

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

Your directors present this report on the company for the financial year ended 31 December 2011.

Directors

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

Nicole O'Reilly	President
Domenico Tripodi	Vice President
Amanda Bladen	
Thelma Burnett	
Peter Bothams appointed (28/05/2011)	
Jan Erven	
Therese Fitzpatrick appointed (1/07/2011)	
Imelda Todd appointed (22/03/2011)	
Jenny Ziviani appointed (20/01/2011)	
Susan Gilbert Hunt resigned (7/3/2011)	
Peta Raison resigned (1/07/2011)	Immediate Past President

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 Meetings 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 comprises all states and territories (Member Divisions) and has a membership of some 5,300 individual occupational therapists nationally.

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

1. Professional Development
2. Information Communications and relationships
3. Representation
4. Practice standards
5. Marketing, recruitment, brand and profile
6. Research
7. International presence
8. Governance

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Information on Directors

Nicole O'Reilly	—	Director & President
Qualifications	—	B App SC, Occupational Therapy, University of South Australia, Certificate IV Frontline Management, Chamber of Commerce.
Experience	—	Registered Occupational Therapist with experience in aged and disability services, management, committee and Board membership.
Special Responsibilities	—	Member of the Executive Committee, Occupational Therapy Australia representative to Allied Health Professions Australia Rural and Remote Committee.
Domenico Tripodi	—	Director & Vice President
Qualifications	—	Graduated with an 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; former Chair of the National Professional Representation and Lobbying Group.
Amanda Bladen	—	Finance Director until the 16 October 2011
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.

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|--------------------------|---|
| Experience | — Completed degree in Occupational Therapy in 1981. Extensive experience in the area of Occupational Therapy within the context of public health. For over 15 years has fulfilled roles as an OT Manager at Austin Health, originally being employed as the Chief OT in Mental Health and for 13 years 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 has 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. Currently |
| Special Responsibilities | — Executive Board Member of Occupational Therapy Australia (Finance Director) until 2011 now member of the Board. |
| Thelma Burnett | — 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. |
| Special Responsibilities | — Australian Delegate to the World Federation of Occupational Therapists. Vice President of Asia Pacific Occupational Therapy Regional Group. |
| Peter Bothams | — Director |
| Qualifications | — Bachelor of Occupational Therapy 2000, Graduate Certificate Health Management (Qld Health) 2007. |
| Experience | — 11 years working as an occupational therapist in a variety of roles in government and the private sector. Previous experience as a Board Member and Treasurer for services for Australian Rural and Remote Allied Health. Previous Board member of OT Australia Queensland. |
| Special Responsibilities | — Current member of the Finance and Audit Committee. |
| Jan Erven | — Finance Director commencing from the 17 October 2011 |
| 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. |

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Therese Fitzpatrick	—	Director
Qualifications	—	BaOT (Hons)
Experience	—	Neurological Rehabilitation, Vocational Rehabilitation, National Manager - Workplace Mental Health. Worked in hospital and community settings primarily in neurological rehabilitation, but has also worked in orthopaedics and rheumatology. Moved into vocational rehabilitation, working as a Senior Rehabilitation Consultant. Now works at beyond blue. Currently completing a Masters in Public Health through Melbourne University.
Imelda Todd	—	Director
Qualifications	—	BAppScOT (Usyd) Grad Cert HRM, Cert Erg AccOT
Experience	—	Clinical OT, OHS, Occupational Rehabilitation, Management and Workers Compensation.
Special Responsibilities	—	Member of the Finance and Audit Committee.
Jenny Ziviani	—	Director
Qualifications	—	BAppSc(OT); BA; MEd; PhD
Experience	—	Children with developmental disabilities, their families and communities. Research methodologies to support a range of clinical investigations. Managing research programs and advising research higher degree students.
Special Responsibilities	—	Co-opted to the board from the Research Working Party to provide advice on matters related to research and the establishment of a Research Foundation.
Susan Gilbert Hunt	—	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 the UK and Australia. Clinical experience primarily in mental health practice. Currently Occupational Therapy Program Director at UniSA.
Peta Raison	—	Director & Former 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.

