

**Arthritis**

AUSTRALIAN CAPITAL TERRITORY  
Incorporating Osteoporosis ACT

# **ANNUAL REPORT**

**2010-2011**

## **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**

Mrs. Helen Davies

Dr David Graham

Ms Wendy Prowse

Ms Helen Tyrrell

## **CEO**

Mr. Tony Holland

## **President's Report**

The organisation continues to provide its well established programs for sufferers of arthritis and osteoporosis in the ACT. Membership remains at a consistent level though services are provided to all interested people.

I thank the staff for their skilled efforts over the year as they ensure the continued success of various programs. In particular the Board thanks Tony Holland for his leadership as CEO for nearly three years in the position. At the end of June he moved on to new fields and we wish him the same success there.

We pay a special tribute to our many volunteers on whom we depend so much. Without them the organisation would not function. Whether in the myriad jobs around the running of the office, the large task of warm water exercises, the talks program or fund raising the volunteers are the heart and muscle of the organisation. And we again express our appreciation to our patron Annette Ellis who continues to give good support. Thank you.

The Board remains as the centre of the organisation. The range of skills members bring is of great benefit. To mention just two instances: Kristine Riethmiller's knowledge has helped on many occasions and she has also played a very significant role with Arthritis Australia in reviewing its constitution; Andrew Fleming has established an accounting system which brings rigor and clear reporting. I could list the individual guidance of each member as well as their collective contribution.

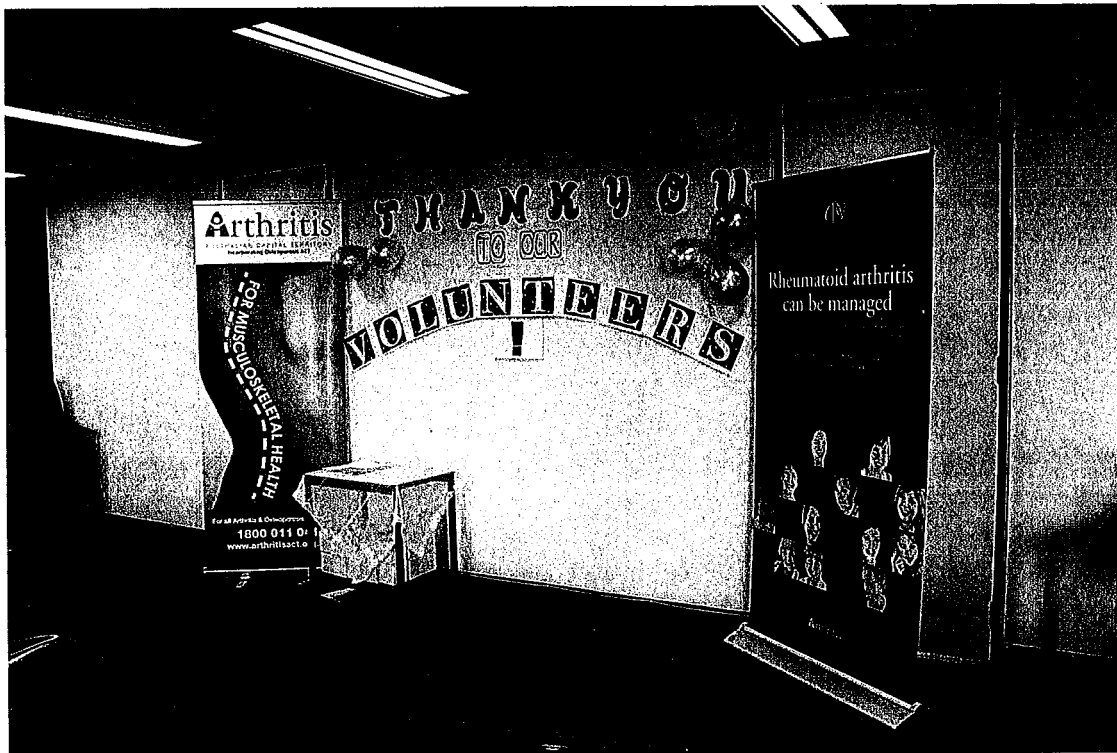
The major issue for the Board is to expand its programs into further areas of need. The impediment here continues to be the difficulty in raising the funds to do so. We lost some ground in the 2010 – 2011 year and the treasurer has pointed out that we need to recover from this drop in revenue. We have to become more determined in larger scale fund raising ventures because the many well established charities in the fund raising field plus a new community charity body emerging about every week are providing strong competition.

