

ANNUAL REPORT TO MEMBERS

FINANCIAL YEAR 2010 - 2011

Tom
Flood
President
Ostomy
NSW
Limited



Message from the President

Once again ONL has had a very successful year in serving our members across the State.

Our financial surplus stands at \$210,000. In all our operating years, ONL has never posted such an outstanding amount. Most of this success is attributed to our General Manager, Michael Peebles, AM.

We are working towards using more of the technology of the 21st Century to ensure ONL stays ahead and ready to continue the good work started by Sister Betty Hughes so many years ago in providing support and understanding to our long time and newer members.

I take this opportunity, on behalf of our members to thank our Directors, General Manager and our dedicated staff and volunteers for their hard work that has gone into achieving the outstanding results in 2010-2011. We look forward to 2011-2012 being as successful.

Our Members

As indicated in the highlights segment, membership grew from 5,990 in 2009-2010 to 6,278 in 2010-2011. The graph in the Company Snapshot traces our membership numbers of the last five years.

STN Scholarship

I am pleased to report that we have again the generous support of the NSW Chamber of Fruit & Vegetable Industries at Sydney Fruit Markets for one of the two annual Stoma Nurse Scholarships.

For the second scholarship, we have been very fortunate indeed to be selected by the Narwee Baptist Creative Craft group as the charity that they would support this year, resulting in funding that would otherwise have been provided by ONL.

Highlights

- Membership at 30th June was 6,278, an increase of 4.8% over last year.
- ONL distributed 38,428 Member orders, 4.3% more than last year.
- The average value of each order dispatched increased from \$310 to \$319.
- Each member received an average of \$1,950 products during the year for an average membership fee of \$40.
- The three year review of the SAS was completed.

General Manager's Report

It has been a year of big changes at ONL to improve our systems and procedures as part of our strategic plan.

The vast improvement in our use of technology and our ongoing commitment to this area is vitally important as our staff levels have remained unchanged, yet we have continued to grow – just over 4% last year.

Technology provides the key to meeting the increasing demands and avoiding additional staffing costs which could not be absorbed and would otherwise have to be passed on.

Many Members have adopted our new electronic payment services and ordering by email, freeing them from manual methods and the added costs which they incur.

Our financial results in every area are strong and healthy while leaving member fees and postage charges unchanged for the last two years.

The Company Snapshot on the back page of this report provides some insights into our growth and financial performance over the last five years.

However, we still rely heavily on our volunteers to whom I extend my heartfelt thanks for their great contributions during the year.

Although we expanded our volunteer base during the year and we were very successful in gaining support from the NAB Employee Volunteer Scheme, we can always do with more.

The results that we achieved and the many favourable comments and letters we received from Members are testimony to how well everyone accepted and met the challenges presented by the changes made in 2010-2011.

Therefore I wish to place on record my thanks to the staff and volunteers for their work during the year.

I look forward to continuing to serve our Members in 2011-2012

Michael
Peebles,
AM
General
Manager



HOW YOU CAN HELP YOUR ASSOCIATION

There are three ways in which you can help – by donating money, by being a volunteer or, most importantly, becoming a Director of ONL.

Currently we have five vacant Director positions and it is extremely important to fill these as it will relieve the current Directors by reducing the amount of time they dedicate to running your Association, all of which is done on a voluntary, unpaid basis.

There are only six or seven Board Meetings a year, which are mainly held in the Sydney CBD. Each meeting generally lasts no more than two hours. Since a quorum of the Board is three Directors, it is not absolutely essential that a Director attend each and every meeting.

So come on, use your experience and skills to help out.

Directors, Management and Staff

Board of Directors

Mr Tom Flood has been a Director since 1990 and President since 1998. He is also a member of the Finance Committee and Fundraising Committee. He worked for BHP for 34 years and also worked in property management.

Mr Warren Nalty has been a Director since 2007 and Vice President since 2009. He is also a member of the Finance Committee, Fundraising Committee and Risk Management Committee. He has 42 years' experience in the banking industry. He is also a Justice of the Peace.