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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	No. attended
Nicole O'Reilly	7	7
Domenico Tripodi	7	6
Amanda Bladen	7	4
Thelma Burnett	7	7
Peter Bothams	4	4
Jan Erven	7	7
Therese Fitzpatrick	3	3
Imelda Todd	6	6
Jenny Ziviani	7	5
Susan Gilbert Hunt	1	1
Peta Raison	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 2011 has been received and can be found on page 6 of the financial report.

This directors' report is signed in accordance with a resolution of the Board of Directors.

Director _____
Nicole O'Reilly

Dated this _____ day of _____ 2012

OCCUPATIONAL THERAPY AUSTRALIA LTD
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AUDITOR'S INDEPENDENCE DECLARATION
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 2011 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.

Auditor
John Wheller

Dated this day of 2012

OCCUPATIONAL THERAPY AUSTRALIA LTD
ABN: 27 025 075 008
STATEMENT OF INCOME FOR THE YEAR ENDED 31 DECEMBER 2011

	Note	2011 \$	2010 \$
Revenue	2	3,725,979	1,329,794
Expenses			
Employee benefits expense		(1,577,861)	(659,786)
Depreciation and amortisation expense		(37,981)	(29,563)
Finance costs	3	(19,396)	-
Rental expense	3	(31,638)	(2,717)
Audit, legal and consultancy expense		(138,433)	(95,461)
Production expenses		(168,831)	(157,207)
Marketing expenses		(78,048)	(53,654)
Advocacy Activities		(278,184)	(93,126)
Conference costs		(507,024)	(72,925)
Continual professional development costs		(317,074)	(55,870)
Course accreditation		(19,290)	(23,790)
Project expenses		(45,043)	(98,556)
Other expenses		(278,582)	(111,283)
Surplus / (Deficit) for the year		<u>228,593</u>	<u>(124,143)</u>
Other comprehensive income:			
Net gain/(loss) on revaluation of non-current assets	8	247,405	-
Equity transfers from liquidated affiliated entities	19	<u>1,712,865</u>	<u>1,423,642</u>
Total comprehensive income for the year		<u>1,960,270</u>	<u>1,423,642</u>
Total comprehensive income attributable to the entity		<u>2,188,863</u>	<u>1,299,499</u>

The accompanying notes form part of these financial statements.

OCCUPATIONAL THERAPY AUSTRALIA LTD
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STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2011

	Note	2011 \$	2010 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	2,026,316	174,930
Trade and other receivables	5	53,272	100,249
Other assets	6	20,853	27,976
TOTAL CURRENT ASSETS		<u>2,100,441</u>	<u>303,154</u>
NON-CURRENT ASSETS			
Financial assets	7	132,421	147,634
Property, plant and equipment	8	2,465,949	1,035,678
TOTAL NON-CURRENT ASSETS		<u>2,598,370</u>	<u>1,183,312</u>
TOTAL ASSETS		<u>4,698,811</u>	<u>1,486,466</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	772,172	168,116
Provisions	11	124,711	82,654
TOTAL CURRENT LIABILITIES		<u>896,883</u>	<u>250,771</u>
NON-CURRENT LIABILITIES			
Borrowings	10	354,193	-
Provisions	11	23,175	-
TOTAL NON-CURRENT LIABILITIES		<u>377,368</u>	<u>-</u>
TOTAL LIABILITIES		<u>1,274,251</u>	<u>250,771</u>
NET ASSETS		<u>3,424,560</u>	<u>1,235,697</u>
EQUITY			
Retained earnings		40,648	(187,945)
Reserves	17	247,405	-
Equity transfers from liquidated affiliated entities	19	3,136,507	1,423,642
TOTAL EQUITY		<u>3,424,560</u>	<u>1,235,697</u>

The accompanying notes form part of these financial statements.

