



FODERA & Co.
ACCOUNTANTS & TAX AGENTS

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OSTOMY N S W LIMITED
ABN 92 003 107 220

Financial Report
For the year ended 30 June 2009

"Liability limited by a scheme approved under Professional Standards Legislation"



OSTOMY N S W LIMITED
ABN 92 003 107 220

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OSTOMY N S W LIMITED
ABN 92 003 107 220
Directors' Report

Your directors present this report on the company for the financial year ended 30 June 2009.

Directors

The names and information on each person who has been a director during the year and to the date of this report are:

Information on Directors

Name	Special Responsibilities, Qualifications and Experience
Thomas FLOOD Experience	Director & President A member of the board of directors since 1990 and President since 1998.
Gerard WATTS Qualifications Experience	Director & Treasurer B.Com, Member of the NIA A member of the Board of Directors for 2 Years. Has 25 years of accounting and finance experience.
Dianne SPEAKMAN Qualifications Experience	Director & Company Secretary M.Com (Marketing) A member of the Board of Directors for 5 Years. Has marketing experience in the non-profit sector. Has been the Company secretary since 20/01/2005.
Pearce ANDERSON Qualifications Experience	Director BE Chem, Eng – Chemical engineer A member of the Board of Directors for 2 Years. Has had 15 years business experience.
Stephen GRANGE Qualifications Experience	Director MBA, ANZIIF(Fellow), Member of FINSIA Employed in the finance industry in a business development specialist role. A member of the Board of Directors for 2 Years.
Warren NALTY Qualifications Experience	Director A member of FINSIA Has 41 years banking experience who specialises in performance management. Current JP. A member of the Board of Directors for 2 Years.
John THOMAS Experience	Director Has owned and operated his own business for many years. Appointed 14 April, 2009.
Melvyn HARRIS Experience	Director Retired Business owner who was involved with numerous other charities. Had been a member of the Board of Directors for 4 Years. He was a JP. He passed away on 19 th July, 2009.

OSTOMY N S W LIMITED
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Directors' Report

Appointments/Resignations

Melvyn HARRIS Resigned 23 July, 2009
 John THOMAS Appointed 14 April, 2009

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Meetings Of Directors

During the financial year, 6 meetings of directors were held. Attendances by each director were as follows:

Directors' Meetings

	Number eligible to attend	Number attended
Thomas FLOOD	6	6
Gerard WATTS	6	5
Dianne SPEAKMAN	6	6
Melvyn HARRIS	6	5
Pearce ANDERSON	6	5
Stephen GRANGE	6	6
Warren NALTY	6	6
John THOMAS	1	0
Finance Committee Meetings		
Thomas FLOOD	5	3
Gerard WATTS	5	5
Warren NALTY	5	5

Principal Activities

The principal activities of the company during the financial year were to supply surgical appliances and services to members with or likely to have surgical conditions known as ileostomy, ileal conduit, urostomy and colostomy.

No significant changes in the nature of the company's activities occurred during the year.

Operating Results

The loss of the company for the financial year after providing for income tax amounted to:

Year ended 30 June 2009	Year ended 30 June 2008
\$	\$
(39,962.28)	136,318.04

Dividends Paid or Recommended

No dividends were declared or paid since the start of the financial year. The company's constitution prohibits the payment of any dividends or distribution to any of its members.

OSTOMY N S W LIMITED
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Directors' Report

Review of Operations

A review of the operations of the company during the financial year and the results of those operations indicated that the net assets of the company have decreased by \$39,962.28, (\$2,101,905.21 in 2009 to \$2,141,867.49 in 2008).

The company's membership has increased during the year by 91. (5,613 in 2009 year and 5,522 in the 2008 year).

The directors believe that the company is in a strong and stable financial position to continue its current operations and services to its members.

Significant Changes in the State of Affairs

No significant changes in the company's state of affairs occurred during the financial year.

After Balance Date Events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

Future Developments

The company expects to maintain the present status and level of operations and hence there are no likely developments in the company's operations.

Environmental Issues

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Options

The company has no issued capital and therefore, has not issued any options.

Remuneration Report

The directors did not receive any remuneration. The company had 11 employees at 30 June 2009 (2008: 11 employees).

Directors Benefits

No director has received or has become entitled to receive, during or since the financial year, a benefit because of a contract made by the company or related body corporate with a director, a firm which a director is a member or an entity in which a director has a substantial financial interest.

Indemnifying Officers or Auditor

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the company.

OSTOMY N S W LIMITED
ABN 92 003 107 220
Directors' Report

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings. The company was not a party to any such proceedings during the year.

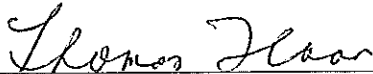
Non-audit Services

The board of directors confirm that the auditor did not provide any non-audit services during the year.

