



ANNUAL REPORT

2007 - 2008

PATRON

Ms Annette Ellis MP

DIRECTOR'S OF THE BOARD

President	Mr Bill Wood
Vice President	Ms Anna Hackett
Secretary	Ms Kristine Riethmiller <i>(Arthritis Australia Director)</i>
Hon. Treasurer	Mrs Elizabeth Maher

ORDINARY MEMBERS

Mrs Helen Cody
(Osteoporosis Australia Board Director)

Dr David Graham

Ms Helen Tyrrell

Mrs Julie Cochran

Ms Anne Messenger

CEO

Ms Elizabeth Scrivener

Mr Tony Holland appointed as CEO in September 2008

President's Report, incorporating CEO Report

This was a very busy year for the Association, with a great deal of activity, more grants bringing further programs and changes in personnel. We said farewell to Elizabeth Scrivener, our inspirational CEO for a number of years. The Association pays tribute to Elizabeth who moved us to a position of financial security while building up the range of programs for those afflicted with arthritis or osteoporosis. Managing a voluntary body, with little security of funding, with a relatively small paid staff and a large number of volunteers is a complex task and Elizabeth performed it extremely well. She leaves with the thanks of all members, volunteers, staff and board members.

The appointment of a new CEO, Tony Holland, has been made in the current year and we look forward to continued development under his guidance.

Three new board members were recruited – David Graham, Anne Messenger and Helen Tyrell – bringing a range of important skills to our deliberations. I thank all board members for their diligence in attending to their duties. They have developed a sound structure for managing the year's progress, been regular at meetings, attended to the Planning Day, shown great interest in the Associations' events and all with a good will. Our treasurer for a number of years, Elizabeth Maher, will depart the Board after this meeting. She has been a valuable member and an excellent treasurer, bringing greater discipline and clarity to the accounts.

Kristine Riethmiller is our representative on the Board of Arthritis Australia and Helen Cody on the Osteoporosis Australia Board. They keep us well informed of national issues.

Once again we thank our patron Annette Ellis MP, whom we greatly value for her real interest in the Association and attendance at so many of our events.

On behalf of the Board and all the Association's membership I thank the volunteers who contribute so much to our activity. The Association thrives because of your work, whether around the office, in fund raising and social activities, the hydro-therapy program, the education programs or the varied special events that are mounted. The success of the organisation depends so much on them. Their dedication and abilities are so important.

Our staff Monte Scharbow, Wen Liu and Ros Lawrence are very competent and highly valued people who provide the most effective support and education programs. The membership appreciates their efforts. And it is always a pleasure to deal with them. In particular, as president, I thank them for their work in the period between CEOs as they picked up additional work.

A review of the Association's constitution is under way and what are likely to be minor changes will be presented at a future meeting.

The Association exists to provide services to members and more broadly to the community. It continues to offer advice and information to sufferers and programs to alleviate the effects of arthritis and osteoporosis. Just in the financial year, grants have been received to continue

the work: Youth support \$15513, Education \$10000, Workplace programs \$75200. Major funding from the ACT Government continues for the newsletter and hydro-therapy.

The Fund Raising Committee under Helen Cody continues to work effectively, bringing funds to the Association and offering social activities to members.

In the year under review, retiring CEO Elizabeth Scrivener, while in the UK on a private visit, took time to explore the possibility of introducing into the ACT and Australia a “Challenging Pain” program. Funding of \$9700 was received to support its introduction. To meet the requirements of the UK “owners”, Arthritis Australia has agreed to accept the program and most states have indicated their willingness to undertake the associated work. Elizabeth organised a training program in Melbourne for trainers from the states and ACT trainers are keen to get moving. Nationally we now rely on funding support from the national body, while the Board may consider how to implement the program in the ACT.

Joint Replacement seminars, Art for Arthritis, the Lifestyle exhibition and a Volunteering ACT event have also been activities we have undertaken.

Important steps were taken during the year in the establishment of a professional web site and a brochure. Thanks to volunteers who provided these. Thanks also to Australian Pharmacies for providing the funds to cover the cost of the brochure. We now have a much more professional look and the web site has scored a very large number of “hits”. For promotion, we also have acquired a fine banner for promoting the Association at its events.