Arthritis Australia has been exploring means of establishing a national fund raising program but has not succeeded in finding a suitable promotional tool. State bodies are also exploring avenues with varying degrees of success and we monitor what they do.

We are grateful for the efforts of our fund raising committee who have done well, both in raising money and with the associated social activities, but beyond that we must seek a larger scale venture like the "Have a Ball" which we could not sustain for a third year. The Board is also seeking a further appointee to its ranks who has experience and energy in this field.

In the year now past the Board, with Tony, expended much time and energy in developing a comprehensive workplace program "*Improving, Moving, Taking Control*" which Arthritis Australia agreed should become a national program and provided the necessary support. We were advised that substantial funding from the Commonwealth was almost assured. It would also have had the benefit of providing additional funding for Arthritis ACT who would have management of this comprehensive program. In the end it has been delayed while a large scale scoping exercise is under taken to assess needs and outcomes. We are confident about the worth of this program but now must wait for the outcome of the scoping study. Noting the successes and difficulties of the past year, we look forward to the busy and challenging year ahead of us.

**Bill Wood**  
President



# CEO Report

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

I would firstly like to acknowledge the generosity of a large number of individual donors during the year. A list of all donors over \$50 is detailed below. 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.

## Donations

Kristine Riethmiller	Sandra Mapstone	John Shaw
Wendy Milne	John Fitzgerald	Jennifer Parmeshwar
Alletta French	Kathleen Hughes	Judith Bateson
Alison Kendall	Jessie Terry	Clare Armstrong
Jannette Manka	Helen Cody	Mary Lindsay
Margaret Wilson		

There were also a number of grants received during the year. These include:

Falls Prevention – ACT Health  
Workplace Amelioration – ACT Health  
Community Infrastructure – ACT Health  
Arthritis Australia  
Healthy Bones – ACT Health  
Melbourne Lord Mayors Trust  
ACT LSL Grant

On the staffing perspective during the past 12 months we welcomed Mr. Michael Farr as our Volunteer Coordinator and Mrs. Helena Walker as our Educator. Ms Linda Tregonning left as our Project Officer in October and Ms Jenny Warren replaced Linda in this role in March 2011.

Our amazing 80 plus volunteers have again excelled themselves in the depth and breadth of activities they have supported us in during the year. A summary of the range of service undertaken by these incredible people include:

- Warm Water Exercise Supervision;
- Community Talks
- Delivery of Self Management Programs;
- Attendance at Shopping Centre Displays;
- Newsletter preparation and distribution;
- Organisation and conduct of fund raising events;
- Grant writing; and
- Office Administration & customer service.

The culmination of the volunteer year was our morning tea in May 2011 and a number of photos of this event are shown below. It was great to see so many people attend and celebrate their achievements and to congratulate our Volunteer of The Year, Shirley Syme and our Promising New Volunteer of the Year Francis Madden.



L to R – Shirley Syme 2011 Volunteer of the Year & MLA Jeremy Hansen



L to R – MLA Steve Doszpot & 2011 Volunteer Award winners Shirley Syme & Frances Madden

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, COTA Festival, Canberra Healthy Bones Morning Tea, Arthritis Week, World Osteoporosis Day and much more, again with much involvement from our fantastic volunteers.

**Activity Numbers during 2010/11 Year**

<b><u>Activity</u></b>	<b><u>Number</u></b>
Community Education sessions	45
Support group meetings held	36
Newsletter produced	4
Help line information provided	582
Warm Water Exercise sessions	738
Funded projects	4
Chronic Illness Self Management Courses	2

Thank you again for your support for us as we endeavor to support you. I also would like to wish the Board, staff and volunteers all the very best for the future as I move onto another chapter of my career. This is a great organisation doing an excellent work in the ACT community and as long as ongoing funding continues to be available this important work will continue.

