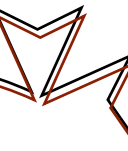


Royal District Nursing Service Foundation of SA Inc.

Annual Report  
2009/10

09  
10



**Royal District Nursing Service Foundation of SA Inc.**  
**Annual Report 2009/10**



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Wayville, SA, 5034  
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[www.rdns.org.au](http://www.rdns.org.au)

ABN 39 742 730 429

# Royal District Nursing Service Foundation of SA Inc.

## The Board



Anne Skipper  
Chair



Terri Gibson



Geoff Doyle



Stephen Connor



Kathy Gramp



Robert Knowles

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## Message from the Chair



Anne Skipper AM  
CHAIR RDNS SA

Over the past year our blueprint for the future, Strategy 2015, has continued to guide us to develop and deliver innovative solutions to meet the growing needs of the community health sector.

The strategy the Board and Leadership group worked to develop is becoming a reality, through prioritising of key projects across the organisation to better prepare it as flexible and responsive, able to offer a suite of services beyond nursing, giving people access to the health services they want.

The growth in our Education Centre business over the past year has been unprecedented, with students turning to the trusted brand of RDNS to deliver the flexible education and training they need. In doing so we are not only growing the profit-making area of our business, we will be able deliver back into the community as a not-for-profit social enterprise.

We have also met the challenges of changing the RDNS brand to better reflect the organisation of today, and to allow for the growth of our business interstate.

During the past year we have established an allied health and home nursing business in South East Queensland, to trade under the name YourLife. As well as growing the health side of our work, in the future we plan to offer education and training in Queensland under the YourLife brand.

In South Australia we have reconfirmed our commitment to the iconic brand of RDNS and have been working to redefine and refresh our look to a modern, fresh, bolder brand which better reflects our current organisation. This change will involve the creation of one new RDNS brand for all work regardless of whether its publicly or privately funded and the dissolution of the Focus Healthcare brand.

I would like to thank and acknowledge the work of the RDNS Board, and to say how delighted we were to welcome Rob Knowles with his considerable expertise from the health sector to the Board in August 2009.

We continue to partner with State and Federal Government Departments, private and public hospitals and health funds. We are appreciative of the ongoing support and excellent working relationships we have with our partners.

One special group I would like to acknowledge are our donors. Many South Australians give generously to the RDNS Foundation year in and year out, because they believe in the work of delivering health services into the community.

In closing I would like to acknowledge and thank the hard work and commitment of our staff and our CEO, Dale Cleaver.

I look forward to the continued delivery of Strategy 2015 and the exciting growth opportunities for the organisation which lie ahead.

## Message from the CEO



Dale Cleaver  
CHIEF EXECUTIVE OFFICER

As CEO of such an iconic South Australian organisation I felt privileged to lead the RDNS as we took another step towards realising Strategy 2015.

As we change and move our service delivery model and focus ourselves on our Strategy 2015 Ambition, our direct care and administrative support staff continue to demonstrate their adaptability and confidence in enhancing even further the delivery of high quality and flexible care where and when its needed.

With the service changes and improvements there have also been considerable achievements. Examples of this include further enhancement of our clinical governance, the further development of our Virtual Hospital and the adoption by our direct care staff to using mobile technology more broadly to assist in the delivery of health care. This technology allows our people to have access to up-to-date health information specific to the client and allows for a more flexible, responsive and efficient service.

A great achievement during the year was the launch of our YourLife business into Queensland. We have the history, the trust and the knowledge to apply community health care beyond South Australia. Extending our delivery beyond our traditional boundaries was another milestone and demonstration of the maturity, strength and capability of the organisation. The coming year will be a focus on consolidation and growth of the Queensland presence in both health care as well as our education and learning activities.

With the announcement by the Federal Government Health and Hospitals Reform program this year, the RDNS has become very active in talking with governments about community health care and the valuable role that community based organisations can play in preventing unnecessary hospital attendance including in Emergency Departments. Programs such as the RDNS SA Integrated Care for Older Persons Program – achieving a 51 percent reduction in unplanned hospital presentations is just one example of the difference and the solutions that organisations like RDNS can offer.

It is these types of practical outcomes making a difference in people's lives that RDNS aims to further explore and expand.

The Virtual Hospital is another success story, providing a telehealth solution which is suitable for a range of clients, including those needing multiple daily checkups. This is being achieved through innovative health technology, enabling the client access to our direct care staff as they are needed.