The Association continues to develop its community profile. Healthy Bones Week, while an important program into schools, also receives good publicity promoting the role of the Association. Science week also sees an effective involvement from Arthritis ACT as an excellent stall offers interest to thousands participants. Our activities during National Arthritis Awareness Week also received good coverage. We were pleased that the ACT Minister for Health, Katy Gallagher, launched the new website and brochure in that week and we appreciated the opportunity to discuss issues informally with the minister.

In the current year, the Board and CEO will continue to work to collect funds to expand its programs, including means to encourage the giving of bequests. We are well aware that there is a large range of programs to which we are committed and which must be completed successfully to maintain our credibility. The Board has some work yet to do to refine our procedures.

It has been a successful, if challenging year, with much to be achieved in the coming period.

Treasurer's Report

During the financial year 2007-08 Arthritis ACT received approximately \$244 000 income from grants and sponsorships (\$164 000), Fundraising (\$15 000), and subscriptions, gifts and other, (\$65 000). This was a small increase of 6% on the previous year. At the end of the year there was a surplus of funds of \$29 270.

As in previous years, this income 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
- promote the role of Arthritis ACT to the community

The grant monies and sponsorship allowed the organisation to continue its range of educational programs and seminars provided during the year in addition to community talks and regular participation in events such as Healthy Bones Week and the National Science Festival. Several new grants were received which will enable the organisation to increase the breadth of its support and are expected to be undertaken this financial year. Warm water exercises continue to be popular and attendances, in particular at Canberra Hospital, are growing.

The organisation has this year seen the benefits to the organisation's management and administrative productivity and efficiency through the replacement of computer equipment and the technical upgrade in 2007. However the major improvement to members' access to the organisation's facilities and resources has been through the launch of its website; www.arthritisact.org.au and the simultaneous release of the Arthritis ACT brochure. In addition to the members' benefits, these two advances are expected to increase the number of members and provide a more cost effective means of communicating with those members that wish to access the website.

As in all years, the organisation would not have achieved its goals without the significant financial assistance that comes from fund raising contributions and gifts. Combined fundraising efforts amounted to just over \$15,000 in total and helped ensure the organisation's continued existence. The organisation was particularly fortunate in receiving \$46 000 in gifts during the year. This generosity is much appreciated and the organisation thanks those who provide for it in this manner.

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 that warrants 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.

All said, the financial future of the organisation is stable and we look forward to building on the organisation's existing delivery of programs and services in 2008-09.

Education and Support Programme

Once again I would like to acknowledge the very generous, competent, creative and diligent assistance of the many volunteers who help with our numerous events, programs and projects, as well as contributing to the smooth operation of the office activities. The variety and quality of services provided by Arthritis ACT would not be possible without their contribution.

Roger Killen, who for many years successfully coordinated the Warm Water Exercise (WWX). Roger continues to be involved with the program as a pool supervisor but has resigned from the coordinator position to pursue his many other volunteer projects.

Shirley Syme took over as the WWX coordinator and has dedicated many hours to organising and running the program. Shirley also helps with office administration and with many special events.

Joanne Stewart skilfully coordinated, and with the assistance of **Katrina Muir**, ran the Arthritis and Osteoporosis Self-Management Courses.

Carol Mackay has continued to co-ordinate our very successful Community Talks Program and was instrumental in the development of a new talk on exercise.

Katrina Muir planned, organised and promoted the “Vitamin D, Sun Exposure and Osteoporosis: The Risks and Benefits” seminar, which was an extremely successful and well-attended event.

Mary Lindsay employed her valuable writing skills in the preparation of several grant applications.

Tom Berry once again spearheaded organising “Canberra’s Big Healthy Bones Morning Tea” for Healthy Bones Week.

Additional thanks to the many reliable and generous volunteers who attend our various display stalls and other promotional activities throughout the ACT. This promotional activity is vital in ensuring people within the ACT are aware of Arthritis ACT and its services.

National Healthy Bones Week - Canberra’s Big Healthy Bones Morning Tea, 2007

In recognition of Healthy Bones Week 2007, we invited all ACT primary and high schools to participate in Canberra’s Big Healthy Bones Morning Tea. 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.

The event was launched at Kaleen Primary School on Monday 6 August. Wendy Gray, a dietician with Nutrition Australia, addressed the school assembly on the importance of consuming enough calcium to build strong bones, with this year’s theme, “What’s for Lunch?” Two athletes from the AIS and one from the Canberra Capitols attended to sign autographs and Kids at Play led the children in a number of organised games and activities.