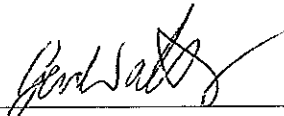
Auditor's Independence Declaration

A copy of the auditor's independence declaration for the year ended 30 June 2009 has been received and can be found on the next page.

Signed in accordance with a resolution of the Board of Directors:



Thomas FLOOD
Director- President



Gerard WATTS
Director - Treasurer

Dated: 11/10/09

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF: OSTOMY N S W LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2009 there have been :

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the Audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

P. Markoulli

P N Markoulli
Registered Company Auditor

Dated: *23 September 2009*

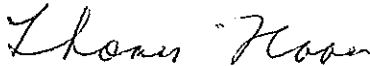
309A Homer Street,
EARLWOOD NSW 2206

OSTOMY N S W LIMITED
ABN 92 003 107 220
Directors' Declaration

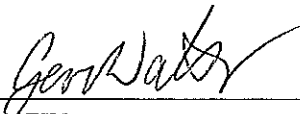
The directors of the company declare that:

1. the financial statements and notes are in accordance with the Corporations Act 2001 and:
 - (a) comply with Australian Accounting Standards; and
 - (b) give a true and fair view of the company's financial position as at 30 June 2009 and of its performance for the year ended on that date;
2. in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Thomas FLOOD
Director - President



Gerard WATTS
Director - Treasurer

Dated: 1/10/09

OSTOMY N S W LIMITED
ABN 92 003 107 220
Income Statement
For the year ended 30 June 2009

	Note	2009 \$	2008 \$
Revenue from government	2	10,174,631.83	8,911,555.01
Other Income		<u>869,068.80</u>	<u>868,365.62</u>
		11,043,700.63	9,779,920.63
Changes in inventories of:			
- Surgical Supplies		157,871.95	(7,669.77)
Supply of surgical supplies to members		(10,324,442.65)	(8,941,465.35)
Employee Benefits expense		(534,412.72)	(399,772.72)
Cartage		(179,121.04)	(128,134.21)
Rental expense		-	(13,125.06)
Depreciation and amortisation	3	(15,025.00)	(8,828.00)
Repairs and Maintenance		(184.80)	(5,727.98)
Other expenses		<u>(188,048.65)</u>	<u>(138,879.50)</u>
Profit/(Loss) before income tax		(39,962.28)	136,318.04
Income tax expense	4	-	-
Profit/(Loss) after Income Tax		<u>(39,962.28)</u>	<u>136,318.04</u>

The accompanying notes form part of these financial statements

OSTOMY N S W LIMITED
ABN 92 003 107 220
Statement of Recognised Income and Expenditure
For the year ended 30 June 2009

	Note	\$	\$
		Retained Earnings	Total
Balance at 1 July 2008		2,005,549.45	2,005,549.45
Profit in the year ended 30 June 2008		<u>136,318.04</u>	<u>136,318.04</u>
Balance at 30 June 2008		<u>2,141,867.49</u>	<u>2,141,867.49</u>
Balance at 1 July 2008		2,141,867.49	2,141,867.49
Profit/(Loss) in the year ended 30 June 2009		<u>(39,962.28)</u>	<u>(39,962.28)</u>
Balance at 30 June 2009		<u>2,101,905.21</u>	<u>2,101,905.21</u>

The accompanying notes form part of these financial statements

OSTOMY N S W LIMITED
ABN 92 003 107 220
Balance Sheet
For the year ended 30 June 2009

	Note	2009 \$	2008 \$
Assets			
Current Assets			
Cash and Cash equivalents	6	1,398,659.73	668,554.61
Trades and Other Receivables	7	939,859.48	925,510.53
Inventories	8	578,931.35	438,005.59
Other Assets	9	<u>-</u>	<u>3,305.50</u>
Total Current Assets		<u>2,917,450.56</u>	<u>2,035,376.23</u>
Non-Current Assets			
Property, plant and equipment	10	1,252,043.88	1,251,927.25
Other Assets	9	<u>450.00</u>	<u>-</u>
Total Non-Current Assets		<u>1,252,493.88</u>	<u>1,251,927.25</u>
Total Assets		<u>4,169,944.44</u>	<u>3,287,303.48</u>
Liabilities			
Current Liabilities			
Trade and Other Payables	11	1,950,361.84	1,008,124.60
Short Term Provisions	12	84,372.00	70,835.00
Other Liabilities	13	<u>28,790.39</u>	<u>66,476.39</u>
Total Current Liabilities		<u>2,063,524.23</u>	<u>1,145,435.99</u>
Non Current Liabilities			
Long Term Provisions	12	<u>4,515.00</u>	<u>-</u>
Total Non Current Liabilities		<u>4,515.00</u>	<u>-</u>
Total Liabilities		<u>2,068,039.23</u>	<u>1,145,435.99</u>
Net Assets		<u>2,101,905.21</u>	<u>2,141,867.49</u>
Equity			
Retained Earnings		<u>2,101,905.21</u>	<u>2,141,867.49</u>
Total Equity		<u>2,101,905.21</u>	<u>2,141,867.49</u>