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



Education Officer – Helena Walker

# Education Officer Report

This has been an interesting year for me and a steep learning curve, having joined AACT as Education Officer in February 2011, taking over from Laura Calligaro. There is still a lot I have to learn and I want to say thank you to those people who have been patient and supportive of me since I arrived. Unfortunately, I do not have much information on activities that happened in 2010, so much of my report will be 2011 focused.

## Courses

In March, I attended a week long Health Promotion Course put on by the ACT Health Promotion Branch. It was an excellent introduction to the issues and the evidence base for health promotion activities and also a very good networking opportunity. I am using the information gained from this course in evaluating our activities.

Another course I attended was the Health Care Consumers Association representative training. This will be an important association to keep in mind, since every medical/health committee is now required to have a consumer representative and they can be a channel through which our concerns can be made known.



Monash Primary School Children at Healthy Bones Morning Tea

## Conferences

I represented Arthritis ACT at the RASOR conference in February in Melbourne, which was funded by Roche. This was an excellent networking and information gathering opportunity, especially with our Arthritis Affiliates and I reported the new findings back to our members through the newsletter and support groups.

## Evaluation

We continue to develop evaluation tools that will help us to determine our efficacy. Employing Survey Monkey, an online survey tool, we have developed and used a number of surveys for needs analysis amongst our members and for evaluation of programs.

The Arthritis Expos are still being evaluated, but the response has been positive so far with 85% of respondents implementing the lifestyle changes that they said they would.

A needs analysis related to the Strength & Balance Exercise program among our WWX members on email showed that a high percentage were interested in attending an exercise class in the pool. Several different ways of operating such a class will be trialled in the 2011/12 financial year and may become a permanent part of the .

One issue for evaluation is that most of our programs and activities do not have stated aims and objectives. This process has been started in consultation with our volunteers, members and other stakeholders. Programs such as Community Talks, Challenging Pain, WWX Program and Support Groups are due to undergo internal evaluation in the next financial year.

### **Support Groups**

Four monthly support groups are now promoted and supported by the office and have been running regularly each month with attendances commonly upwards of 10 people at each meeting:

- The Monday Arthritis Support Group meeting monthly at the Hellenic Club is now coordinated by **Ruth Rooney** using material developed by the Education Officer
- The RA & Sjogren's Syndrome group has continued to be run monthly on a Thursday at the Hellenic Club by **Anna Earnshaw** and **Joanne Stewart**
- The Young Adults Support Group is now being coordinated by **Tara McIntosh** and they continue to enjoy a variety of social activities monthly
- A new support group was started in October 2010 arising from the Challenging Pain course called the Pain Support Group which is coordinated by **Margaret McCulloch**. They meet on the fourth Friday of the month and have run a variety of activities throughout the year.

### **Falls Prevention Grants**

The ACT Health Promotion Branch Falls Prevention Grant for 2010/2011 was plagued with difficulties this year in its delivery.

In late 2010, a decision was made to overhaul the Strength & Balance Exercise Program due to questions about safety for participants who are at an increased risk of falling. Due to budget considerations, a review of the program was done in partnership with the University of Canberra Health Faculty rather than employing a physiotherapist privately. The result was that we obtained a new land based and hydrotherapy Strength & Balance program at the end of July 2011 designed by Master's students in physiotherapy. This also gave us a list of research evidence that supports the program. An advantage of this process is that our organization now has a relationship with the University of Canberra that will have ongoing benefits.

We were granted an extension of the project from the ACT Health Promotion Branch to the end of October, with evaluation and reporting due at the end of January. Five leaders were trained in August – **Susan Gurr, Barbara Gillies, Robin Scott-Charlton, Maneerat Pinyopusarerk** and **Heather Bell**. They have all been wonderful assets to the program.

The land based program is currently being delivered at the Grant Cameron Community Centre for our members (16x1hr sessions over 8 weeks with 2 leaders); Stockland Ridgecrest Retirement Village in Page (16x1hr sessions over 8 weeks with 2 leaders). In October, there will be courses run at Araluen Retirement Village in Fisher and a Warm Water Exercise Program delivered at a new hydrotherapy pool in Majura Park by an exercise physiologist (Kirra Rankin).

On review, it seems that the 'old' Strength & Balance Program is not redundant, simply not suitable for people who are at a high risk of falling, so there are other contexts for which this program might be suitable.

