

# **OCCUPATIONAL THERAPY AUSTRALIA LTD**

**ABN: 27 025 075 008**

**Financial Report For The Year Ended  
31 December 2010**

# Occupational Therapy Australia Ltd

ABN: 27 025 075 008

## Financial Report For The Year Ended 31 December 2010

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**OCCUPATIONAL THERAPY AUSTRALIA LTD**  
**ABN: 27 025 075 008**  
**DIRECTORS' REPORT**

Your directors present this report on the entity for the financial year ended 31 December 2010.

**Directors**

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

Peta Raison appointed (5/09/2007)	President
Nicole O'Reilly appointed (21/02/2010)	Vice President
Amanda Bladen appointed (21/02/2010)	Finance Director
Thelma Burnett appointed (21/02/2010)	World Federation of Occupational Therapists Delegate
Carol Crocker resigned (21/02/2010)	
Julie Connell resigned (21/02/2010)	
Jan Erven appointed (21/02/2010)	
Lawrence Farrow resigned (1/06/2010)	
Susan Gilbert Hunt resigned (7/03/2011)	
Domenico Tripodi appointed (21/02/2010)	
Carolyn Webster resigned (03/07/2010)	

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

**Principal Activities**

The principal activities of the company during the financial year were:

- To facilitate the transfer of activities, operations and assets from the Australian Association of Occupational Therapists and other State & Territory based Occupational Therapy Associations to Occupational Therapy Australia Ltd. OT Australia members voted in favour of a move to a single national entity at the Special General Meeting held on 28 November 2009.
- To represent the interests of Occupational Therapists across the country and to ensure that members consistently receive quality, responsive services that add significant value to their careers. The Association also aims to support, promote and represent the profession of occupational therapy as a key element of the allied health sector in Australia.
- Occupational Therapy Australia National comprises all states and territories (Member Divisions) and has a membership of some 5000 individual occupational therapists nationally.

**The company's objectives address the issues and seeks to achieve results in the following areas:**

**1. Professional Development**

- Undertake a review of the AccOT program.
- Review the existing constitution to ensure compliance of mandatory CPD requirement.
- Using the recommendations of the AccOT review create a plan to develop a draft skeleton mandatory CPD Program.
- Roll out the CPD participation program.
- Produce a project plan around the implementation of a national CPD program, e.g. web-based learning, touring programs.
- Implement national CPD program.
- Facilitate development of educational resources on undertaking research.
- Review of conferences run by Occupational Therapy Australia.
- Plan a national conference in 2011 based on recommendations from the review.

**2. Information Communications and relationships**

- Have a working database.
- Link National framework for Professional Excellence to Strategic plan.
- Develop a communications policy.

**3. Representation**

- Review representation to external stakeholders.
- Create a risk management strategy to respond to possible outcomes to maximise OTs position in health care.
- OTs to be the supplier of choice for driving assessment.

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**DIRECTORS' REPORT**

4. Practice standards

- Accredite OT schools.
- Define scope of practice, extended scope of practice and develop a position statement on extended scope of practice.
- Identify opportunities for OTs to undertake extended scope of practice.
- Advocate for the legislative inclusion of extended scope of practice.
- Develop competency standards for OTs conducting driving assessments.
- Review competency standards for entry level OTs.
- Review competency standards for OTs working in mental health.

5. Marketing, recruitment, brand and profile

- Create a reference group comprising all associations.
- Increase student memberships.
- Capture new graduates as members.
- Pricing strategies to capture new memberships.
- To market occupational therapy by looking at wider media.
- Investigate strategies used by other Associations to create strong brand images and engage external consultancy to further our image.
- Develop consumer fact sheets.

6. Research

- Set research priorities.

7. International presence

- A plan developed which gives strategies to increase our involvement in the APOT group.
- Attend WFOT Congress 2010 (Chile).
- Send President or President's delegate to WFOT 2010.
- Link to OTION site.
- Implement a membership system which supports universal membership for Occupational Therapy Australia.

8. Governance

- Strategic planning to produce a three year strategic plan.
- Annual planning to produce an annual operating plan and to review the strategic plan and develop as appropriate.
- Develop Board Charter.
- Cogent harmonised process for Occupational Therapy Australia and Member Divisions.
- Director induction and training. Ensure Director inducted satisfactorily.