The accompanying notes form part of these financial statements

OSTOMY N S W LIMITED
ABN 92 003 107 220
Notes to the Financial Statements
For the year ended 30 June 2009

Note 1: Statement of Significant Accounting Policies

The financial report is for Ostomy N S W Limited as an individual entity. Ostomy N S W Limited is a public company limited by guarantee incorporated and domiciled in Australia.

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, (including Australian Accounting Interpretations), and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Accounting Policies

Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers. Revenue from the government is recognised on lodgement of PBS claim.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

Donations and bequests are recognised when received.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

All revenue is stated net of the amount of goods and services tax (GST).

Income tax

No provision for income tax has been raised as the company is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997 due to the nature of its activities.

Inventories

Inventories are measured at cost and current replacement cost.

Inventories acquired at no cost, or for nominal consideration are valued at the current replacement cost as at the date of acquisition.

Property, Plant and Equipment

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

a) Property

Freehold land and buildings are shown at their fair value, based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same classes of assets are charged against fair value reserves directly in equity; all other decreases are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement and the depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Freehold land and buildings that have been contributed at no cost, or for nominal cost and recognised at the fair value on the date it is acquired.

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Notes to the Financial Statements
For the year ended 30 June 2009

b) Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses. The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from those 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 have not been discounted to present values in determining the recoverable amounts.

Plant and equipment that have been contributed at no cost, or for nominal cost are valued and recognised at the fair value of the asset at the date it is acquired.

c) Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's lives to the company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Asset	Depreciation Rate %
Building Improvements	[2.5 %]
Plant and equipment	[10-27 %]

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Asset classes carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to the company are classified as finance leases.

Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the company will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight - line basis over the life of the lease term.

Financial Instruments

a) Recognition and initial measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the company becomes a party to the contractual provisions of the instrument.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the company no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where related obligations are

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Notes to the Financial Statements
For the year ended 30 June 2009

either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

b) Financial assets at fair value through profit and loss

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or losses in the period in which they arise.

c) 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 subsequently measured at amortised cost using the effective interest rate method.

d) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

e) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

f) Financial liabilities

Non-derivative financial liabilities are subsequently measured at amortised cost using the effective interest rate method.

g) Fair Value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

h) Impairment

At each reporting date, the directors assess whether there is objective evidence that financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in 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 directors review 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 cost to sell and value in use, is compared to the asset's carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the income statement.

Where the future economic benefits of the asset are not primarily dependent upon on the assets ability to generate net cash inflows and when the company would, if deprived of the asset, replace its remaining future economic benefits, value in use is depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an asset's class, the company estimates the recoverable amount of the cash-generating unit to which the asset belong.

OSTOMY N S W LIMITED
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Notes to the Financial Statements
For the year ended 30 June 2009

Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance sheet date. Employee benefits expected to be settled within one year together with benefits arising from wages, salaries and annual leave which may be settled after one year, have been measured at the amounts expected to be paid when the liability is settled. Other employee benefits payable later than one year have been measured at the net present value.

Contributions are made by the company to an employee superannuation fund and are charged as expenses when incurred.

Cash and Cash Equivalents

Cash and Cash Equivalents includes cash on hand, deposits held at-call with banks or financial institutions, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Goods and Service 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 Taxation 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.

Cash flows are presented in the Cash Flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

Provisions

Provisions are recognised when the company 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 that an outflow can be reliably measured.

Comparative Figures

Where required by Accounting Standards comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Critical accounting estimates and judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and internally.

Key estimates - Impairment

The company assesses impairment at each reporting date by evaluating conditions specific to the company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Fair value less costs to sell or current replacement cost calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Key judgments – Provision for Impairment

Included in trade and other receivables at 30 June 2009 is an amount receivable from the Department of Health (PBS). The directors believe that the full amount of the debt is recoverable and no doubtful debt provision has been made at 30 June 2009.

The financial report was authorised for issue on 1st October, 2009 by the Board of Directors.

