated Depreciation		<u>( 19,616)</u>	<u>( 18,862)</u>
			1,334	2,088
	Furniture - at cost		20,135	20,135
	Less Accumulated Depreciation		<u>( 14,893)</u>	<u>( 13,893)</u>
			5,242	6,242
	<b>Carrying Amount</b>		<u><u>6,576</u></u>	<u><u>8,330</u></u>
<b>Note 5</b>	<b>Payables</b>			
	Trade Creditors		19,742	8,911
	Westpac Credit Card		-	100
	PAYG Payable		3,888	5,640
	Accrued Expenses		12,070	1,603
	GST Payable/(Receivable)		6,176	( 314)
	Unexpended Bequests		2,500	2,500
	Unexpended Grants		7,000	16,031
	Superannuation SGC		2,682	-
	Subscriptions in Advance		5,740	6,085
	Salary Sacrifice		4,410	3,813
			<u>64,207</u>	<u>44,369</u>

**ARTHRITIS FOUNDATION ACT INCORPORATED**

A.B.N. 25 538 506 729

**NOTES TO THE FINANCIAL ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2010**

<b>Note 6</b>	<b>Provisions</b>	<b>2010</b>	<b>2009</b>
		<b>\$</b>	<b>\$</b>
	Annual Leave	14,303	13,947
	Long Service leave	<u>1,649</u>	<u>2,672</u>
		<u>15,952</u>	<u>16,619</u>
<b>Note 7</b>	<b>Funds</b>		
	Funds available for use beginning of the year	126,911	71,047
	Surplus for the year	<u>12,383</u>	<u>55,864</u>
	Funds available for use end of the year	<u>139,294</u>	<u>126,911</u>
<b>Note 8</b>	<b>Contingent Liabilities</b>		
	The association is not aware of any contingent liabilities in existence at the date of this report.		
<b>Note 9</b>	<b>Events Subsequent to Reporting Date</b>		
	The association is not aware of any events after report date that would affect the integrity of the financial accounts.		
<b>Note 10</b>	<b>Cash flow Information</b>		
	<b>Reconciliation of Cash</b>		
	Cash on hand	306	300
	Cash at bank	<u>177,469</u>	<u>145,843</u>
		<u>177,774</u>	<u>146,143</u>
	<b>Reconciliation of Cash provided by/ (used in) Operating Activities to Surplus for the year</b>		
	<b>Surplus for the year</b>	12,383	55,864
	<b>Non-cash flows in profit from ordinary activities</b>		
	Depreciation	3,985	4,953
	Change in Market Value of Investments	( 937)	24,520
	<b>Changes in assets and liabilities</b>		
	(Increase) / Decrease in receivables	374	( 320)
	(Increase) / Decrease in inventories	826	609
	(Increase) / Decrease in other assets	( 4,172)	3,923
	Increase / (Decrease) in payables	19,838	( 83,529)
	Increase / (Decrease) in provisions	( 667)	( 12,446)
	<b>Net cash provided by (used in) operating activities</b>	<u>31,630</u>	<u>( 6,425)</u>

**ARTHRITIS FOUNDATION ACT INCORPORATED**

A.B.N. 25 538 506 729

**NOTES TO THE FINANCIAL ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2010**

<b>Note 11</b>	<b>Gifts / Donations</b>	<b>2010</b>	<b>2009</b>
		<b>\$</b>	<b>\$</b>
	Individual Gifts	8,279	27,637
	Corporate Gifts	15,832	9,800
	Other Donations	3,188	-
		<u>27,299</u>	<u>37,437</u>
<b>Note 12</b>	<b>Fundraising</b>		
	Events	32,538	7,456
	Auction & Function Activities	5,064	-
	Raffles	3,291	7,802
		<u>40,892</u>	<u>15,258</u>
<b>Note 13</b>	<b>Grant Income</b>		
	Workplace Amelioration	64,231	56,647
	Pain Management	-	4,870
	Fall Prevention	32,747	29,195
	Stryker Money	-	8,864
	Volunteering ACT	1,488	225
	Youth Support	-	11,966
	Osteoporosis Australia	9,092	14,000
		<u>107,559</u>	<u>125,767</u>

**HOUSTON & HANNA**  
CHARTERED ACCOUNTANT

**K D Hanna FCA (Principal)**

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Suite 15, George Turner Offices  
11 McKay Gardens, Turner ACT

**email:** [kim@khanna.com.au](mailto:kim@khanna.com.au)

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF  
ARTHRITIS FOUNDATION OF THE ACT INCORPORATED  
FOR THE YEAR ENDED 30 JUNE 2010**

**Scope.**

I have audited the attached financial statements of Arthritis Foundation of The ACT Incorporated (The Association) for the year ended 30th June 2010. The Committee is responsible for the preparation and presentation of the financial statements and the information they contain. I have conducted an independent audit of these financial statements in order to express an opinion on them to the members of the Association.

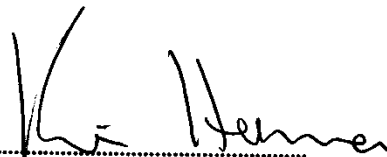
My audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial statements are free of material misstatement. The procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Australian Accounting Standards and Statutory requirements so as to present a view which is consistent with our understanding of the Association's position and the results of its operations.

The audit opinion in this report has been formed on the above basis.

**Audit Opinion.**

In my opinion,

- (a) the financial statements of the Association are properly drawn up:
  - (i) So as to give a true and fair view of matters required by subsection 72(2) of the Associations Incorporation Act 1991 to be dealt with in the financial statements
  - (ii) in accordance with the provisions of the Associations Incorporation Act 1991; and
  - (iii) in accordance with proper accounting standards, being Applicable Accounting Standards;
- (b) I have obtained all the information and explanations required;
- (c) Proper accounting records have been kept by the Association as required by the Act; and
- (d) The audit was conducted in accordance with the rules of the Association.



Kim Hanna FCA  
Registered Company Auditor

Date... 7/9/10