Over 15,000 ACT school children participated and more than 13,000 servings of milk and 7,000 pieces of fruit were delivered to schools all over Canberra. Canberra Milk & Capitol Chilled Foods, Dairy Farmers, Dairy Australia and Belconnen Fresh Food Markets were generous sponsors of this event.

Unfortunately, Nutmeg the cow was unwell so Farm Animal Resource Management’s “Marvellous Milk” milking and milk processing demonstrations were unavailable. The launch received extensive print and radio media coverage.

Tom Berry almost single-handedly organised all the schools, the donation of the fruit and milk and the morning tea events and deserves to be congratulated for a job well done.

Warm Water Exercise Program

We continue to offer a valuable, affordable warm water exercise program for members. Over 4,500 attendances were recorded over the 17 weekly warm water exercise sessions held at the Canberra Hospital in Garran, "Simply Wellness" Day Spa in Belconnen and Black Mountain School Pool in O'Conner.

Each session supervisor receives pool rescue certification procedure and CPR training. The pool rescue procedures at all three pool were re-evaluated and revised where necessary with advice from St John Ambulance.

Periodic pool supervisor meetings were held to keep supervisors informed and as a forum for resolving procedural issues. Work was begun on revising the Supervisor's Handbook.

CDSM, Arthritis and Osteoporosis Self-Management Programs

We continued to offer Arthritis, Osteoporosis and Chronic Disease Self Management (CDSM) courses each calendar year. We held one Arthritis Self Management course in October and November and a CDSM course in March and April. **Jo Stewart, Katrina Muir** and **Carol Mackay** facilitated the courses.

Jo Stewart and **Helen Cody** ran a successful modified Osteoporosis Self management Course during August. **Jo Stewart**, a CDSM Master Trainer coordinates our self-management services.

Vitamin D, Sun Exposure and Osteoporosis: The Risks and Benefits

This was the title of a seminar presented to over 100 participants on 22 August. The seminar took place at the CWA Hall in Civic and went from 9:30am to 3:00pm.

The morning seminar session included talks from leading researchers and clinicians about the function of Vitamin D in the development and maintenance of bone health, the necessary role that sunlight plays in the process, and the balance between protecting ourselves from the damaging effects of sunlight and the biological need to prevent osteoporosis.

Another topic included a report on recent research of women's perception of osteoporosis. A forum of the speakers then responded to questions.

The afternoon sessions were more practically oriented, with addresses about the DEXA scan and what it means, the value of exercise for maintaining bone health, how to improve your bone density through diet, and falls prevention.

A huge thank you to **Katrina Muir** for the enormous contribution she made in organising the event. Katrina's thorough planning, persistence and attention to detail resulted in the resounding success of the seminar.

Joint Replacement Seminars

Surgical options for joint replacement were presented at two Arthritis Awareness Seminars, one on 28 November 2007 and another on 8 April 2008. The seminars are sponsored by Stryker/Argo, manufacturers of joint replacement prosthetics. Each seminar featured an orthopaedic surgeon outlining the surgical options for hip and knee joint replacement procedures, a nurse summarising the pre- and post-operation and hospital procedures, and a physiotherapist describing the current recommendations for therapeutic recovery. Both seminars were well attended, attracting approximately 50 guests.

Community Education Program

The ACT community has very well received our Community Education Program this year. We received a large number of requests from community groups and government departments to talk to people about arthritis and osteoporosis. Participation in these events helps raise the profile of arthritis and osteoporosis as an important health issue.

The Community Talks PowerPoint presentations on Arthritis and Osteoporosis were upgraded and revamped to ensure current information and to make the presentations more interesting and entertaining. In addition, a new Community Talks presentation was developed called "Exercise: Move It or Lose It". It offers guidelines to developing a home exercise program for improving strength, stamina and suppleness.

Carol Mckay continued to manage the Community Talks program and came up with the concept for the new exercise presentation. With 8 trained presenters delivering the program to over 20 organizations this year.

Youth Support

Roz Lawrence is the project officer for the Youth Support Program. This project is an ACT Health grant that picks up on the juvenile arthritis work begun by a final year university student who undertook her final year project with us in endeavouring to make contact with parents and young ones. The aim is to establish support groups for teenagers and for parents and younger children. Roz expanded on the endeavours to contact families with juvenile arthritis members.