Our commitment to the health disadvantaged remains at the heart of our reason for being and to this end we continue to deliver care to health disadvantaged South Australians through our homeless clinics in Byron Place and Hutt Street, among others, through our Breathing Space program which provides food and household assistance to those in extreme hardship as well as funding of medical products for hundreds of clients every day. Over the year the growth in our education and learning business has been an amazing success story, by way of example today we train and support over 350 Students in the Diploma of Nursing. Just as importantly more than 90 percent of RDNS students complete their chosen course. We are setting strategies and plans in place to further grow that side of our business with the new look refreshed RDNS brand in South Australia and as YourLife interstate. I pay tribute to our education and learning team and leader for their passion, energy and commitment to growing this part of our work.

Once again, on behalf of the RDNS I want to thank our government partners including SA Health and the SA Department of Families and Communities, along with the Australian Government Departments of Health and Ageing and Veterans Affairs. To our corporate supporters including Jarvis Toyota, Chemplus, Drake Foodlands, Optus, and CPS Credit Union who have continued to support us in many and varied ways – thank you. Our partnerships with you are highly valued and we look forward to continuing to work with you.

In closing I would like to recognise the significant efforts and commitment of our staff, they are truly amazing and committed health care professionals who on any one day face new and varying challenges. On a very personal note my sincere thanks to our leaders and managers for their drive, energy and passion for creating an even better organisation of the future and to our talented and committed Board for their support, advice and wisdom.

# Royal District Nursing Service Foundation of SA Inc.

## Annual Report 2009/10

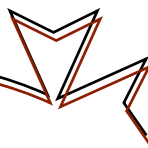
### Financial Statements

#### STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2010



	Note	2010 \$	2009 \$
Revenues from Ordinary Activities	3.1	8,172,740	6,884,575
Finance Income		38,988	7,260
Employee Entitlements		(2,281,376)	(2,200,140)
Other Expenses from Ordinary Activities	3.2	(5,200,457)	(3,737,528)
Finance Costs	3.3	(327,245)	(388,741)
<b>Operating Surplus from Ordinary Activities</b>		<b><u>402,650</u></b>	<b><u>565,426</u></b>
Other Comprehensive Income		-	-
<b>Total Comprehensive Income</b>		<b><u><u>402,650</u></u></b>	<b><u><u>565,426</u></u></b>

The above Statement of Comprehensive Income should be read in conjunction with the attached Notes

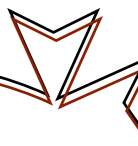


	Note	2010 \$	2009 \$
<b>CURRENT ASSETS</b>			
Cash Assets	4	596,213	166,859
Trade and Other Receivables	5	173,163	1,130,242
Inventories	6	72,536	79,524
Prepayments	7	146,081	345,422
Total Current Assets		<u>987,993</u>	<u>1,722,047</u>
<b>NON CURRENT ASSETS</b>			
Plant, Equipment and Motor Vehicles	9	3,647,101	3,805,243
Investment Properties	10	11,710,000	11,336,937
Total Non Current Assets		<u>15,357,101</u>	<u>15,142,180</u>
TOTAL ASSETS		<u>16,345,094</u>	<u>16,864,227</u>
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	11	734,925	232,235
Revenue Received in Advance	12	114,715	424,383
Employee Entitlements	13	177,317	170,698
Interest Bearing Liabilities	14	-	1,300,000
Total Current Liabilities		<u>1,026,957</u>	<u>2,127,316</u>
<b>NON CURRENT LIABILITIES</b>			
Employee Entitlements	13	180,860	162,336
Interest Bearing Liabilities	14	2,000,000	2,000,000
Interest Bearing Loan to Related Parties	20	3,565,408	3,405,356
Total Non Current Liabilities		<u>5,746,268</u>	<u>5,567,692</u>
TOTAL LIABILITIES		<u>6,773,225</u>	<u>7,695,008</u>
<b>NET ASSETS</b>		<u><b>9,571,869</b></u>	<u><b>9,169,219</b></u>
<b>EQUITY</b>			
Retained Funds		9,571,869	9,169,219
<b>Total Equity</b>		<u><b>9,571,869</b></u>	<u><b>9,169,219</b></u>

	2010 \$	2009 \$
<b>Balance as at 1 July</b>	9,169,219	8,603,793
Operating Surplus from Ordinary Activities	402,650	565,426
<b>Balance as at 30 June</b>	<u>9,571,869</u>	<u>9,169,219</u>

The above Statement of Financial Position should be read in conjunction with the attached Notes

The above Statement of Changes in Equity should be read in conjunction with the attached Notes



