

Treasurer's Report

I took over as Treasurer in April 2009 on the resignation of Tanya Schraa. The 2008-2009 financial year has been a difficult one for AONT. This Association, as with many other organisations, has felt the effects of the Global Financial Crisis.

We experienced a large cutback in funds usually relied upon from Osteoporosis Australia. We also experimented with the employment of Community Development Officer/Administration officer for which unfortunately funding was unable to be obtained, and which contributed to a large wages expense.

The lease of the Tropicus premises came to an end and the requested increase in rent by the former landlords was far outside that which our budget could meet. It became necessary for us to conduct a search for new office premises, albeit a downsize, which could be offered at a rent which was affordable to AONT.

During the past financial year, AONT received approximately \$86,335 in Funding Grants and Sponsorships; \$14,513 from Fundraising and Donations; and \$6,280 from Memberships. We have had to make provision for Doubtful Debts of \$16,076 (Osteoporosis Australia) and our total employment expense was in excess of \$80,000. At the time of preparation of this report, we have recovered an amount of \$5,250 of the Doubtful Debts from Osteoporosis Australia. AONT purchased a new Server during the year to better meet the Association's IT needs, and also took its members to Movies in December 2008. The Association has seen the benefits to the organisation's efficiency through the replacement of the server and it has applied to the NT Government for donations of replacement computers for the volunteers.

As in previous years, AONT relies heavily on the significant financial assistance that comes from fund raising contributions, donations and gifts. The Association was particularly fortunate in receiving partnership support from Darwin International Airport (DIA) by way of resources and personnel in the promotion of Healthy Bones to the value of \$5,000. This generosity is much appreciated and the organisation thanks those who provide for it in this manner.

Additionally, from a financial perspective, there is an enormous contribution made by the unpaid volunteers whose efforts are not reflected in the financial statements but this merits special mention. Without their generous giving of time, AONT would not have been able to operate. We wish to acknowledge the significant benefit to AONT of these unpaid efforts, which during the 08-09 financial year totalled in excess of over 3,306 hours. This total does not include the valuable contribution by the volunteers and convenors of our Support Groups in Darwin, Palmerston and Alice Springs.

Arthritis Australia loan - In March 2003 AONT secured an interest free loan of \$50,000 from Arthritis Australia, with repayments to commence in January 07. An early one-off payment of \$2,000 was made in May 2006. Regular monthly repayments of \$1,000 commenced in January 2006. Debt is to be fully discharged by December 2011. Amount owing at 30 June 2009: \$25,000

We have suffered an operating loss this year of \$54,646. Our submission for funding assistance from the NT Government falls due for renewal during 2010.

Mary Willis Treasurer 08-09

Financial statements to accompany six monthly service reports:

- June to December 2008
- January to July 2009

The purpose of these reports is to demonstrate how funding from Territory Health Services (Community Health) is spent. These reports are prepared in-house from our records. Territory Health Services funding is the only income stated. Not all the organisation expenditure will appear on these statements, and some expenditure items will have been partly set off against government funding and partly set off against other forms of income.

Audited Financial Statements

This includes all income and expenditure items (Profit and Loss statement), and a Balance Sheet of all assets and liabilities, both for the full financial year. This report is prepared by an independent auditor.

**The Arthritis Foundation of the
Northern Territory Inc.**

**Financial Report
for the Year Ended 30 June 2009**

The Arthritis Foundation of the Northern Territory Inc.
Income Statement
For the Year ended 30 June 2009

	2009	2008
	\$	\$
Revenue	107,156	145,639
Expenses	161,802	116,585
Profit/(loss) before Income Tax	<u>(54,646)</u>	<u>29,054</u>
Income Tax Expense	-	-
Profit/(loss) Attributable to Members	<u><u>(54,646)</u></u>	<u><u>29,054</u></u>

The accompanying notes form part of these financial statements.