In March, I wrote a grant proposal for another round of Falls Prevention. We won this grant in September 2011 and it will involve taking our Strength and Balance program into a variety of multicultural groups as well as strengthening our relationship with a variety of government and community groups.

### **Shopping Centre Displays**

Two shopping centre displays were run this year – one at Woden and the other at Belconnen. Both went quite well, with a reasonable level of interest. The volunteers who manned the table seemed to feel that they were worth doing.

### **The COTA Festival**

A lot of material was distributed at the COTA festival and there was a very high level of interest in the stall run there. **Joe Stewart** reported that she had many valuable conversations with people in her time there and recommended it as a highly worthwhile event for us to have an ongoing presence at.

### **Arthritis Expos**

Five Arthritis Expos were run in the 2010/11 financial year. Each one involved a talk from a rheumatologist (usually Dr Chandi Perera), a pharmacist (the Australian Pharmacy Group – Rhyan Evans) and the CEO of AACT (Tony Holland). There was also a panel of experts that the attendees could ask questions of: a physiotherapist, a representative from the Independent Living Centre, a representative from Centrelink and a representative from Carers ACT.

Everyone from the community who participated rated the event very highly on their evaluation forms.

### **Community Talks**

**Julie Klement-Bruce** has taken over the coordination of Community Talks this year. Many of the talks were to a wide variety of multicultural groups organized through Anndey Ho of Carers ACT. Some of the materials that we have in other languages (particularly the Vietnamese and Greek Osteoporosis pamphlets) were given out at these talks.

### **WWX**

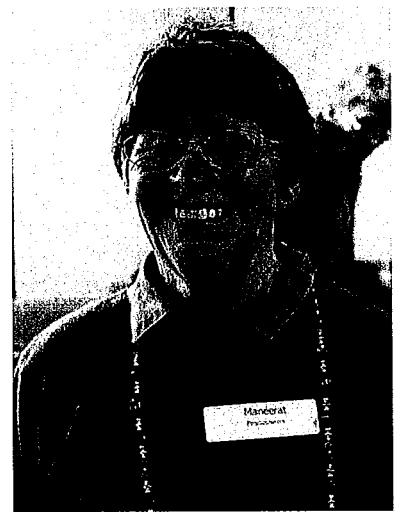
Once again, **Shirley Syme** has done a great job of coordinating the WWX program, particularly considering the fall that she had this year and other stressors in her life.

There continues to be some problems with water temperature and pool closures at some of the venues and a drop in numbers during winter. However, this continues to be a very successful program and there is a high level of interest from the community.

### **Library**

**Wendy Milne** has been working hard on getting the library organized. She is currently transferring all of our titles into an electronic database, which will make management of the library much easier.

Modernising and expanding the content of the library continues to be an aim. There are a number of avenues that are being explored to make this service more accessible and relevant to our members.



**Librarian – Wendy Milne**

## **Chronic Conditions Seminar Series and Guest Speakers**

AACT continues to be actively involved with the Chronic Conditions Seminar Series (CCSS). This year, AACT organized speakers for two of the monthly meetings. The first was Randolph Sparks on Pain Management, who did a repeat daytime talk at the Grant Cameron Community Centre in August 2011 on our invitation, and the second was Dr David Griffiths on Dental Care.

**Joe Stewart** has been a faithful supporter of these seminars, but she has decided to pull back from these events and the CCSS contact for our organization is currently the Education Officer.

**Helena Walker**  
Education Officer

# Treasurer's Report

In the financial year 2010-11, Arthritis ACT received \$285,335 in revenue and other income with the main sources being provided by a Contract with the ACT Government worth \$115,943 and various Grants totaling \$80,331.

Disappointingly, total revenue was well down compared with the previous year's total of \$350,974. Revenue from Fund Raising decreased by \$26,993 to \$13,899 and revenue from Gifts decreased by \$14,365 to \$12,934 however the main reductions were in the Grants received for the Workplace wellness project of \$45,395 and Falls prevention of \$15,647.

As a result of these shortfalls in revenue we reduced expenditure for the year to ensure the ongoing financial viability of the Foundation. Total expenditure for the year was \$274,477 compared with the previous year's total of \$338,591. Employment costs were reduced by \$24,279 after outsourcing accounting and bookkeeping services resulting in an increase in Legal and Accounting costs of \$14,051.