OCCUPATIONAL THERAPY AUSTRALIA LTD
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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2011

	Accumulated Surplus/(Deficit)	Equity Transfers from liquidated entities	Asset Revaluation Reserve	Total
	\$	\$	\$	\$
Balance at 1 January 2010	(63,802)	-	-	(63,802)
Total comprehensive income for the year				
Deficit attributable to the entity	(124,143)	-	-	(124,143)
Other comprehensive income for the year				
Net gain/(loss) on revaluation of assets	-	-	-	-
Equity transfers from liquidated affiliated entities		1,423,642		1,423,642
Total comprehensive income for the year	(124,143)	1,423,642	-	1,299,499
Balance at 31 December 2010	(187,945)	1,423,642	-	1,235,697
Balance at 1 January 2011	(187,945)	1,423,642	-	1,235,697
Total comprehensive income for the year				
Surplus attributable to the entity	228,593	-	-	228,593
Other comprehensive income for the year				
Net gain/(loss) on revaluation of assets	-	-	247,405	247,405
Equity transfers from liquidated affiliated entities	-	1,712,865	-	1,712,865
Total comprehensive income for the year	228,593	1,712,865	247,405	2,188,863
Balance at 31 December 2011	40,648	3,136,507	247,405	3,424,560

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 2011

	Note	2011 \$	2010 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from members, advertising, government		3,662,829	1,286,271
Payments to suppliers and employees		(2,763,598)	(1,306,874)
Interest received		57,763	6,557
Finance costs paid		(19,396)	-
Net cash generated from operating activities	18	<u>937,598</u>	<u>(14,046)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from equity transfers from liquidated affiliated entities	19	873,032	182,879
Proceeds from loan repayments		52,364	-
Proceeds from sale of Investments		15,213	-
Payment for property, plant and equipment		(25,496)	(1,105)
Repayment of loans		-	(90,691)
Net cash used in investing activities		<u>915,113</u>	<u>91,083</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of borrowings		(1,325)	-
Net cash used in financing activities		<u>(1,325)</u>	-
Net increase/(decrease) in cash held		1,851,386	77,037
Cash at the beginning of the year		174,930	97,893
Cash at the end of the financial year	4	<u><u>2,026,316</u></u>	<u><u>174,930</u></u>

Refer to note 20 for funds set aside for research activities.

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 2011

Note 1 Summary of Significant Accounting Policies

Basis of Preparation

Occupational Therapy Australia Ltd has elected to early adopt the Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements. As a consequence, the entity has also early adopted the following Amending Standards containing reduced disclosure requirements.

- AASB 2011-2: Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements; and
- AASB 2011-6: Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation – Reduced Disclosure Requirements

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 (AASB) 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, except for the cash flow information, 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.

Occupational Therapy Australia Ltd receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in the statement of comprehensive income.

Donations and bequests are recognised as revenue 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. Dividend revenue is recognised when the right to receive a dividend has been established.

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

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

(b) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value 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.

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 recognised in 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.

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Freehold land and buildings that have been contributed at no cost or for nominal cost are initially recognised and measured 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 and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(f) for details of impairment).

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 available 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 Fixed Asset	Depreciation Rate
Buildings	2%
Computer equipment	40%
Office equipment	8% to 20%

Each asset class's carrying amount is written down immediately to its recoverable amount if the class'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.

(c) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised 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 (i.e. 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 fair value, amortised cost using the effective interest rate method, or cost. 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 the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

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 item in profit or loss.

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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

(i) Financial assets at fair value through profit or loss

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short-term profit taking, 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.

(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.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that either do not meet the criteria for classification as any other type of financial asset or 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.

They are subsequently measured at fair value with changes in such fair value (i.e. gains or losses) recognised in other comprehensive income (except for impairment losses and foreign exchange gains and losses). When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

(v) Financial liabilities

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

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 immediately recognised in profit or loss. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire 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 when the related obligations are discharged, cancelled or expired. The difference between the carrying amount 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 assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

(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.

(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. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

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(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 (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(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 initially recognised 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.

(m) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the company during the reporting period that remain unpaid at the end of the reporting period. 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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

Note 2 Revenue and Other Income

	2011	2010
	\$	\$
Revenue from government grants, sales and fees		
— Accreditation Fees	28,402	75,935
— Advertising	251,445	183,072
— Central Service Fees	95,837	633,392
— Continual Professional Development	535,567	72,812
— Commissions	61,468	60,020
— Conference Income	752,982	23,023
— Course Accrediation	63,150	104,050
— Membership Fees	1,753,233	56,077
— Publication Sales	17,627	10,308
— State/federal government grants	50,882	102,637
— Other	57,622	1,912
	3,668,216	1,323,237
Other revenue		
— Interest received on financial assets not at fair value through profit or loss	57,763	6,557
Total revenue and other income	3,725,979	1,329,794