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**DIRECTORS' REPORT**

The company measures its performance (including any key performance indicators) by:

<b>Objectives</b>	<b>Measure</b>
1. Professional Development	<ul style="list-style-type: none"><li>- Development of paper presented to council.</li><li>- Advice presented to the working party.</li></ul>
2. Information, communications and relationships	<ul style="list-style-type: none"><li>- Purchase database.</li><li>- Member Associations to purchase CRM Product.</li><li>- Office staff to learn the database and input all data as appropriate.</li><li>- NB there is a MOU being developed between Occupational Therapy Australia &amp; OT Australia WA.</li><li>- Develop a plan of action in reviewing and implementing the Framework to the Strategy.</li><li>- Create a working group to undertake a review of the National Framework of Professional Excellence.</li> <li>- Provide a report to Council which identifies the strengths and weaknesses of the current framework and proposes changes to the framework or a varied framework as appropriate and advises on the implementation of this framework.</li><li>- Review feedback in regards to the existing website provided by members.</li><li>- Identify what the Association wants the website to be able to do.</li><li>- Create a "mock up" for the website, which enables the identification of the technical aspects required.</li><li>- Determine the appropriate method for meeting the technical aspects of the website.</li><li>- Create the website.</li><li>- Identify the appropriate person to work on this.</li><li>- Research and create policy.</li></ul>
3. Representation	<ul style="list-style-type: none"><li>- Develop a plan for the review.</li><li>- Implement review of the representation to external stakeholders.</li><li>- Review the need for National Driver Assessment Competencies.</li><li>- Implement the recommendations of the review.</li></ul>
4. Practice standards	<ul style="list-style-type: none"><li>- Review the accreditation process.</li><li>- Board to review the report and recommendations and respond appropriately.</li><li>- Source grants to undertake review.</li></ul>
5. Marketing, recruitment, brand and profile	<ul style="list-style-type: none"><li>- Development of document presented to Board.</li><li>- Updated marketing plan to Board.</li><li>- Consumer Fact Sheets to be presented to Board for approval.</li></ul>
6. Research	<ul style="list-style-type: none"><li>- Paper presented to Board.</li><li>- VP Finance to present to Board.</li></ul>
7. International presence	<ul style="list-style-type: none"><li>- Report to Board.</li><li>- Universal membership is achieved for all Occupational Therapy Australia Members.</li><li>- Present bid recommendations and plan to Board.</li><li>- Link to Occupational Therapy Australia website.</li></ul>

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**DIRECTORS' REPORT**

8. Governance

- Transition & Business plan to Board.
- Process to Executive and Board to approve.
- Present to Executive and Board for approval.
- National manual.
- Report comparing National and Member Association documents.
- Feed back from Director.

**Information on Directors**

<b>Peta Raison</b>	— President
Qualifications	— Bachelor of Occupational Therapy
Experience	— International and local experience in neuro, aged care and women's health. Senior clinician in acute paediatrics specialising in mental health.
Special Responsibilities	— OT Australia Council & Occupational Therapy Australia Board member and involvement with the Divisional Council of Tasmania.
<b>Nicole O'Reilly</b>	— Vice President
Qualifications	— B App SC, Occupational Therapy, University of South Australia Certificate IV Frontline Management, Chamber of Commerce
Experience	— Experience in aged and disability services, management, committee and Board membership.
Special Responsibilities	— Vice President Occupational Therapy Australia; Member of Occupational Therapy Australia Finance and Audit Committee; Occupational Therapy Australia representative on Allied Health Professions Australia Rural and Remote Committee (AHPARR); Chair of Northern Territory Divisional Council for Occupational Therapy
<b>Amanda Bladen</b>	— Finance Director
Qualifications	— Lincoln Institute of Health Science, Bachelor of Applied Science in Health Care, Occupational Therapy conferred 1982; Masters of Business, Organisation Change and Development RMIT 2001; Graduate Diploma of Business, RMIT 1997; SIAG Diploma of Management, 2009.
Experience	— Completed degree in Occupational Therapy in 1981. Extensive experience in the area of Occupational Therapy within the context of public health. For over 14 years have fulfilled roles as an OT Manager at Austin Health, originally being employed as the Chief OT in Mental Health and for over a decade as the OT Manager of Austin Health's Austin and Repat Campuses. Immediately prior to this was employed as the state-wide senior Occupational Therapist with the state-wide Forensic Health Service at the Rosanna Forensic Psychiatry centre. Throughout career have maintained a strong commitment to the provision of optimal patient care; staff development and support, including supervision and mentoring; student education and the development of evidence, based in practice and the development of quality based services.
Special Responsibilities	— Current Executive Board Member of Occupational Therapy Australia (Finance Director).
<b>Thelma Burnett</b>	— World Federation of Occupational Therapists Delegate; and Director
Qualifications	— AssocOT(WAIT); BAppSc(OT) (Curtin); MSc(AppSc) (Curtin); FACHSM.
Experience	— Occupational Therapist registered with the Occupational Therapists Registration Board of WA since 1970. Clinical occupational therapy experience in physical rehabilitation, mental health, community practice, paediatrics and private practice. Health service management, re-design and clinical planning.
Special Responsibilities	— Australian Delegate to the World Federation of Occupational Therapists.
<b>Carol Crocker</b>	— Director
Qualifications	— Diploma of Occupational Therapy; Post Graduate Diploma of Public Administration.
Experience	— Clinical experience in Workplace Rehabilitation and Senior Management experience.
Special Responsibilities	— OT Australia Board Member April 2004-2010.