The Foundation did not hold a "Have a Ball" fundraising night in the current year resulting in the decrease in Fund Raising revenue and a decrease in Fund Raising costs at \$1,973 compared with the previous year at \$20,505 which contained two fundraising nights in October 2009 and May 2010.

The ADM System costs at \$7000 for the year represented the costs of various upgrades to the Arthritis Data Management System (ADMS) to improve functionality and keep pace with increases in volumes. This compared with expenses of \$26,636 in the previous year when the system was first developed and implemented.

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. In addition to significantly improving our ability to communicate with members the ADMS has enabled administrative savings in postage and printing as well as staff time in the current year.

At the end of the financial year we also took the opportunity to improve the working conditions at our offices at the Grant Cameron Centre through a comprehensive refurbishment of the offices which we were able to achieve at minimal cost through the assistance of the Men's Shed and our neighbours in the Centre.

As in previous years, the revenue generated in the year 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. The accounting systems and procedures have been further enhanced through the contracting of an outside accountant who has made a significant impact on the efficiency and effectiveness of our financial procedures and controls. We continued to review and reissue policies as well as improved monthly financial reporting to the Board. The Strategic Plan for the organisation has again 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.

While we suffered a reduction in revenues from fundraising and gifts, the Foundation sincerely thanks all who donated so generously. The organisation cannot achieve its goals without significant financial assistance from fund raising contributions and gifts and we trust that we will return to previous levels in future years.

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 20011/12.

Despite the reduction in revenues in the year the Foundation recorded a Net Surplus for the year of \$10,858 and remains in a strong financial position with Funds available for future use totaling \$150,153 at 30 June 2011.

**Andrew Fleming**  
Treasurer



**2011 Volunteer's Morning Tea!**

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

*Financial Statements  
For The Year Ended 30 June 2011*

**Houston & Hanna**  
Chartered Accountants  
15/11 McKay Gardens  
Turner ACT 2601

Phone: 02-62498515      Fax: 02-62496792  
Email : [kim@khanna.com.au](mailto:kim@khanna.com.au)

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 2011.

**BOARD MEMBERS**

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

Bill Wood	President	Helen Davies	Board Member
Anna Hackett	Vice President	David Graham	Board Member
Andrew Fleming	Treasurer	Wendy Prowse	Board Member
Kristine Riethmiller	Secretary		
Helen Tyrrell	Board Member		

**SURPLUS**

The surplus of the association for the financial year was: \$ 10,859

**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 5<sup>TH</sup> day of SEPTEMBER 2011.

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 BY MEMBERS OF THE BOARD**

In the opinion of the Board the financial report

1. Presents a true and fair view of the financial position of Arthritis Foundation ACT Incorporated as at 30 June 2011 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that Arthritis Foundation ACT Incorporated will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Board and is signed for and on behalf of the Board by:

Chairperson

*B Wood*

Treasurer

*[Signature]*

Dated this

*5<sup>TH</sup>* day of *SEPTEMBER* 2011

**ARTHRITIS FOUNDATION ACT INCORPORATED**

A.B.N. 25 538 506 729

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2011**

	Notes	2011 \$	2010 \$
<b>Revenue and other income</b>	<b>2</b>	<u>285,335</u>	<u>350,974</u>
Employment Costs		176,639	200,918
Depreciation and Impairment expenses		5,333	3,985
Auditors Remuneration		1,700	2,070
Fund Raising costs		1,973	20,505
Insurance costs		8,568	6,824
Legal & Accounting		18,369	4,318
Rent		11,070	11,627
Postage & Printing		3,737	8,551
Telephone & Fax		4,698	4,604
Projects		8,463	14,379
Courses, Workshops & Conferences		2,897	8,718
ADM System costs		7,000	28,636
Building Repairs & Equipment Maintenance/replacements		9,295	785
Other expenses from ordinary activities		14,735	22,671
<b>Expenditure</b>		<u>274,477</u>	<u>338,591</u>
<b>Net surplus for the year</b>		<u><u>10,858</u></u>	<u><u>12,383</u></u>