Note 3 Profit for the Year

	2011	2010
	\$	\$
Expenses		
Employee Benefits Expense		
— contributions to defined contribution superannuation funds	125,367	53,951
Depreciation and amortisation:		
— land and buildings	13,233	20,665
— furniture and equipment	24,748	8,898
Total depreciation and amortisation	37,981	29,563
Finance costs:		
— Interest expense on financial liabilities not at fair value through profit or loss	19,396	-
Rental expense on operating leases		
— minimum lease payments	31,638	2,717
Total Rental Expense	31,638	2,717
Audit Remuneration		
— audit services	11,500	10,000
— other services	3,000	5,000
Total Audit Remuneration	14,500	15,000

Note 4 Cash and Cash Equivalents

	2011	2010
	\$	\$
CURRENT		
Cash at bank	2,025,627	174,688
Cash on hand	689	242
	2,026,316	174,930

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

Note 5 Trade and Other Receivables

	2011	2010
	\$	\$
CURRENT		
Trade receivables	51,148	45,761
Provision for impairment	-	-
	51,148	45,761
Loans receivables	2,124	54,488
Total current trade and other receivables	53,272	100,249

Loans have been made to Australian Association of Occupational Therapists - SA based on unsecured and on interest free terms. The loan relates to reimbursement of expenses.

Note 6 Other Assets

	2011	2010
	\$	\$
CURRENT		
Prepayments	20,853	27,976
	20,853	27,976

Note 7 Financial Assets

		2011	2010
	Note	\$	\$
NON-CURRENT			
Available-for-sale financial assets	7(a)	108,151	122,454
Held-to-maturity financial assets:	7(b)	24,270	25,181
		132,421	147,634

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

Listed investments, at fair value:

- Investments in Australian listed shares, available for sale

	108,151	122,454
	108,151	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

- Government and fixed interest securities

	24,270	25,181
	24,270	25,181

Note 8 Property, Plant and Equipment

	2011	2010
	\$	\$
LAND AND BUILDINGS		
Buildings at fair value:		
— Independent valuation 2011	2,390,000	1,033,260
— Less accumulated depreciation	(13,233)	(20,665)
Total land and buildings	2,376,768	1,012,595
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	122,828	31,981
Less accumulated depreciation	(33,646)	(8,898)
Total plant and equipment	89,182	23,083
Total property, plant and equipment	2,465,949	1,035,678

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

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 \$	Office equipment \$	Total \$
2011			
Balance at the beginning of the year	1,012,595	23,083	1,035,678
Additions at cost	-	25,496	25,496
Additions at fair value	1,130,000	65,351	1,195,351
Revaluation increment	247,405	-	247,405
Depreciation expense	(13,233)	(24,748)	(37,981)
Carrying amount at end of year	<u>2,376,768</u>	<u>89,182</u>	<u>2,465,949</u>

Asset revaluations

During the year, the buildings were valued by independent valuers. The valuations were based on the fair value less cost to sell. The critical assumptions adopted in determining the valuation included the location of the land and buildings, the current demand for land and buildings in the area and recent sales data for similar properties. The valuation resulted in a revaluation increment of \$247,405 being recognised in the revaluation surplus for the property located at 6/340 Gore Street Fitzroy, Vic. Two other properties were transferred to the company, during the year, as part of the windup and transfer of activities to the National body: 4/430 Rae Street Fitzroy North, Vic which was valued at \$550,000 and 8 Avenues of the Americas, Newington, NSW which was valued at \$580,000. Refer to note 19 equity transfers from liquidated affiliated entities.

Note 9 Trade and Other Payables

	2011 \$	2010 \$
CURRENT		
Trade payables	211,394	120,344
Deferred income	560,777	37,772
Other current payables	-	10,000
	<u>772,172</u>	<u>168,116</u>

Note 10 Borrowings

	2011 \$	2010 \$
NON CURRENT		
Borrowings	354,193	-
	<u>354,193</u>	<u>-</u>

Assets and liabilities were transferred from Australian Association of Occupational Therapists NSW, to Occupational Therapy Australia Ltd as part of the windup activities to establish the National body. The borrowings related to a commercial loan that is a facility capped at \$350,000 on interest only terms. The facility is for a 5 year term at a variable interest rate of 8.40% p.a. Security is provided for borrowings against the property of the company.