Arthritis Awareness Week

The theme for National Arthritis Week 2006 was "*Arthritis – It's your move*". The theme promotes the benefits of keeping active and encourages arthritis sufferers to seek treatment and "make the first step in taking control" such as investigating the benefits of fish oils. Arthritis Australia used this opportunity to announce the availability of a bank of new and revised information sheets on many disease-specific musculoskeletal conditions, like rheumatoid arthritis and fibromyalgia; on specific areas of the body, such as feet and back; medical management; and general management, such as physical activity, arthritis and emotions, and dealing with pain. We scheduled a number of activities to promote awareness, such as:

- A two-part public seminar on '*Arthritis – It's Your Move*' on Wednesday 9 April. I gave a general overview of arthritis and its management in the first part and a presentation on exercise for arthritis to improve stamina, strength, suppleness and well being in the second part. A joint replacement seminar, discussed elsewhere, was also held during the week.
- The launch of our new website and brochure by our Minister for Health, Ms Katie Gallagher MLA, attended by over 40 people. Simon Carroll representing the Australian Pharmacy Group presented us with a cheque to cover cost of printing the brochure.
- Holding a workshop called "Art for Arthritis". Annette Ellis joined 16 of our members for a morning of art, led by one of our long-standing volunteers, **Raelene MacNamara**. The attendees were delighted to explore their talents and produced a variety of interpretations of a still-life, confirming that their arthritic conditions do not prevent them from being creative.

Workplace Project

This is the second phase of an ACT Health grant project aimed at assisting in the education of employers and employees about ways to delay the onset of arthritis and ameliorate the effects of arthritis and musculoskeletal condition in the workplace.

The first phase was completed in 2007 and resulted in setting the stage for conducting the second phase pilot projects in two different types of workplaces. This is a challenging project that is intended to convince employers of the benefits of this training for their business and also to inform employees about arthritis prevention with respect to their personal lifestyle as well their work.

Unfortunately, Robyn McIntosh, who was hired to be the project manager, left to accept another position and another project officer was not available. Hence, I became the project officer. Some of the background work and project documents were begun but most of the work was postponed to the next fiscal year.

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. The group also assists in organising the Joint Australian Rheumatology Association & RHPA conference each year.

Information Stall Activities

Information stalls were set up to disseminate information at the following:

- “Party in the Park”, Remembrance Park, 14 October
- “Weston Creek Spring Festival”. Coolamon Court, Weston, 20 October

Support Services

Support Services Volunteers provide invaluable service and experience, and include **Steve Norris** and **Nicky Gray** who run our Young Adults group, **Helen Cody** who has continued to be the mainstay of the Rheumatoid Support Group (as well as leading self-management courses and delivering talks to the community), and **Roger Killeen** and his 20+ supervisors who give so much of their time on a weekly basis to ensure our Warm Water Exercise program continues. These magnificent volunteers also assist with many of our other programs, including fundraising.

Our regular support groups, the Rheumatoid and Sjogrens Group, led by **Helen Cody** and **Jo Stewart**, and the Arthritis Support Group, led by **Elizabeth Scrivener** continued.

Our Young Adults Group is flourishing, with up to 12 members meeting regularly for a meal, support and activities. Some venues visited through the year included the National Zoo and Aquarium, Historical Train, the Movies, Bird Aviary, National Museum, and Christmas BBQ.

Monte Scharbow
Education & Support Coordinator

**ARTHRITIS FOUNDATION
OF THE ACT
INCORPORATED**

ABN 25 538 506 729

*Financial Statements
For The Year Ended 30th June, 2008*

Houston & Hanna

Chartered Accountants
15/11 McKay Gardens
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Email : kim@khanna.com.au

ARTHRITIS FOUNDATION ACT INCORPORATED

A.B.N. 25 538 506 729

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2008**

The Committee presents this report on the association for the financial year ended 30th June 2008

COMMITTEE MEMBERS

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

Bill Wood	President	Julie Cochran	Committee Member
Anna Hackett	Vice President	Helen Tyrell	Committee Member
Elizabeth Maher	Treasurer	Dr. David Graham	Committee Member
Kristine Riethmiller	Secretary	Anne Messenger	Committee Member
Helen Cody	Committee Member		

NET PROFIT/(LOSS)

The surplus of the association for the financial year was \$ 29,056

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.....day of2008

Committee Member

Committee Member

Name

Name

ARTHRITIS FOUNDATION ACT INCORPORATED

A.B.N. 25 538 506 729

STATEMENT BY MEMBERS OF THE COMMITTEE

In the opinion of the committee the financial report

1. Presents a true and fair view of the financial position of Arthritis Foundation ACT Incorporated as at 30 June 2008 and its performance for the year ended on that date in accordance with Australian Accounting Standards, mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board.
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 Committee and is signed for and on behalf of the Committee by:

Chairperson _____

Treasurer _____

Dated this day of 2008

ARTHRITIS FOUNDATION ACT INCORPORATED

A.B.N. 25 538 506 729

STATEMENT OF INCOME FOR THE YEAR ENDED 30 JUNE 2008

2007		Notes	2008
\$			\$
227,606	Revenue from ordinary activities	2	243,832
152,307	Employee benefits expense		147,246
5,527	Depreciation and Impairment expenses		6,237
1,500	Auditors Remuneration		1,300
3,802	Fund Raising		2,039
1,523	Maintenance		1,276
16,978	Insurance costs		6,659
8,659	Rent		10,868
3,505	Postage & Printing		4,485
2,409	Telephone & Fax		4,923
95	Projects		7,500
2,267	Courses, Workshops & Conferences		10,801
26,346	Other expenses from ordinary activities		11,228
224,918	Total Expenses		214,562
2,688	Profit from ordinary activities		29,270
(1,607)	Loss on Disposal of Assets		(214)
1,081	Net Profit	7	29,056
1,081	Total changes in equity		29,056

ARTHRITIS FOUNDATION ACT INCORPORATED

A.B.N. 25 538 506 729

**BALANCE SHEET
AS AT 30 JUNE 2008**

2007		Notes	2008
\$			\$
	Current Assets		
74,600	Cash assets	3	165,216
5,535	Receivables		200
2,217	Inventories		2,145
4,134	Other		6,252
<u>86,486</u>	Total Current Assets		<u>173,813</u>
	Non-Current Assets		
11,505	Property, plant and equipment	4	9,559
<u>11,505</u>	Total Non-Current Assets		<u>9,559</u>
	Investment		
-	Shares in Public Companies at Cost (Market Value at 30/06/2008 \$27,692)		<u>44,637</u>
<u>97,991</u>	Total Assets		<u>228,009</u>
	Current Liabilities		
39,574	Payables	5	127,896
16,425	Provisions	6	29,065
<u>55,999</u>	Total Current Liabilities		<u>156,961</u>
<u>55,999</u>	Total Liabilities		<u>156,961</u>
<u>41,992</u>	Net Assets		<u>71,048</u>
	Equity		
41,992	Retained earnings 01/07/2007	7	41,992
-	Surplus for the year		29,056
<u>41,992</u>	Total Equity 30/06/2008		<u>71,048</u>

ARTHRITIS FOUNDATION ACT INCORPORATED

A.B.N. 25 538 506 729

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2008

2007		Notes	2008
\$			\$
	Cash Flows From Operating Activities		
195,923	Receipts from customers		325,292
(211,087)	Payments to employees and suppliers		(185,748)
3,202	Interest received		8,209
<u>(7,827)</u>	Net cash provided by/(used in)		
	operating activities	10	<u>139,544</u>
	Cash Flows from Investing Activities		
-	Purchase of Shares		(44,637)
(4,106)	Fixed asset purchases		(4,291)
<u>(4,106)</u>	Net cash provided by (used in)		
	investing activities		<u>(48,928)</u>
<u>(11,933)</u>	Net Increase/(Decrease) In Cash Held		<u>90,616</u>
86,533	Cash At The Beginning Of The Financial Year		74,600
<u>74,600</u>	Cash At The End Of The Financial Year	10	<u>165,216</u>

ARTHRITIS FOUNDATION ACT INCORPORATED

A.B.N. 25 538 506 729

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2008

Note 2	Revenue	Notes	2008 \$	2007 \$
	Operating Activities			
	Contracts		104,626	100,844
	Gifts	11	45,820	17,604
	Education		2,355	6,248
	Fund Raising	12	12,824	21,983
	Sale of Books & Videos		1,847	1,306
	Grants	13	30,211	48,095
	Hydrotherapy		20,300	17,962
	Subscriptions		11,326	10,225
	Miscellaneous		6,314	137
			235,623	224,404
	Non-operating Activities			
	Interest Received		8,209	3,202
	Total Revenue		243,832	227,606

Note 3	Cash at Bank	2008 \$	2007 \$
	Westpac Operations Account	10,528	626
	Westpac Gift Account	14,038	20,053
	Maxi Account	140,489	53,771
	Cash on Hand	161	150
		165,216	74,600