ARTHRITIS FOUNDATION ACT INCORPORATED

A.B.N. 26 638 606 729

STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2011

	Notes	2011 \$	2010 \$
<b>Current Assets</b>			
Cash assets	3	151,562	177,774
Receivables		3,472	146
Inventories		250	710
Other		9,091	6,500
<b>Total Current Assets</b>		<u>164,374</u>	<u>185,130</u>
<b>Non-Current Assets</b>			
Property, plant and equipment at WDV	4	12,126	6,576
Motor Vehicle at WDV		4,461	6,693
<b>Total Non-Current Assets</b>		<u>16,587</u>	<u>13,269</u>
<b>Investment</b>			
Shares in Public Companies at Market Value		21,732	21,053
<b>Total Assets</b>		<u>202,693</u>	<u>219,452</u>
<b>Current Liabilities</b>			
Payables	5	36,452	64,207
Provisions	6	16,088	15,952
<b>Total Current Liabilities</b>		<u>52,540</u>	<u>80,158</u>
<b>Total Liabilities</b>		<u>52,540</u>	<u>80,158</u>
<b>Net Assets</b>		<u><u>150,153</u></u>	<u><u>139,294</u></u>
<b>Funds</b>			
Funds available for future use beginning of the year		139,294	126,911
Surplus for the year		10,859	12,383
<b>Funds available for future use end of the year</b>	7	<u><u>150,153</u></u>	<u><u>139,294</u></u>

ARTHRITIS FOUNDATION ACT INCORPORATED

A.B.N. 25 538 506 729

STATEMENT OF CASHFLOW  
FOR THE YEAR ENDED 30 JUNE 2011

	Notes	2011 \$	2010 \$
<b>Cash flows from operating activities</b>			
Receipts generated from operations		277,535	345,154
Payments to employees and suppliers		(301,241)	(319,343)
Interest received		7,800	5,820
<b>Net cash flows from/(used in) operating activities</b>	10	<u>(15,906)</u>	<u>31,631</u>
<b>Cash flows from investing activities</b>			
Fixed asset purchases		<u>(10,306)</u>	<u>-</u>
<b>Net cash flows from/(used in) investing activities</b>		<u>(10,306)</u>	<u>-</u>
<b>Net increase/(decrease) in cash held</b>		<u>(26,212)</u>	<u>31,631</u>
<b>Cash at the beginning of the year</b>		<u>177,774</u>	<u>146,143</u>
<b>Cash at the end of the year</b>	10	<u>151,562</u>	<u>177,774</u>

# ARTHRITIS FOUNDATION OF THE ACT INCORPORATED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

### **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	25%
Furniture	10-40%

## ARTHRITIS FOUNDATION OF THE ACT INCORPORATED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

#### c. 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.

#### d. 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.

#### e. 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 2011

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 2011

Note 2	Revenue	Notes	2011 \$	2010 \$
<b>Operating Activities</b>				
	Contracts		115,943	112,239
	Gifts		12,934	27,299
	Education		1,323	5,044
	Fund Raising	11	13,899	40,892
	Sale of Books & Videos		227	688
	Grants	12	80,331	107,559
	Hydrotherapy		21,818	19,235
	Subscriptions		15,345	14,948
	Miscellaneous		15,715	17,251
			<u>277,535</u>	<u>345,154</u>
<b>Non-operating Activities</b>				
	Interest Received		7,800	5,820
	<b>Total Revenue</b>		<u>285,335</u>	<u>350,974</u>
Note 3	<b>Cash at Bank</b>			
	Westpac Operations Account		14,266	20,649
	Westpac Gift Account		76	36,646
	High Interest Account		114,008	-
	Maxi Account		23,011	120,173
	Cash on Hand		200	306
			<u>151,562</u>	<u>177,774</u>
Note 4	<b>Property, Plant and Equipment</b>			
	Computers - at cost		5,256	20,950
	Less Accumulated Depreciation		( 1,884)	( 19,616)
			<u>3,392</u>	<u>1,334</u>
	Furniture - at cost		15,028	20,135
	Less Accumulated Depreciation		( 6,295)	( 14,893)
			<u>8,734</u>	<u>5,242</u>
	<b>Carrying Amount</b>		<u>12,126</u>	<u>6,576</u>
Note 5	<b>Payables</b>			
	Trade Creditors		8,255	19,742
	PAYG Payable		4,108	3,888
	Accrued Expenses		6,468	12,070
	GST Payable/(Receivable)		15	6,176
	Unexpended Bequests		2,500	2,500
	Unexpended Grants		4,318	7,000
	Superannuation SGC		3,542	2,682
	Subscriptions in Advance		2,135	5,740
	Salary Sacrifice		5,111	4,410
			<u>36,452</u>	<u>64,207</u>