Note 11 Provisions

	2011 \$	2010 \$
CURRENT		
Short-term Employee Benefits		
Opening balance at 1 January 2011	82,654	-
Additional provisions raised during year	42,057	82,654
Balance at 31 December 2011	<u>124,711</u>	<u>82,654</u>
NON-CURRENT		
Long-term Employee Benefits		
Opening balance at 1 January 2011	-	-
Additional provisions raised during year	23,175	-
Balance at 31 December 2011	<u>23,175</u>	<u>-</u>

Provision for Long-term Employee Benefits

A provision has been recognised for employee entitlements relating to long service leave. The measurement and recognition criteria relating to employee benefits has been included in Note 1 of financial statements.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

Note 12 Contingent Liabilities and Contingent Assets

There are no contingent assets or contingent liabilities of a material nature.

Note 13 Events After the Reporting Period

No other matters or circumstances have arisen since the end of the financial year that have significantly affected or may significantly affect the state of affairs of the company in subsequent financial years.

Note 14 Key Management Personnel Compensation

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 and Azzam Al-Ashi, Chief Finance Officer

Note 15 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 roles were reimbursed.

(b) Transactions with Director-related entities

Transactions between Director related entities 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 reporting date.

Note 16 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, and leases.

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	2011	2010
		\$	\$
Financial Assets			
Cash and cash equivalents	4	2,026,316	174,930
Loans and receivables	5	53,272	100,249
Held-to-maturity investments	7(b)	24,270	25,181
Available-for-sale financial assets	7(a)	108,151	122,454
Total Financial Assets		<u>2,212,009</u>	<u>422,813</u>
Financial Liabilities			
Financial liabilities at amortised cost			
— Trade and other payables	9	772,172	168,116
— Borrowings	10	708,386	-
Total Financial Liabilities		<u>1,480,558</u>	<u>168,116</u>

Note 17 Reserves

Revaluation Surplus

The revaluation surplus records the revaluations of non-current assets.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

Note 18 Cash Flow Information

(a) Reconciliation of cash	Note	2011 \$	2010 \$
Cash at bank		1,989,075	144,248
Asgard e-cash account		<u>37,241</u>	<u>30,682</u>
	4	<u>2,026,316</u>	<u>174,930</u>
(b) Reconciliation of cash flow from operations with net surplus/(deficit)			
Net Surplus / (Deficit)		228,593	(124,143)
Non-cash flows in operating results			
Depreciation		37,981	29,563
Impairment loss		-	1,091
Change in assets and liabilities			
(increase)/decrease in trade and other receivables		(5,387)	(36,966)
(increase)/decrease in other assets		7,123	(27,976)
increase/(decrease) in trade payables and accruals		604,056	61,730
increase/(decrease) in provisions		<u>65,232</u>	<u>82,655</u>
		<u>937,598</u>	<u>(14,046)</u>

Note 19 Equity transferred from liquidated affiliated entities

	2011 \$	2010 \$
Australian Association of Occupational Therapists	1,291,917	1,286,978
Australian Association of Occupational Therapists - ACT	42,784	42,784
Australian Association of Occupational Therapists - TAS	44,781	44,781
Australian Association of Occupational Therapists - NT	49,099	49,099
Australian Association of Occupational Therapists - VIC	824,885	-
Australian Association of Occupational Therapists - NSW	515,959	-
Australian Association of Occupational Therapists - SA	165,000	-
Australian Association of Occupational Therapists - QLD	<u>202,082</u>	-
	<u>3,136,507</u>	<u>1,423,642</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 the 2010 and 2011 calendar year respectively as part of the conditions of the wind up of these entities. Asset transfers to the value of \$1,712,865 (2010: \$1,423,642) were transferred from entities that were woundup.

Note 20 Research Funds

	2011 \$	2010 \$
Research Funds invested in short term fixed term deposits	124,252	-
Research Funds invested in Asgard balanced funds	<u>85,785</u>	<u>90,161</u>
	<u>210,037</u>	<u>90,161</u>

The investments listed above have been set aside for research purposes.

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 6 to 19, 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 2011 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

Nicole O'Reilly

Dated this

day of

2012