	Note	2010 \$	2009 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Revenue		7,170,151	5,271,581
Interest Received		38,988	7,260
GST Received		384,909	453,001
Payments to Employees		(2,172,152)	(2,214,957)
Payments to Suppliers		(1,554,254)	(3,392,248)
Interest on Loans		(327,245)	(245,220)
Transfers to the Service		(1,069,347)	(38,595)
Contribution to Breathing Space Program		(46,060)	(52,118)
GST Paid		(384,909)	(453,001)
NET CASH PROVIDED BY / (USED IN) OPERATING ACTIVITIES	25	<u>2,040,081</u>	<u>(664,297)</u>
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>			
Net Increase/(Decrease) in Branch Funds		-	(7,220)
Payments for Plant and Equipment	8	(1,915,256)	(2,441,788)
Proceeds from the Sale of Plant and Equipment	8	1,604,529	1,920,556
Proceeds from the Sale of Land and Buildings		-	946,962
NET CASH PROVIDED BY / (USED IN) INVESTING ACTIVITIES		<u>(310,727)</u>	<u>418,510</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Net Proceeds from/(Repayment of) Borrowings		(1,300,000)	(800,000)
NET CASH PROVIDED USED IN FINANCING ACTIVITIES		<u>(1,300,000)</u>	<u>(800,000)</u>
<b>NET INCREASE / (DECREASE) IN CASH HELD</b>		<b>429,354</b>	<b>(1,045,787)</b>
Cash at the Beginning of the Financial Year		166,859	1,212,646
<b>CASH AT THE END OF THE FINANCIAL YEAR</b>	4	<u><b>596,213</b></u>	<u><b>166,859</b></u>

The above Statement of Cash Flows should be read in conjunction with the attached Notes

## 1. Objectives

The Royal District Nursing Service Foundation of SA Inc. (the Foundation) operates as a fund raising body exclusively to support the Royal District Nursing Service of SA Inc. (the Service).

The Foundation has the following objectives:

- To foster and encourage education, training, staff development and research;
- To contribute to the provision of premises, other facilities and motor vehicles;
- To promote the interests of the Foundation and the Service;
- To conduct appeals for funds and;
- To accept donations whether real or personal property, devices and bequests, which are tax deductible.

## 2. Statement of Significant Accounting Policies

The financial report of the Royal District Nursing Service Foundation of SA Inc. for the year ended 30 June 2010 was authorised for issue by a resolution of the Board of Directors on 28 September 2010.

This financial report is a general purpose report which has been drawn up in accordance with Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board, and the requirements of the Associations Incorporation Act 1985 of South Australia.

The financial report covers the Royal District Nursing Service Foundation of SA Inc. as an individual entity. The Royal District Nursing Service Foundation of SA Inc. is an association incorporated in South Australia under the Associations Incorporation Act 1985.

The financial report, which has been prepared on an accruals basis, is based on historical cost and except for investment properties carried at fair value, does not take into account current valuations of non-current assets.

These financial statements are presented in Australian dollars, which is the Foundation's functional currency.

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis, with revisions recognised in the period it was revised.

### Statement of Compliance

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). A statement of compliance with International Financial Reporting Standards cannot be made due to the Royal District Nursing Service Foundation of SA Inc. applying the not for profit sector specific requirements contained in AIFRS.

The following is a summary of the material accounting policies adopted in the preparation of the financial report. The accounting policies have been consistently applied, except where otherwise stated.

### 2.1 Non Current Assets

All items of plant, equipment and motor vehicles are brought to account at cost as separate assets where the cost exceeds \$1,000 per item. All items with the exception of buildings classified as investment properties, are depreciated over their estimated useful lives, using the straight line method, at the following annual rates of depreciation.

	2010	2009
General Equipment	25%	25%
Office Equipment	25%	25%
Computing Equipment	25%	25%
Motor Vehicles	9%	9%

The carrying amount of plant and equipment is reviewed annually to ensure it is not in excess of the recoverable amount of those assets.