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

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

Ms Heather Hill, AM has been a Director since 2009 and was Company Secretary until this year. She worked as a Clinical Nurse in Stomal Therapy and Wound Management. She holds a Bachelor of Science (Nursing). Her professional affiliations include Fellow of the Royal College of Nursing, Australia, Fellow of the College of Nursing, Life Member of the World Council of Enterostomal Therapy and Life Member of the Australian Association of Stomal Therapy Nurses.

Mr Robert Newman has been a Director since 2010 and has 30 years' experience in the paper and packaging industry, in the fields of marketing, operations and finance. He has also been an owner and manager of retail gift stores.

Board Committees

At 30th June 2011 the Board had established the following committees

- Finance
- Fundraising
- Risk Management

Management Team

Michael Peebles, AM General Manager and Company Secretary.

Ms Colleen Lamond Operations Officer

Services Teams

Office Team Ros Hartenstein, Cheryl Mellor, Aye Aye Myint, Frank Yu, Norma Nicholas, Kim Swain, Kelly McGee, Natalie Wilks.

Warehouse Team Barry Shaw, Jim O'Sullivan, Janice Shaw

Company Snapshot

Financial Data 2010-2011

Total income	\$13,285,076
Cost of sales	\$12,196,221
Gross surplus	\$ 1,088,855
Total Expenses	\$ 908,402
Interest received	\$ 40,437
Net surplus	\$ 210,889
Total assets	\$ 3,606,836
Total liabilities	\$ 1,238,514
Net assets/equity	\$ 2,368,322
Cash on hand	\$ 590,291
Stock	\$ 647,322
Liquidity ratio	1.71 : 1.00
Working capital	\$ 1,108,073

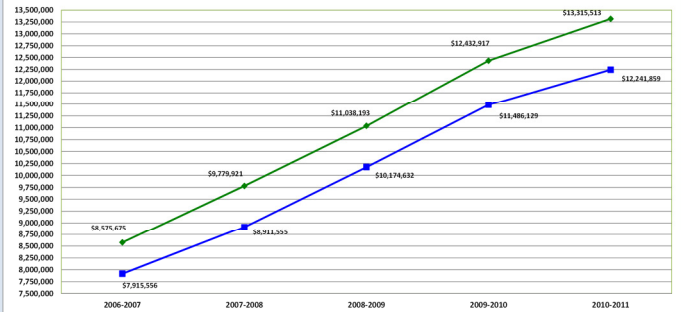
Membership

Start of the year	5,990
New members	1,700
Reinstated	15
Deceased members	349
Stoma reversals	300
De-listed as active	778
End of the year	6,278

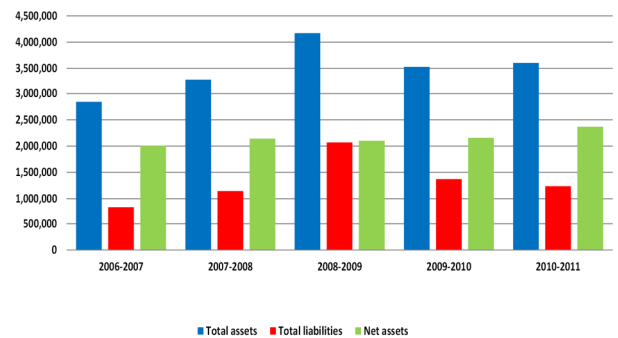
Services to Members

Orders despatched	38,428
Average order value	\$ 319
Average value of products received free by each member	\$ 1,950

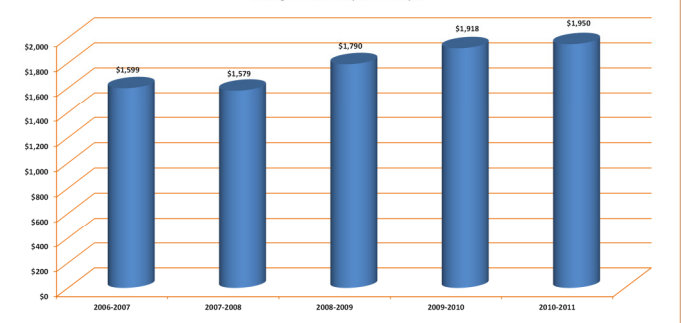
Comparison of Revenue & Orders Despatched



Comparison of Assets & Liabilities



Average Annual Value per Member p.a.



Membership Numbers at 30th June 2006 to 2011