OSTOMY N S W LIMITED
ABN 92 003 107 220
Notes to the Financial Statements
For the year ended 30 June 2009

	2009	2008
	\$	\$
Note 2: Revenue and Other Income		
Operating Activities:		
Revenue from government - PBS	10,174,631.83	8,911,555.01
Other sales revenue	44,365.20	45,150.60
Subscriptions Received	191,356.92	178,590.50
Interest revenue - Banks	22,403.61	104,405.67
Other Revenue		
Raffles	16,929.00	14,895.00
Cartage Income	293,119.82	253,790.51
Donations Received	39,279.55	29,157.35
Commissions Received	254,356.70	239,939.74
Insurance recoveries	-	2,261.25
Advertising Income	<u>1,750.00</u>	<u>175.00</u>
Total Revenue	<u>11,038,192.63</u>	<u>9,779,920.63</u>

Note 3: Profit/(Loss) from Ordinary Activities

Profit (loss) from ordinary activities before income tax has been determined after:

Charging as Expense:

Cost of goods traded	10,195,070.70	8,949,135.12
Rental expense	-	13,125.05
Depreciation of non-current assets:		
- Buildings	5,555.00	118.00
- Plant and equipment	<u>9,470.00</u>	<u>8,710.00</u>
Total depreciation expenses	<u>15,025.00</u>	<u>8,828.00</u>

Note 4: Income Tax

The company is exempt from income tax, therefore, there is no income tax expense or income tax assets/liabilities in the accounts.

Note 5: Auditor's Remuneration

Remuneration of the auditor of the company for:

Auditing or reviewing of the financial report	7,350.00	7,350.00
Other Services	<u>-</u>	<u>-</u>
	<u>7,350.00</u>	<u>7,350.00</u>

OSTOMY N S W LIMITED
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Notes to the Financial Statements
For the year ended 30 June 2009

	2009	2008
	\$	\$
Note 6: Cash and Cash equivalents		
Current		
Cash at Bank:		
Bank of New Zealand - Office A/c 4449	83,920.30	4,301.07
BNZA A/c 9951 - Gift Fund	-	61,039.92
Bank of New Zealand - A/c 1675	1,003,703.03	307,588.35
ING Direct - A/c 60136804	310,586.40	295,175.27
Cash on hand	<u>450.00</u>	<u>450.00</u>
	<u><u>1,398,659.73</u></u>	<u><u>668,554.61</u></u>
Note 7: Trade and Other Receivables		
Current		
Trade Receivables	939,859.48	817,142.53
Provision for impairment	-	-
Other Receivables	<u>-</u>	<u>108,368.00</u>
	<u><u>939,859.48</u></u>	<u><u>925,510.53</u></u>
There are no balances within trade receivables that are impaired.		
Note 8: Inventories		
Current		
Finished Goods-at cost	563,357.01	405,485.06
Stock in Transit - at cost	<u>15,574.34</u>	<u>32,520.53</u>
	<u><u>578,931.35</u></u>	<u><u>438,005.59</u></u>
Note 9: Other Assets		
Current		
Prepayments	<u>-</u>	<u>3,305.50</u>
	<u><u>-</u></u>	<u><u>3,305.50</u></u>
Non-Current		
Security Deposit	<u>450.00</u>	<u>-</u>
	<u><u>450.00</u></u>	<u><u>-</u></u>
Note 10: Property, Plant and Equipment		
Land and Buildings:		
- At cost	1,228,039.31 ✓	1,220,164.31
- Less: Accumulated depreciation	<u>(5,673.00)</u>	<u>(118.00)</u>
	<u><u>1,222,366.31</u></u>	<u><u>1,220,046.31</u></u>
Plant and equipment:		
- At cost	67,957.37	60,690.74
- Less: Accumulated depreciation	<u>(38,279.80)</u>	<u>(28,809.80)</u>
	<u><u>29,677.57</u></u>	<u><u>31,880.94</u></u>
	<u><u>1,252,043.88</u></u>	<u><u>1,251,927.25</u></u>

OSTOMY N S W LIMITED
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Notes to the Financial Statements
For the year ended 30 June 2009

2009
\$

2008
\$

Property Plant and Equipment – Movements in Carrying amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Land & Buildings	Plant & Equipment	Total
	\$	\$	\$
2008			
Balance at the beginning of the year	-	25,718.20	25,718.20
Additions at cost	1,220,164.31	16,030.74	1,236,195.05
Disposals	-	(1,158.00)	(1,158.00)
Revaluations (increments/decrements)	-	-	-
Depreciation expense	<u>(118.00)</u>	<u>(8,710.00)</u>	<u>(8,828.00)</u>
Carrying amount at the end of the year	<u>1,220,046.31</u>	<u>31,880.94</u>	<u>1,251,927.25</u>
2009			
Balance at the beginning of the year	1,220,046.31	31,880.94	1,251,927.25
Additions at cost	7,875.00	7,266.63	15,141.63
Disposals	-	-	-
Revaluations (increments/decrements)	-	-	-
Depreciation expense	<u>(5,555.00)</u>	<u>(9,470.00)</u>	<u>(15,025.00)</u>
Carrying amount at the end of the year	<u>1,222,366.31</u>	<u>29,677.57</u>	<u>1,252,043.88</u>