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DIRECTORS' REPORT

<b>Julie Connell</b>	— Director
Qualifications	— Bachelor of Occupational Therapy & Graduate Certificate Health Services Management.
Experience	— State President; Vice President and State Elected Councillor OT Australia (Qld); National Vice President Finance OT Australia.
Special Responsibilities	— Primarily worked as an Occupational Therapist in the public sector since graduation in 1978; OT Department Director, 9 years; Allied Health Director, 9 years; OT Australia Board Member, 11 years; State President OT Australia (Qld), 3 years; State Board Member, 10 years; State Elected Councillor Qld, 5 years and National Victorian President Finance, 4years.
<b>Jan Erven</b>	— Director
Qualifications	— Diploma in Occupational Therapy (Cumberland); Graduate Certificate in Public Sector Management.
Experience	— 12 years experience as Occupational Therapy Manager; 10 years experience as Allied Health Manager; 4 years experience as Aged Care Manager. Clinical experience in Rehabilitation and Aged Care in public sector.
Special Responsibilities	— OT Australia Board Member; Member of Professional Development Reference Group; Member of the Conference Organising Committee for the 2011 National Conference. President of NSW OT Association and represent OT Australia on the Occupational Therapy Council.
<b>Lawrence Farrow</b>	— Director
Qualifications	— B App Sc (OT)
Experience	— 28 years experience. Past President of OT Australia WA; OT Australia Board Member; Running Post Graduate courses in Functional Soft Tissue for past 17 years.
Special Responsibilities	— OT Registration Board Member; Chairman of Complaints Handling; Committee OT Registration Board; Adjunct Lecturer James Cook University OT Department; Advisory Board Edith Cowan University OT Department.
<b>Susan Gilbert Hunt</b>	— Director
Qualifications	— Master of Health Science (OT); Certificate of Education, Diploma College of Occupational Therapy (UK).
Experience	— 35 years experience as an occupational therapist in UK and Australia. Clinical experience primarily in mental health practice. Currently Occupational Therapy Program Director at UniSA.
Special Responsibilities	— OT Australia Board member for 6 years; President of OT Australia SA for 6 years; Chair of Conference Organising Committee for SA State Conference 2007.
<b>Domenico Tripodi</b>	— Director
Qualifications	— Graduated from Occupational Therapy degree at Charles Sturt University in 2000; Completed honours in Applied Science at University of Canberra 2006; Completed Driver Assessment course at University of Sydney in 2010.
Experience	— Previously employed in rural NSW as a sole therapist. Also experience in Occupational Rehabilitation in Workers Compensation and Compulsory Third Party Insurance. Currently acting Head of Department at the Canberra Hospital-Acute Support Services.
Special Responsibilities	— Occupational Therapy Australia Board Member since 2010; State Councillor for the ACT on the board of the Australian Association of Occupational Therapists from 2008; current Chair of the National Professional Representation and Lobbying Group.
<b>Carolyn Webster</b>	— Director
Qualifications	— Dip Occ Therapy; Bach Appl Science; CUT; Adv Management; UWA.
Experience	— Grad 1963 Occ Therapy practiced 20 years; Executive Manager/Policy Officer WA public service 30 years.
Special Responsibilities	— OTA Constitution Working Group; National Registration Working Group with COTRB; OTA Professional Representation Working Group.