**ARTHRITIS FOUNDATION ACT INCORPORATED**

A.B.N. 26 538 506 729

**NOTES TO THE FINANCIAL ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2011**

<b>Note 6</b>	<b>Provisions</b>	<b>2011</b>	<b>2010</b>
		<b>\$</b>	<b>\$</b>
	Annual Leave	14,439	14,303
	Long Service leave	1,649	1,649
		<u>16,088</u>	<u>15,952</u>

From 1 July, 2010 ACT employees within the Community Sector will have their Long Service Leave (LSL) entitlements paid quarterly to the ACT LSL Authority. Any LSL accrued up to 30/06/10 remains the liability of the Association.

<b>Note 7</b>	<b>Funds</b>	<b>2011</b>	<b>2010</b>
	Funds available for use beginning of the year	139,294	126,911
	Surplus for the year	10,859	12,383
	Funds available for use end of the year	<u>150,153</u>	<u>139,294</u>

**Note 8**      **Contingent Liabilities**

The association is not aware of any contingent liabilities in existence at the date of this report.

**Note 9**      **Events Subsequent to Reporting Date**

The association is not aware of any events after report date that would affect the integrity of the financial accounts.

**Note 10**      **Cash flow Information**

<b>Reconciliation of Cash</b>			
	Cash on hand	200	306
	Cash at bank	151,362	177,469
		<u>151,362</u>	<u>177,774</u>

**Reconciliation of Cash provided by/ (used in)  
Operating Activities to Surplus for the year**

<b>Surplus for the year</b>	<b>10,859</b>	<b>12,383</b>
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**Non-cash flows in profit from ordinary activities**

Depreciation	5,333	3,985
Change in Market Value of Investments	( 679)	( 937)
Gain on Sale of Assets	1,655	

**Changes in assets and liabilities**

(Increase) / Decrease in receivables	( 3,326)	374
(Increase) / Decrease in inventories	460	826
(Increase) / Decrease in other assets	( 2,590)	( 4,172)
Increase / (Decrease) in payables	( 27,755)	19,838
Increase / (Decrease) in provisions	137	( 667)

<b>Net cash provided by (used in) operating activities</b>	<b><u>( 15,906)</u></b>	<b><u>31,630</u></b>
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ARTHRITIS FOUNDATION ACT INCORPORATED

A.B.N. 25 538 506 720

NOTES TO THE FINANCIAL ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2011

Note 11 Fundraising

Events	12,447	32,538
Auction & Function Activities	90	5,064
Raffles	1,362	3,291
	<u>13,899</u>	<u>40,892</u>

Note 12 Grant Income

Workplace Amelioration	18,836	64,231
Arthritis Australia	15,000	-
Fall Prevention	17,100	32,747
Healthy Bones	7,000	-
Melbourne Lord Mayors Trust	10,000	-
ACT LSL Grant	2,556	-
Capital grant Received	9,840	1,488
Volunteering ACT	-	9,092
Osteoporosis Australia	-	-
	<u>80,331</u>	<u>107,559</u>

**HOUSTON & HANNA**  
**CHARTERED ACCOUNTANT**

**K D Hanna FCA (Principal)**

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**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF  
ARTHRITIS FOUNDATION OF THE ACT INCORPORATED  
FOR THE YEAR ENDED 30 JUNE 2011**

**Scope.**

I have audited the attached financial statements of Arthritis Foundation of The ACT Incorporated (The Association) for the year ended 30 June 2011. 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.

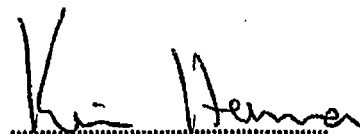
My audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial statements are free of material misstatement. The procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the 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.....6/9/11.....