Note 11: Trade and Other Payables

Trade Payables	1,746,854.24	881,445.77
Prepaid Membership Fees	64,628.00	28,500.00
Prepaid Postage	112,021.60	90,872.83
GST Payable	10,198.91	-
Superannuation Payable	8,925.09	-
Amounts withheld from salary and wages	<u>7,734.00</u>	<u>7,306.00</u>
	<u>1,950,361.84</u>	<u>1,008,124.60</u>

Note 12: Provisions

Employee Entitlements

Current

Opening Balance 1 July 2008	70,835.00	62,338.00
Additional provision raised during the year	<u>13,537.00</u>	<u>8,497.00</u>
Balance at 30 June 2009	<u>84,372.00</u>	<u>70,835.00</u>

Non Current

Opening Balance 1 July 2008	-	-
Additional provision raised during the year	<u>4,515.00</u>	<u>-</u>
Balance at 30 June 2009	<u>4,515.00</u>	<u>-</u>

There were 11 employees at the end of the year

OSTOMY N S W LIMITED
ABN 92 003 107 220
Notes to the Financial Statements
For the year ended 30 June 2009

	2009	2008
	\$	\$

Provision for Employee Entitlements

A provision has been recognised for employee entitlements relating to annual and long service leave for employees. In calculating the present value and future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits have been included in Note: 1 Statement of significant account policies.

Note 13: Other Liabilities

Current

Accrued Charges	<u>28,790.39</u>	<u>66,476.39</u>
	<u>28,790.39</u>	<u>66,476.39</u>

Note 14: Contingent Liabilities and Capital Commitments

The company is not aware of any contingent liability. There are no capital commitments.

Note 15: Members' Guarantee

The company is incorporated under the Corporations Act 2001 and is limited by guarantee and has no issued capital. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$10 towards meeting any obligations of the company. At the 30th June the number of members were 5,613.

Note 16: Economic Dependence

The company is dependent on the Department of Health through the Pharmaceutical Benefits Scheme for the majority of its revenue used to provide services and surgical appliances to its members. At the date of this report the Board of Directors has no reason to believe the Department will not continue to support Ostomy NSW Limited. The level of service at current arrangements is dependent on this continuing level of support from the government.

Note 17: Segment Reporting

Business and Geographical Segments.

Business Segments.

The company has the following business segments:

- the company operates in one business segment delivering medical and surgical products, educational and support services to members with or likely to have surgical conditions known ileostomy, ileal conduit, urostomy and colostomy.

Geographical Segments.

The company's business segments are located in Australia.

OSTOMY N S W LIMITED
ABN 92 003 107 220
Cash Flow Statement
For the year ended 30 June 2009

	2009	2008
	\$	\$
Cash Flow From Operating Activities		
Receipts from government and customers	10,158,104.25	8,841,315.56
Payments to Suppliers and employees	(10,232,053.10)	(9,429,847.14)
Subscriptions Received	191,356.92	178,590.50
Interest Received	22,403.61	104,405.67
Raffles	16,929.00	14,895.00
Cartage Received	293,119.82	253,790.51
Donations Received	39,279.55	29,157.35
Commissions Received	254,356.70	239,939.74
Insurance recoveries	-	2,261.25
Advertising Income	<u>1,750.00</u>	<u>175.00</u>
Net cash generated from operating activities (note 19)	<u>745,246.75</u>	<u>234,683.44</u>
Cash Flow From Investing Activities		
Payment for Purchase of Property	-	(1,005,198.95)
Payment for improvements	(7,875.00)	(214,965.36)
Payment Plant and equipment	<u>(7,266.63)</u>	<u>(16,030.74)</u>
	<u>(15,141.63)</u>	<u>(1,236,195.05)</u>
Cash Flow From Financing Activities		
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
Net increase (decrease) in cash held	730,105.12	(1,001,511.61)
Cash at the beginning of the financial year	<u>668,554.61</u>	<u>1,670,066.22</u>
Cash at the end of the financial year (note 18)	<u>1,398,659.73</u>	<u>668,554.61</u>

The accompanying notes form part of these financial statements.

OSTOMY N S W LIMITED
ABN 92 003 107 220
Notes to the Financial Statements
For the year ended 30 June 2009

	2009	2008
	\$	\$

Note 18. Cash Flow Information

Reconciliation of Cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts.