OCCUPATIONAL THERAPY AUSTRALIA LTD  
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DIRECTORS' REPORT

**Meetings of Directors**

During the financial year, 7 meetings of directors were held. Attendances by each director were as follows:

	Directors' Meetings	
	No. eligible to attend	No. attended
Peta Raison	7	6
Nicole O'Reilly	7	7
Amanda Bladen	7	7
Thelma Burnett	7	7
Carol Crocker	0	0
Julie Connell	0	0
Jan Erven	7	7
Lawrence Farrow	2	2
Susan Gilbert Hunt	7	5
Domenico Tripodi	7	7
Carolyn Webster	4	4

**Member's guarantee**

The company is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$20 for payment of debts and liabilities of the Company, including the costs of winding up. This undertaking continues for one year after a person ceases to be a member.

**Auditor's Independence Declaration**

The lead auditor's independence declaration for the year ended 31 December 2010 has been received and can be found on page 7 of the financial report.

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

Director   
Peta Raison

Dated this 16 day of May 2011





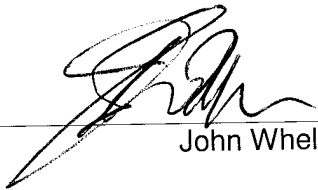
**JOHN WHELLER, F.C.A.**

CHARTERED ACCOUNTANT

**OCCUPATIONAL THERAPY AUSTRALIA LTD  
ABN: 27 025 075 008  
AUDITOR'S INDEPENDENCE DECLARATION UNDER S 307C OF  
THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF OCCUPATIONAL THERAPY AUSTRALIA LTD**

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2010 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.



John Wheller

Dated this 24 day of May 2011

Registered Company Auditor No.9003

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**OCCUPATIONAL THERAPY AUSTRALIA LTD**  
**ABN: 27 025 075 008**  
**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2010**

	<b>Note</b>	2010	2009
		\$	\$
<b>Revenue</b>	2	1,329,794	76,209
<b>Expenditure</b>			
Employee benefits expense		(659,786)	(60,181)
Depreciation expense	3	(29,563)	-
Rental expense	3	(2,717)	-
Audit, legal and consultancy expense		(95,461)	(18,848)
Production expenses		(157,207)	(33,198)
Marketing expenses		(53,654)	(15,422)
Administration expense		(93,126)	(8,308)
Conference costs		(72,925)	-
Continual professional development costs		(55,870)	-
Course accreditation		(23,790)	-
Project expenses		(98,556)	-
Other expenses		(111,283)	(3,553)
<b>Net Deficit for the year</b>	3	<u>(124,143)</u>	<u>(63,302)</u>
<b>Other comprehensive income:</b>			
Net gain on revaluation of non-current assets		-	-
<b>Total comprehensive income for the year</b>		<u>(124,143)</u>	<u>(63,302)</u>

The accompanying notes form part of these financial statements.

**OCCUPATIONAL THERAPY AUSTRALIA LTD**  
**ABN: 27 025 075 008**  
**STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2010**

	Note	2010 \$	2009 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	174,930	97,893
Trade and other receivables	5	100,249	63,283
Other assets	6	27,976	-
<b>TOTAL CURRENT ASSETS</b>		<u>303,154</u>	<u>161,176</u>
<b>NON-CURRENT ASSETS</b>			
Financial assets	7	147,634	-
Property, plant and equipment	8	1,035,678	-
<b>TOTAL NON-CURRENT ASSETS</b>		<u>1,183,312</u>	<u>-</u>
<b>TOTAL ASSETS</b>		<u>1,486,466</u>	<u>161,176</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	168,116	106,386
Borrowings	10	-	118,592
Short term provisions	11	82,654	-
<b>TOTAL CURRENT LIABILITIES</b>		<u>250,771</u>	<u>224,977</u>
<b>TOTAL LIABILITIES</b>		<u>250,771</u>	<u>224,977</u>
<b>NET ASSETS</b>		<u>1,235,697</u>	<u>(63,802)</u>
<b>FUNDS</b>			
Accumulated Deficit		(187,945)	(63,802)
Asset Transfers		1,423,642	-
<b>TOTAL FUNDS</b>		<u>1,235,697</u>	<u>(63,802)</u>

The accompanying notes form part of these financial statements.