The Arthritis Foundation of the Northern Territory Inc.
Balance Sheet
As at 30 June 2009

	Note	2009 \$	2008 \$
Equity			
Unappropriated Profit		34,477	87,886
Total Equity		<u>34,477</u>	<u>87,886</u>
Represented by:			
Current Assets			
Cash on Hand		200	300
CBA 08590100916225		-3,657	41,758
Investment Account 590350153405		50,000	53,000
Pledges Receivable		-	10,566
Property TFN Tax		-	1,440
		<u>46,543</u>	<u>107,064</u>
Non-Current Assets			
Property, Plant & Equipment	3	18,177	21,365
		<u>18,177</u>	<u>21,365</u>
Total Assets		<u>64,720</u>	<u>128,429</u>
Current Liabilities			
PAYG Payable		3,008	1,752
Superannuation Payable		2,482	1,260
Provision for GST		-247	1,551
		<u>5,243</u>	<u>4,563</u>
Non-Current Liabilities			
Loan - Arthritis Foundation of Australia		25,000	36,000
		<u>25,000</u>	<u>36,000</u>
Total Liabilities		<u>30,243</u>	<u>40,563</u>
Net Assets		<u>34,477</u>	<u>87,886</u>

The accompanying notes form part of these financial statements.

THE ARTHRITIS FOUNDATION OF THE NORTHERN TERRITORY INC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

Note 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Act of the Northern Territory. The Committee has determined that the association is not a reporting entity.

The financial report has been prepared in accordance with the requirements of the Associations Incorporation Act of the Northern Territory and the following applicable Accounting Standards;

AASB 1018: Statement of Financial Performance

AAS2: Inventories

AAS36: Statement of Financial Position

AAS 5: Materiality

AAS 8: Accounting Policies

No other applicable Accounting Standards, Urgent Issues Group Consensus Views or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

The report is prepared on an accrual basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following specific accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in preparation of this report:

(a) Income Tax

No provision for income tax has been raised in these accounts.

(b) Fixed Assets

Fixed assets are carried out at cost less, where applicable, any accumulated depreciation.

The depreciable amount of fixed assets are depreciated over the useful lives of the assets to the association commencing from the time the asset was held ready for use. Leasehold improvements are depreciated over the shorter period of either the unexpired period of the lease or the estimated useful lives of the improvements.

The carrying amount of fixed assets is reviewed annually by members to ensure it is not in excess of the recoverable amount of those assets.

The recoverable amount is assessed on the basis of the expected net cash flows, which will be received from the assets' employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

(c) Goods & 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 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 expense. Receivables and payables in the Balance Sheet are shown inclusive of GST.

(d) Economic Dependency

The Association is dependent on continuing government support for its activities.

Note 2. AUDITORS REMUNERATION	2009	2008
	\$	\$
Audit fee-Thompsons Australia (2007-Perks Audit & Assurance)	<u>1,744</u>	<u>1,540</u>

Note 3. PROPERTY PLANT & EQUIPMENT

Property, plant and equipment - cost	47,864	47,047
Accumulated depreciation	<u>(29,687)</u>	<u>(25,682)</u>
Total	<u>18,177</u>	<u>21,365</u>

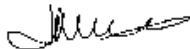
The Arthritis Foundation of the Northern Territory Inc.

Statement by Members of the Committee

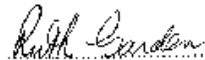
The Committee Members hereby state that:

1. The financial statements and notes:-
 - a. Comply with Australian Accounting Standards and the Associations Incorporation (NT) Act;
 - b. Give a true and fair view of the financial position as at 30 June 2009 and performance for the year ended on that date of the Arthritis Foundation of the Northern Territory Inc;
2. In the Committee's opinion there are reasonable grounds to believe that the Foundation will be able to pay its debts as and when they become due and payable.
3. An Auditor's Independence Declaration from our auditors, Thompsons Australia has been obtained. For a copy of this please refer to the Auditor's Independence Declaration included with these financial statements.

Signed on behalf of the Committee by:



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 Committee Member
 Name: MARY WILLIAMS
 Date: 24 September 2009.



.....
 Committee Member
 Name: RUTH GARDEN
 Date: 24 September 2009

Independent Auditor's Report

To: **the Members of The Arthritis Foundation of The Northern Territory Inc.**

Report on the Financial Report

We have audited the accompanying financial report of The Arthritis Foundation of The Northern Territory Inc., which comprises the Balance Sheet as at 30 June 2009 and the Statement of Income and Expenditure for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the Committee Members' declaration.

The Responsibility of the Committee Members for the Financial Report

The committee members of the entity are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are appropriate to meet the requirements of the Constitution of the Foundation and are appropriate to meet the needs of the members. The committee members responsibility also 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

Our responsibility is to express an opinion on the financial report in our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we 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 judgement, 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 entity'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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee members, as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution to the members. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements. The audit opinion expressed in this report has been formed on the above basis.