Cash at the end of the year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

Bank of New Zealand - Office A/c 4449	83,920.30	4,301.07
BNZA A/c 9951 - Gift Fund	-	61,039.92
Bank of New Zealand - A/c 1675	1,003,703.03	307,588.35
ING Direct - A/c 60136804	310,586.40	295,175.27
Cash on hand	<u>450.00</u>	<u>450.00</u>
	<u>1,398,659.73</u>	<u>668,554.61</u>

Note 19. Reconciliation Of Cash from Operations with Profit After Income Tax

Profit after income tax	(39,962.28)	136,318.04
Non Cash Flows		
Depreciation	15,025.00	8,828.00
Loss on Sale of property, plant and equipment	-	1,158.00
Changes in Assets and Liabilities:		
(Increase)/decrease in trade and term debtors	(122,716.95)	(141,874.27)
(Increase)/decrease in finished goods	(140,925.76)	32,995.99
(Increase)/decrease in prepayments	3,305.50	(3,305.50)
(Increase)/decrease in Security Deposit	(450.00)	-
Increase /(decrease) in trade creditors and accruals	931,610.33	251,927.66
Increase/(decrease) in other creditors	(37,686.00)	52,045.39
Increase/(decrease) in employee entitlements	13,537.00	8,497.00
Increase/(decrease) in sundry provisions	<u>123,509.91</u>	<u>(111,906.87)</u>
Net cash provided by operating activities	<u>745,246.75</u>	<u>234,683.44</u>

Note 20: Company Details

The registered office of the company is: 6/555 Princess Highway, KIRRAWEE NSW 2232

The Principal Place of business is: 6/555 Princess Highway, KIRRAWEE NSW 2232.

OSTOMY N S W LIMITED
ABN 92 003 107 220
Notes to the Financial Statements
For the year ended 30 June 2009

2009 2008
 \$ \$

Note 21: Capital Management

Management controls the capital of the company to ensure that adequate cash flows are generated to fund its programs and that returns from investments are maximised. The finance committee ensures that the overall risk management strategy is in line with this objective.

The finance committee operates under policies approved by the board of Directors. Risk management policies are approved and reviewed by the Board on a regular basis. These include credit risk policies and future cash flow requirements.

The company's capital consists of financial liabilities, supported by financial assets.

Management effectively manages the company's capital by assessing the company's financial risk and responding to changes in these risks and in the market. These responses may include the consideration of debt levels.

There have been no changes to the strategy adopted by management to control the capital of the company since the previous year.

The gearing Ratios for the years ended 30 June 2009 and 30 June 2008 are as follows:

Financial Liabilities		
Trade and Other Payables	1,950,361.84	1,008,124.60
Less Cash and Cash equivalents	<u>1,398,659.73</u>	<u>668,554.61</u>
Net Debt	551,702.11	339,569.99
Total Equity	<u>2,101,905.21</u>	<u>2,140,815.19</u>
Total Capital	<u>1,550,203.10</u>	<u>1,801,245.20</u>
Gearing Ratio	36%	19%

Note 22: Financial Risk Management

a. Financial Risk Management Policies

The company's financial instruments consist mainly of deposits with banks, accounts receivable and payable.

The company does not have any derivative instruments at 30 June 2009.

i. Treasury Risk Management

A finance committee consisting of board members and senior staff meet on a regular basis to analyse the financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

ii. Financial Risk Exposures and Management

The main risks the company is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

Interest Rate Risk

OSTOMY N S W LIMITED
ABN 92 003 107 220
Notes to the Financial Statements
For the year ended 30 June 2009

2009 2008
 \$ \$

The company has no other debt except for trade creditors that are paid usually within 30 days. The company has no exposure to debt interest rate risk. Interest rates fluctuations can affect the company's income from term deposits.

Foreign Currency Risk

The company is not exposed to fluctuations in foreign currencies.

Liquidity Risk

The company manages risk by monitoring forecast cash flows and ensuring that adequate cash funds are maintained.

Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. The company does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the company. Its only receivable is from the Department of Health (PBS).

There are no material amounts of collateral held as security at 30 June 2009.

Credit risk is managed by the company and reviewed regularly by the finance committee. It arises from exposures to customers as well as deposits with financial institutions.

The company monitors the credit risk by actively assessing the rating quality and liquidity of counterparties:

- Only banks and financial institutions with an "A" rating are utilised.
- Only accredited fund managers linked to "A" rated financial institutions are used.
- The credit standing of counterparties is reviewed monthly for liquidity and credit risk.

The trade receivables balances at 30 June 2009 and 30 June 2008 do not include any counterparties with external credit ratings. Customers are assessed for credit worthiness using the criteria detailed above.

Price Risk

The company is not exposed to any material commodity price risk.