OCCUPATIONAL THERAPY AUSTRALIA LTD  
 ABN: 27 025 075 008  
 STATEMENT OF CHANGES IN FUNDS FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	Accumulated Surplus/(Deficit) \$	Asset Transfers \$	Total \$
<b>Balance at 1 January 2009</b>		(500)	-	(500)
Net surplus/(deficit)		(63,302)	-	(63,302)
<b>Balance at 31 December 2009</b>		(63,802)	-	(63,802)
Net surplus/(deficit)		(124,143)	-	(124,143)
Contributed assets	16	-	1,423,642	1,423,642
<b>Balance at 31 December 2010</b>		(187,945)	1,423,642	1,235,697

The accompanying notes form part of these financial statements.

**OCCUPATIONAL THERAPY AUSTRALIA LTD**  
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**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2010**

	Note	2010 \$	2009 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipt from members, advertising & government grants		1,286,271	13,426
Payments to suppliers and employees		(1,306,874)	(34,124)
Interest received		6,557	-
Net cash generated from operating activities	15	<u>(14,046)</u>	<u>(20,698)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Payment for property, plant and equipment		(1,105)	-
Proceeds from transfer of cash		182,879	-
Net cash used in investing activities		<u>181,774</u>	<u>-</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings		-	118,591
Repayment of borrowings		(90,691)	-
Net cash used in financing activities		<u>(90,691)</u>	<u>118,591</u>
Net increase/(decrease) in cash held		77,037	97,893
Cash at the start of the financial year		97,893	-
Cash at the end of the financial year	4	<u>174,930</u>	<u>97,893</u>

The accompanying notes form part of these financial statements.

**OCCUPATIONAL THERAPY AUSTRALIA LTD**  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010**

The financial statements are for Occupational Therapy Australia Ltd as an individual entity, incorporated and domiciled in Australia. Occupational Therapy Australia Ltd is a company limited by guarantee.

**Note 1      Summary of Significant Accounting Policies**

**Basis of Preparation**

Occupational Therapy Australia Ltd has elected to early adopt the pronouncements AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010–2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements to the annual reporting period beginning 1 January 2010.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board and the Corporations Act 2001.

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

The financial statements have been prepared on an accruals basis and are 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**

**(a) Revenue**

Grant revenue is recognised in the statement of comprehensive income when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Donations and bequests are recognised as revenue when received.

Investment income comprises interest and dividends. Interest income is recognised as it accrues, using the effective interest method.

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

The gain or loss on disposal of all non-current assets and available-for-sale financial investments is determined as the difference between the carrying amount of the asset at the time of the disposal and the net proceeds on disposal.

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

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010**

**(b) 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.

**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.

In periods when the freehold land and buildings are not subject to an independent valuation, the directors conduct directors' valuations to ensure the carrying amount for the land and buildings is not materially different to the fair value.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the revaluation surplus in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are charged to the statement of comprehensive income.

As the revalued buildings are depreciated the difference between depreciation recognised in the statement of comprehensive income, which is based on the revalued carrying amount of the asset, and the depreciation based on the asset's original cost, is transferred from the revaluation surplus to retained earnings.

Any accumulated depreciation at the date of the 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 are valued recognised at the fair value of the asset at the date it is acquired.

**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 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.

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.

**Depreciation**

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the entity 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:

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
Buildings	2%
Computer equipment	40%
Office equipment	8% to 20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010**

**(c) Leases**

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.

**(d) Financial Instruments**

*Initial Recognition and Measurement*

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (ie trade date accounting is adopted). Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

*Classification and Subsequent Measurement*

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

*Amortised cost* is calculated as

- (i) the amount at which the financial asset or financial liability is measured at initial recognition
- (ii) less principal repayments
- (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and
- (iv) less any reduction for impairment.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

*(i) Financial assets at fair value through profit or 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, or where they are derivatives not held for hedging purposes, or when they are 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. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

*(ii) 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.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after reporting period. (All other loans and receivables are classified as non-current assets.)