Basis of Qualified Auditor's Opinion

Sales, donations and other income form a significant source of income of the Arthritis Foundation of the Northern Territory Inc. It is impractical to establish control over the collection of income from such sources prior to their entry into the financial records. Accordingly, as the evidence available to us in respect of revenue derived from these sources was limited, our audit procedures with respect to completeness of income were restricted to the amounts recorded in the financial records. We are therefore unable to express an opinion on the completeness of income for the Foundation.

Qualified Auditor's Opinion

In our opinion, except for the effects if any on the financial statements of the matter referred to in the qualification paragraph, the financial report of the Arthritis Foundation of the Northern Territory Inc. presents a true and fair view in accordance with the accounting policies described in Note 1 to the financial statements, the financial position of the entity as at 30 June 2009 and the results of its operations for the financial year then ended.

Significant Uncertainty – Going Concern

Without qualification to the opinion expressed above, solvency of the entity is solely dependent on continued sponsorships and grants from Government and community organisations.



.....
Greg Thompson
Registered Company Auditor

Date: 16 September 2009

THOMPSONS AUSTRALIA
PO Box 272
HURSTVILLE BC NSW 1481

The Arthritis Foundation of the Northern Territory Inc.

**Disclaimer to the Members of
The Arthritis Foundation of the Northern Territory Inc.**

The additional financial data presented on the following pages is in accordance with the books and records of the foundation, which have been subjected to the auditing procedures applied in our statutory audit of the foundation for the financial year ended on 30 June 2009. Our statutory audit did not cover all of the details of the additional data. Accordingly we do not express an opinion on such financial data and we give no warranty of accuracy or reliability in respect of the data provided. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than the Arthritis Foundation of the Northern Territory Inc.) in respect of such data, including any errors or omissions therein howsoever caused.

Thompsons Australia
Level 2
181-183 Forest Road
HURSTVILLE NSW 2220



Greg Thompson
Auditor

Date:

The Arthritis Foundation of the Northern Territory INC
Profit and Loss Statement
For the Year ended 30 June 2009

	2009	2008
	\$	\$
Income		
Sales	789	9,069
Advertising	-	455
Memberships	6,276	5,878
Interest Received	4,909	3,335
Courses	1,414	1,295
Donations	9,140	6,589
Raffles	4,135	2,953
Government Subsidies	-	22,296
Fundraising	2,161	871
DHCS Service Grant	56,054	56,054
Grants	21,345	14,094
Tai Chi for Arthritis Leaders	-	9,500
Hydro Exercise Darwin	-77	11,089
Hydro Exercise Palmerston	-	2,181
	<u>107,156</u>	<u>145,639</u>
Expenditure		
Accountancy Fees	1,745	1,100
Freight	40	41
Depreciation	4005	2,077
Bank Charges	65	30
Healthy Living Books	36	104
Room Venue Hire	443	321
CBF Grant Equipment	-	2,315
Newsletter Expenses	1,069	848
Business Lodgement Permits	27	161
Memberships	80	60
Affiliation Fees	250	227
Merchant Fees	121	179
Bookkeeping	355	493
Computer Hardware < \$300	5,747	293
Computer Software & Consumables	2,581	-
Conferences	3,463	483
Healthy Living Course	18	245
Doubtful Debts	16,076	-
General Administration Costs	557	-
National Arthritis Week	-	2,519
Hydro Leaders	-	812
Tai Chi Leaders Course	117	5,220
Staff Volunteers Training	450	132
Repair and Maintenance	2,744	83
Staff Amenities	139	183
Insurance	4,004	3,814
Interest Expense	612	1,440
Electricity	2,305	1,913
Other Employer Expenses	86	596
Promotions and Advertising	5,328	2,305
Postage	755	552
Printing & Stationery	2,780	1,695

The Arthritis Foundation of the Northern Territory INC
Profit and Loss Statement
For the Year ended 30 June 2009

	2009	2008
	\$	\$
Photocopying	-	595
Pool Hire - Hydro Darwin	-	10,250
Rates & Taxes	-	480
Pool Hire - Hydro Palmerston	-	1,320
Rent	13,680	11,820
Fund Raising Expenses	4,005	1,908
Salaries & Wages	73,577	47,913
Superannuation Contributions	6,601	3,294
Telephone	2,638	2,897
Internet Expenses	-	207
Travelling Expenses	2,246	4,508
Voluntary/Members Expenses	2,605	254
Alloc of Senior Month Grant	475	918
	<u>161,802</u>	<u>116,565</u>
Profit before Income Tax	<u>-54,646</u>	<u>29,054</u>