Note 4	Property, Plant and Equipment	2008 \$	2007 \$
	Computers - at cost	20,950	17,134
	Less Accumulated Depreciation	(17,354)	(14,768)
		3,596	2,366
	Furniture - at cost	18,760	18,285
	Less Accumulated Depreciation	(12,797)	(11,646)
		5,963	6,639
	Library - at cost	4,932	4,932
	Less Accumulated Impairment Losses	(4,932)	(2,432)
		-	2,500
	Carrying Amount	9,559	11,505

ARTHRITIS FOUNDATION ACT INCORPORATED

A.B.N. 25 538 506 729

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2008

Note 5	Payables	2008	2007
		\$	\$
	Trade Creditors	3,929	8,327
	Sundry Creditors	199	435
	PAYG Payable	1,094	-
	Accrued Expenses	1,600	1,600
	GST Payable	9,491	(2,669)
	Unexpended Bequests	23514	23,514
	Unexpended Grants	89,669	-
	Subscriptions in Advance	5,645	5,220
	Superannuation	-	3,147
		<u>135,141</u>	<u>39,574</u>

Note 6	Provisions	2008	2007
		\$	\$
	Annual Leave	12,195	8,527
	Long Service leave	9,623	7,898
		<u>21,818</u>	<u>16,425</u>

Note 7	Retained Profits	2008	2007
		\$	\$
	Retained profits at the beginning of the financial year	41,992	40,911
	Net profit attributable to the association	29,056	1,081
	Retained profits at the end of the financial year	<u>71,048</u>	<u>41,992</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

ARTHRITIS FOUNDATION ACT INCORPORATED

A.B.N. 25 538 506 729

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2008

Note 10 Cash flow Information	2008	2007
	\$	\$
Reconciliation of Cash		
Cash on hand	150	150
Cash at bank	165,066	74,450
	165,216	74,600
 Reconciliation of Net Cash provided by Operating Activities to Profit from Ordinary Activities after Income Tax		
Profit from ordinary activities after income tax	29,056	1,081
Non-cash flows in profit from ordinary activities:		
Depreciation	6,237	5,527
Changes in assets and liabilities		
(Increase) / Decrease in receivables	5,335	2,727
(Increase) / Decrease in inventories	72	(1,286)
(Increase) / Decrease in other assets	(2,118)	6,250
Increase / (Decrease) in payables	88,322	(25,013)
Increase / (Decrease) in provisions	12,640	2,888
	139,544	(7,827)
 Note 11 Gifts / Donations		
	2008	2007
	\$	\$
Individual Gifts	14,223	12,604
Corporate Gifts	7,650	5,000
Other Donations	23,947	-
	45,820	17,604
 Note 12 Fundraising		
	2008	2007
	\$	\$
Events	9,196	17,221
Raffles	3,628	4,762
	12,824	21,983
 Note 13 Grant Income		
	2008	2007
	\$	\$
ACT Division of General Practice	-	5,372
Commonwealth Department of Veterans' Affairs	-	22,303
J/A From Arthritis Foundation Australia	-	3,500
Healthpack	11,841	4,920
Pain Management	4,870	-
Youth Support	4,500	-
Osteoporosis Australia	9,000	12,000
	30,211	48,095

ARTHRITIS FOUNDATION OF THE ACT INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

NOTE 1 : Statement of Significant Accounting Policies

The financial report is a general purpose financial report which has been prepared in accordance with Accounting Standards and Urgent Issues Group Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the requirements 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 financial report of the Association complies with appropriate Australian equivalents to International Financial Reporting Standards (AIFRS).

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:

Class of Fixed Asset	Rates
Computers	50%
Furniture	10-40%

ARTHRITIS FOUNDATION OF THE ACT INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

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.

Held-to-maturity investments

These investments have fixed maturities, and it is the group's intention to hold these investments to maturity. Any held-to-maturity investments held by the group are stated at amortised cost using the effective interest rate method.

Impairment of Assets

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 an 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.

ARTHRITIS FOUNDATION OF THE ACT INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

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 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.

HOUSTON & HANNA
CHARTERED ACCOUNTANT

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**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
ARTHRITIS FOUNDATION OF THE ACT INCORPORATED
FOR THE YEAR ENDED 30TH JUNE, 2008**

Scope.

I have audited the attached financial statements of Arthritis Foundation of The ACT Incorporated (The Association) for the year ended 30th June 2008. 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.....