*(iii) 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 entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. (All other investments are classified as current assets.)

If during the period the company sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investment would be tainted and reclassified as available-for-sale.



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*(iv) Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments. Such assets are subsequently measured at fair value.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to be disposed of within 12 months after the end of the reporting period. (All other financial assets are classified as current assets.)

*(v) Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

**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.

**Impairment**

At the end of each reporting period, the entity 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 statement of comprehensive income.

**Derecognition**

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability, which is 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.

**(e) Impairment of Assets**

At the end of each reporting period, the entity 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 statement of comprehensive income.

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

Where it is not possible to estimate the recoverable amount of an assets class, the entity estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

Where an impairment loss on a revalued asset is identified, this is debited against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

**(f) Employee Benefits**

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. 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. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements.

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

**(g) Cash and Cash Equivalents**

Cash and cash equivalents include 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.

**(h) 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 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 expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

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

**(i) Income Tax**

No provision for income tax has been raised as the entity is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

**(j) Intangibles**

**Software**

Software is recorded at cost. Software has a finite life and is carried at cost less any accumulated amortisation and impairment losses.

**(k) Provisions**

Provisions are recognised when the entity 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. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of reporting period.

**(l) Comparative Figures**

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

When an entity applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period must be disclosed.

**(m) Trade and Other Payables**

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

**(n) Critical accounting estimates and judgments**

The directors evaluate estimates and judgments incorporated into the financial statements 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 within the company.

**Note 2 Revenue and Other Income**

	2010	2009
	\$	\$
<b>Revenue from government grants and other grants</b>		
— Federal Government Grants	102,637	-
— Central Service Fees	633,392	58,326
— Accreditation Fees	75,935	2,550
— Advertising	183,072	13,261
— Publication Sales	10,308	974
— Continual Professional Development	72,812	-
— Commissions	60,020	570
— Course Accreditation	104,050	-
— Membership Fees	56,077	-
— Conference Income	23,023	-
— Other	1,912	527
	<u>1,323,237</u>	<u>76,209</u>
<b>Other revenue</b>		
— Interest received on financial assets not at fair value through profit or loss	6,557	-
	<u>6,557</u>	<u>-</u>
<b>Total Revenue</b>	<u>1,329,794</u>	<u>76,209</u>

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**Note 3 Profit for the Year**

	2010	2009
	\$	\$
The operating results have been determined after charging the following expenses:		
<b>Expenses</b>		
Depreciation and Amortisation		
— land and buildings	20,665	-
— furniture and equipment	8,898	-
Total Depreciation and Amortisation	<u>29,563</u>	<u>-</u>
Rental expense on operating leases	2,717	-
Total rental expense	<u>2,717</u>	<u>-</u>

**Note 4 Cash and Cash Equivalents**

	2010	2009
	\$	\$
<b>CURRENT</b>		
Cash at bank	174,688	97,882
Cash on hand	242	11
	<u>174,930</u>	<u>97,893</u>

**Note 5 Trade and Other Receivables**

	2010	2009
	\$	\$
<b>CURRENT</b>		
Trade receivables	45,761	63,283
Provision for impairment	-	-
	<u>45,761</u>	<u>63,283</u>
Loan receivables	54,488	-
Total current trade and other receivables	<u>100,249</u>	<u>63,283</u>

Loans have been made to OT QLD, OT NSW, OT SA and OT VIC unsecured and on interest free terms. The loans cover future employee entitlements and reimbursement of expenses.

**Note 6 Other Assets**

	2010	2009
	\$	\$
<b>CURRENT</b>		
Prepayments	27,976	-
	<u>27,976</u>	<u>-</u>

**Note 7 Financial Assets**

		2010	2009
	<b>Note</b>	\$	\$
<b>NON-CURRENT</b>			
Available-for-sale financial assets	7(a)	122,454	-
Held-to-maturity financial assets	7(b)	25,181	-
		<u>147,634</u>	<u>-</u>

**(a) Available-for-sale financial assets comprise:**

— Listed investments at fair value			
— Shares in listed corporations		122,454	-

Available-for-sale financial assets comprise investments in the ordinary issued capital of various entities. There are no fixed returns or fixed maturity dates attached to these investments.