Note 23 – Key Management Personnel Compensation

2009	Short Term Benefit	Post employment Benefit	Other Long Term Benefit	Total
Total Compensation	186,752.79	-	21,565.80	208,318.59
2008				
Total Compensation	150,401.64	-	17,413.90	167,815.54

OSTOMY N S W LIMITED
ABN 92 003 107 220
Notes to the Financial Statements
For the year ended 30 June 2009

2009 2008
\$ \$

Note 24: Accounting Policies

The following Accounting Standards issued or amended and are applicable to the company but not yet effective and have not been adopted in preparation of the financial statements at reporting date.

AASB Amendment	Standards Affected	Outline of Amendment	Application Date of Standard	Application Date for entity
AASB 2007-6 Amendments to Australian Accounting Standards	AASB 1 First time Adoption AIFRS AASB 101 Presentation of Financial Statements AASB 107 Cash Flow statements AASB 116 Property Plant and Equipment		01/01/2009	01/07/2009
AASB2007-8 Amendment to Australian Accounting Standards	AASB101 Presentation of Financial Statements	The revised AASB 101: Presentation of Financial Statements issued in September 2007 requires the presentation of a statement of comprehensive income and make changes to the statement of recognised income and expenditure.	01/01/2009	01/07/2009
AASB 101	AASB 101 Presentation of financial statements	As Above	01/01/2009	01/07/2009

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
OSTOMY N S W LIMITED
ABN 92 003 107 220**

Report on the Financial Report

I have audited the accompanying financial report of Ostomy N S W Limited (the company), which comprises the balance sheet as at 30 June 2009 and the income statement, statement of recognised income and expenditure and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration.

The Responsibility of the Directors for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

In conducting my audit, I have complied with the independence requirements of the *Corporations Act 2001*. I confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of Ostomy N S W Limited on 23 September 2009 would be in the same terms if provided to the directors as at the date of this auditor's report.

Auditor's Opinion

In my opinion the financial report presents fairly, in all material respects, the financial position of Ostomy NSW Ltd as at 30 June 2009 and its financial performance and cash flows for the year then ended in accordance with the *Corporations Act 2001* and the Australian Accounting Standards (including Australian Accounting Interpretations).



P N Markoulli
Registered Company Auditor
309A Homer Street Earlwood NSW 2206

Dated this

1st

day of

October,

2009

OSTOMY N S W LIMITED
ABN 92 003 107 220
Compilation Report to OSTOMY N.S.W LIMITED

On the basis of the information provided by the directors of OSTOMY N S W LIMITED, we have complied, in accordance with APES 315: Compilation of Financial Reports, the special purpose financial report of OSTOMY N S W LIMITED for the period ended 30 June 2009, comprising the attached Trading Account and Detailed Income Statement.

The specific purpose for which the special purpose financial report has been prepared is set out in Note 1. The extent to which Australian Accounting Standards and other mandatory professional reporting requirements have or have not been adopted in the preparation of the special purpose financial report is set out in Note 1.

The Directors are solely responsible for the information contained in the special purpose financial report and have determined that the accounting policies used are consistent with the financial reporting requirements of OSTOMY N S W LIMITED's constitution and are appropriate to meet the needs of the Directors and Members of the company.

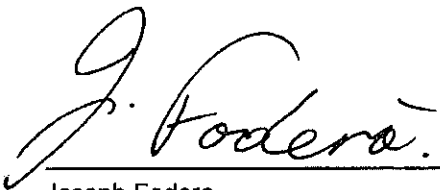
Our procedures use accounting expertise to collect, classify and summarise the financial information, which the Directors provided into a financial report. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

To the extent permitted by law, we do not accept liability for any loss or damage which any person, other than the Company, may suffer arising from any negligence on our part. No person should rely on the special purpose financial report without having an audit or review conducted.

The special purpose financial report was prepared for the benefit of the Directors and Members of OSTOMY N S W LIMITED and the purpose identified above. We do not accept responsibility to any other person for the contents of the special purpose financial report.

FODERA & CO.

PO Box 1402, Lane Cove NSW 1595.



Joseph Fodera

Dated: 1st October, 2009

OSTOMY N S W LIMITED
ABN 92 003 107 220
Compilation Report to OSTOMY N.S.W LIMITED

On the basis of the information provided by the directors of OSTOMY N S W LIMITED, we have compiled, in accordance with APES 315: Compilation of Financial Reports, the special purpose financial report of OSTOMY N S W LIMITED for the period ended 30 June 2009, comprising the attached Trading Account and Detailed Income Statement.

The specific purpose for which the special purpose financial report has been prepared is set out in Note 1. The extent to which Australian Accounting Standards and other mandatory professional reporting requirements have or have not been adopted in the preparation of the special purpose financial report is set out in Note 1.