**(b) Held-to-maturity investments comprise:**

— Government and fixed interest securities		25,181	-
		<u>147,634</u>	<u>-</u>

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**Note 8 Property, Plant and Equipment**

	2010 \$	2009 \$
<b>LAND AND BUILDINGS</b>		
Freehold Land & Buildings at fair value:		
— Independent valuation 2009	1,033,260	-
Less accumulated depreciation	<u>(20,665)</u>	<u>-</u>
Total land and buildings	<u>1,012,595</u>	<u>-</u>
<b>PLANT AND EQUIPMENT</b>		
Plant and equipment		
At cost	31,981	-
Less accumulated depreciation	<u>(8,898)</u>	<u>-</u>
	<u>23,083</u>	<u>-</u>
Total property, plant and equipment	<u>1,035,678</u>	<u>-</u>

**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 and Buildings \$	Plant and Equipment \$	Total \$
<b>2010</b>			
Balance at the beginning of the year	-	-	-
Additions at cost	-	1,106	1,106
Asset transfers at fair value	1,033,260	30,875	1,064,135
Depreciation expense	<u>(20,665)</u>	<u>(8,898)</u>	<u>(29,563)</u>
Carrying amount at end of year	<u>1,012,595</u>	<u>23,083</u>	<u>1,035,678</u>

**Asset revaluations**

Property, plant and equipment acquired at no cost are recognised at fair value at the date the company obtains control of the assets.

**Note 9 Trade and Other Payables**

	2010 \$	2009 \$
<b>CURRENT</b>		
Trade payables	120,344	106,386
Deferred income	37,772	-
Other current payables	<u>10,000</u>	<u>-</u>
	<u>168,116</u>	<u>106,386</u>

**Note 10 Borrowings**

	2010 \$	2009 \$
<b>CURRENT</b>		
Short term borrowings	<u>-</u>	118,592
	<u>-</u>	<u>118,592</u>

**OCCUPATIONAL THERAPY AUSTRALIA LTD**  
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**Note 11 Provisions**

CURRENT	2010	2009
Short-term Employee Benefits	\$	\$
Opening balance at 1 January 2010	-	-
Additional provisions raised during year	82,654	-
Amounts used	-	-
Balance at 31 December 2010	<u>82,654</u>	<u>-</u>

**Note 12 Key Management Personnel**

The names and positions of those having authority for planning, directing and controlling the company's activities, directly or indirectly (other than directors) are:

Ron Hunt, Chief Executive Officer  
Azzam Al-Ashi, Chief Finance Officer

**Note 13 Related Party Transactions**

(a) Directors' compensation

The directors act in an honorary capacity and receive no compensation for their services. During the year travel and out of pocket expenses incurred by the directors in fulfilling their role were reimbursed.

(b) Transactions with Director-related entities

Transactions between Director related parties are on normal commercial terms and conditions no more favourable than those available to other persons unless otherwise stated. No amounts are payable to or receivable from directors or director related entities at the reporting date.

**Note 14 Financial Risk Management**

The company's financial statements consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2010 \$	2009 \$
<b>Financial Assets</b>			
Cash and cash equivalents	4	174,930	97,893
Loans and receivables	5	100,249	63,283
Held-to-maturity investments	7	25,181	-
Available-for-sale financial assets	7	122,454	-
<b>Total Financial Assets</b>		<u>422,813</u>	<u>161,176</u>
<b>Financial Liabilities</b>			
Financial liabilities at amortised cost			
— Trade and other payables	9	168,116	106,386
— Borrowings	10	-	118,592
<b>Total Financial Liabilities</b>		<u>168,116</u>	<u>224,977</u>

**Net Fair Values**

- (i) For listed available-for-sale financial assets and financial assets at fair value through profit or loss, the fair values have been based on closing quoted bid prices at the end of the reporting period.
- (ii) Fair values of held-to-maturity investments are based on quoted market prices at the end of the reporting period.

**OCCUPATIONAL THERAPY AUSTRALIA LTD**  
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**Liquidity risk**

(i) Liquidity risk is the risk that the company will not be able to fund its obligations as they fall due. The company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate liquid funds are available to meet normal operating expenses. When necessary cash is also sourced from liquidation of available-for-sale financial instruments.

**Credit risk**

(i) Credit Risk is the risk of financial loss of a customer or counterparty to a financial instrument fails to meet its contractual obligations. The company manages credit risk by depositing funds with those banks and financial institution approved by the Board and ensuring any amounts outstanding from members beyond the contracted period are followed up.

**Equity price risk**

(i) Equity price risk arises from fluctuations in the market values of available-for-sale securities. The company seeks advice to assist the management of the investment portfolio. The Board has approved risk and return parameters for investments in available-for-sale investments and receives reports regarding the performance of the investment portfolio.

**Note 15 Reserves**

**(a) Revaluation Surplus**

The revaluation surplus records the revaluations of non-current assets. Where revaluations are deemed to represent profits of a permanent nature, dividends may be declared from this reserve.

**(b) Financial Assets Reserve**

The financial asset reserve records revaluation increments and decrements (that do not represent impairment write-downs) that relate to financial assets that are classified as available-for-sale.

**Note 15 Cash Flow Information**

**(a) Reconciliation of cash**

	Note	2010 \$	2009 \$
Cash at bank		128,695	97,893
Asgard e-cash account		30,683	-
AMP Cash management account		15,553	-
	4	<u>174,930</u>	<u>97,893</u>

**(b) Reconciliation of cash flow from operations with net surplus/(deficit)**

Net Deficit		(124,143)	(63,302)
Non-cash flows in operating results			
Depreciation		29,563	-
Impairment loss		1,091	-
Change in assets and liabilities			
(increase)/decrease in trade debtors		(36,966)	(63,283)
(increase)/decrease in other assets		(27,976)	-
increase/(decrease) in trade payables and accruals		61,730	105,887
increase/(decrease) in provisions		82,655	-
		<u>(14,046)</u>	<u>(20,698)</u>

**OCCUPATIONAL THERAPY AUSTRALIA LTD**  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010**

**Note 16      Contributed Assets**

	2010	2009
	\$	\$
Australian Association of Occupational Therapists	1,286,978	-
Occupational Therapy Australia - ACT	42,784	-
Occupational Therapy Australia - TAS	44,781	-
Occupational Therapy Australia - NT	49,099	-
	<u>1,423,642</u>	<u>-</u>

The activities, operations and assets of the above entities were transferred to Occupational Therapy Australia Ltd as a result of the members of the Australian Association of Occupational Therapists passing a resolution at a special meeting on the 28th of November 2009. The assets and liabilities of the above entities were transferred to Occupational Therapy Australia Ltd during 2010 calendar year as part of the conditions of the wind up of these entities.

OCCUPATIONAL THERAPY AUSTRALIA LTD  
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DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 8 to 21, 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 financial position as at 31 December 2010 and of the performance for the year ended on that date of the company.
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.

Director Peta Raison  
*Peta Raison*

Dated this 16<sup>th</sup> day of may 2011



**JOHN WHELLER, F.C.A.**

CHARTERED ACCOUNTANT

**OCCUPATIONAL THERAPY AUSTRALIA LTD**

**ABN: 27 025 075 008**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
OCCUPATIONAL THERAPY AUSTRALIA LTD**

**Report on the Financial Report**

We have audited the accompanying financial report of Occupational Therapy Australia Ltd, which comprises the statement of financial position as at 31 December 2010, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

**Directors' Responsibility for the Financial Report**

The directors of the company are responsible for the preparation and fair presentation of the financial report that gives a true and fair value in accordance with Australian Accounting Standards - Reduced Disclosure Requirements (including the Australian Accounting Interpretations) and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report is free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those 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 statements are 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 statements, 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 statements 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 directors, as well as evaluating the overall presentation of the financial report.

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 the Corporations Act 2001.

**Auditor's Opinion**

In our opinion, the financial report of Occupational Therapy Australia Ltd is in accordance with Corporations Act 2001, including:

- a. giving a true and fair view of the company's financial position as at 31 December 2010 and of its performance for the year ended on that date; and
- b. complying with Australian Accounting Standards - Reduced Disclosure Requirements (including Australian Accounting Interpretations) and the Corporations Regulations 2001.



John Wheller

Dated this 24 day of May 2011

Registered Company Auditor No.9003

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