The Directors are solely responsible for the information contained in the special purpose financial report and have determined that the accounting policies used are consistent with the financial reporting requirements of OSTOMY N S W LIMITED's constitution and are appropriate to meet the needs of the Directors and Members of the company.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the Directors provided into a financial report. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

To the extent permitted by law, we do not accept liability for any loss or damage which any person, other than the Company, may suffer arising from any negligence on our part. No person should rely on the special purpose financial report without having an audit or review conducted.

The special purpose financial report was prepared for the benefit of the Directors and Members of OSTOMY N S W LIMITED and the purpose identified above. We do not accept responsibility to any other person for the contents of the special purpose financial report.

FODERA & CO.

PO Box 1402, Lane Cove NSW 1595.

Joseph Fodera

Dated: 1st October, 2009

OSTOMY N S W LIMITED
ABN 92 003 107 220
Trading Account
For the year ended 30 June 2009

	2009	2008
	\$	\$
Trading Income		
Sales - PBS	10,174,631.83	8,911,555.01
Sales – General	<u>44,365.20</u>	<u>45,150.60</u>
Total Trading Income	<u>10,218,997.03</u>	<u>8,956,705.61</u>
Cost of Sales		
Add:		
Opening finished goods	405,485.06	413,154.83
Purchases	<u>10,352,942.65</u>	<u>8,941,465.35</u>
	<u>10,758,427.71</u>	<u>9,354,620.18</u>
Less:		
Closing finished goods	<u>563,357.01</u>	<u>405,485.06</u>
	<u>563,357.01</u>	<u>405,485.06</u>
Cost of Sales	10,195,070.70	8,949,135.12
Gross Profit from Trading	<u><u>23,926.33</u></u>	<u><u>7,570.49</u></u>

This Trading Account should be read in conjunction with the attached Compilation Report of Fodera & Co

OSTOMY N S W LIMITED
ABN 92 003 107 220
Detailed Income Statement
For the year ended 30 June 2009

	2009	2008
	\$	\$
Income		
Trading profit	23,926.33	7,570.49
Subscriptions Received	191,356.92	178,590.50
Raffles	16,929.00	14,895.00
Cartage Income	293,119.82	253,790.51
Donations Received	39,279.55	29,157.35
Commissions Received	254,356.70	239,939.74
Insurance recoveries	-	2,261.25
Interest received	22,403.61	104,405.67
Advertising Income	<u>1,750.00</u>	<u>175.00</u>
Total income	<u>843,121.93</u>	<u>830,785.51</u>
Expenses		
Accountancy	10,521.80	13,956.00
Audit fees	7,350.00	7,350.00
Bank Fees And Charges	7,891.69	6,135.54
Bookkeeping Fees	-	315.00
Cartage expense	179,121.04	128,134.21
Cleaning/rubbish removal	948.00	4,840.00
Computer Costs	6,180.35	1,351.78
Depreciation - plant	9,470.00	8,710.00
Depreciation - buildings	5,555.00	118.00
Filing Fees	40.00	410.20
General expenses	-	605.72
Holiday Pay - Provision	6,640.00	7,008.00
Insurance	21,200.09	25,642.31
Light & power	2,346.47	1,477.55
Long service leave - Provision	11,412.00	1,489.00
Loss on Disposal of Assets	-	1,158.00
Newsletter	18,543.53	12,160.39
Printing Postage & Stationery	12,550.44	8,269.77
Raffle Prizes	1,000.00	1,000.00
Rates & land taxes	465.63	346.47
Removal Expenses	-	5,018.20
Rent	-	13,125.05
Repairs & Maintenance - Plant	184.80	5,727.98
Salaries & Wages	491,016.19	366,979.60
Security	140.00	-
Staff amenities	6,772.36	8,164.66

This Detailed Income Statement should be read in conjunction with the attached Compilation Report of Fodera & Co

OSTOMY N S W LIMITED
ABN 92 003 107 220
Detailed Income Statement
For the year ended 30 June 2009

	2009	2008
	\$	\$
Staff training	269.18	-
Strata Management Levy	16,858.05	2,760.64
Subscriptions	11,364.60	15,891.66
Superannuation	43,396.53	32,793.12
Telephone	5,367.30	4,207.09
Travel – Meeting and Conferences	6,325.24	6,539.26
Travel - Local	<u>153.92</u>	<u>2,782.27</u>
Total expenses	<u>883,084.21</u>	<u>694,467.47</u>
Profit (Loss) from Ordinary Activities before income tax	<u>(39,962.28)</u>	<u>136,318.04</u>

This Detailed Income Statement should be read in conjunction with the attached Compilation Report of Fodera & Co