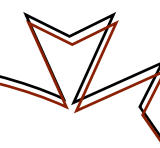
- 2.2 Employee Benefits  
Liabilities arising in respect of employee entitlements for wages, salaries and annual leave that are expected to be settled within 12 months represent present obligations measured at undiscounted amounts based on wages and salaries they are expected to be settled. Related superannuation on-costs are included.  
Liabilities for long service are measured by accruing long service leave entitlements for employees with five or more years of service, as an approximation of the present value of the estimated future cash flows in respect of services provided to balance date. Related superannuation on-costs are included.  
Sick leave entitlements have not been recognised in the financial statements because it is estimated that sick leave entitlements taken were accrued during the year.
- 2.3 Exemption from Income Tax  
The Foundation is not liable for payment of income tax.
- 2.4 Trade and Other Receivables  
Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost less, where applicable, provision for impairment (refer Note 15.3).
- 2.5 Inventories  
Inventories held for sale is comprised of publications which is carried at the lower of cost and net realisable value.  
Medical supplies for distribution to Service clients free of charge are held as inventory held for distribution at the lower of cost and net replacement cost.  
At the date of distribution, the expense related to the inventory is taken to the Statement of Comprehensive Income.
- 2.6 Trade and Other Payables  
Payables are initially recognised at fair value and subsequently measured at amortised cost. They are normally settled within 30 days.
- 2.7 Cash  
For the purposes of the Statement of Cash Flows, cash includes cash on hand and cash at banks.
- 2.8 Revenue  
Revenue from the sale of goods is recognised when received. Revenue from the provision of services is recognised in proportion to the stage of completion of the transaction at balance date having regard to the work performed. Other revenue is recognised when it is received.  
Government Grants revenue is recognised when control of the contribution or right to receive the contribution is obtained.  
The net gain or loss on non-current asset sales is included as revenue at the date control passes to the buyer. The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal.  
Finance Income comprises interest income on funds invested and is recognised in profit and loss as it accrues.
- 2.9 Interest Bearing Liabilities  
Borrowings are initially recognised at fair value plus attributable transaction costs, and are subsequently measured at amortised cost. Interest expense is accrued at the contracted rate.
- 2.10 Borrowings  
Borrowing costs are recognised as an expense when incurred except to the extent that they are directly attributable to the acquisition of a qualifying asset in which case the borrowing costs are capitalised as part of the asset.

- 2.11 Investment Properties  
Investment properties are initially measured at cost being the fair value of consideration paid, and subsequent to initial recognition, are restated at fair value. Gains or losses resulting from the revaluation of investment properties are included in the Statement of Comprehensive Income in the year in which they occur.
- 2.12 Recoverable Amount of Assets  
At each reporting date, the Foundation assesses whether there is any indication that an asset may be impaired. Where an indicator of an impairment exists, the Foundation calculates the recoverable amount of the asset. When the carrying amount of an asset is greater than its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.  
Recoverable amount is the greater of fair value less costs to sell and value in use.
- 2.13 Goods and Services Tax (GST)  
Revenue, expenses, assets and liabilities 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 the expense.  
Receivables and Payables are stated with the amount of GST included.  
Cash flows are included in the Statement of Cash Flows on a gross basis.
- 2.14 Going Concern  
The Foundation has generated an operating surplus of \$402,650 (2009: \$565,426 surplus) although it has a net deficiency of current assets over current liabilities of \$38,964 (2009: \$405,269). The accounts have been prepared on a going concern basis which contemplates continuity of business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. If assets and liabilities are not realised and extinguished in the ordinary course of business they may realise and settle for amounts that may be different to those stated at balance date.  
The directors consider that there are reasonable grounds to believe the Foundation will be able to pay its debts as and when they fall due as forecast operating cash reserves should be sufficient to fund operations.



<b>3. Operating Revenues &amp; Expenses</b>		<b>Note</b>	<b>2010</b>	<b>2009</b>
			\$	\$
3.1	Revenue from Ordinary Activities			
	Fees & Grants		1,901,647	954,448
	Fundraising Activities		1,019,291	741,269
	Gain on Disposal of Assets		-	12,237
	RDNS of SA Inc. Contracted Services Income		4,272,143	4,323,142
	Other Income		606,596	853,479
			<u>7,799,677</u>	<u>6,884,575</u>
	Net Gain on Revaluation of Investment Properties	10	373,063	-
	Total Operating Revenue		<u>8,172,740</u>	<u>6,884,575</u>
3.2	Other Expenses from Ordinary Activities			
	Accommodation		1,063,600	858,590
	Audit Fees	17	12,000	13,470
	Communication and Technology		56,508	48,295
	Contracted Services		561,414	518,422
	Donation to the Service		1,555,000	38,595
	Depreciation/Amortisation	8	390,355	408,555
	Loss on Disposal of Assets		78,514	124,522
	Motor Vehicles/Travel		815,992	977,747
	Supplies		222,384	184,001
	Staff Expenses		22,789	24,192
	Other Support Costs		421,901	541,139
			<u>5,200,457</u>	<u>3,737,528</u>
3.3	Finance Costs			
	Bank Interest		167,193	245,220
	The Service	20	160,052	143,521
			<u>327,245</u>	<u>388,741</u>
<b>4. Cash Assets</b>				
	Petty Cash		200	1,110
	Cash at Bank - Foundation Operating Accounts		596,013	165,749
			<u>596,213</u>	<u>166,859</u>
<b>5. Trade and Other Receivables</b>				
	Trade Receivables	15.3	90,046	82,486
	Less: Provision for Impairment		-	(853)
			<u>90,046</u>	<u>81,633</u>
	Other Debtors		83,117	986,801
			<u>173,163</u>	<u>1,068,434</u>
	Receivables from RDNS of SA Inc.		-	61,808
			<u>173,163</u>	<u>1,130,242</u>

<b>6. Inventories</b>		<b>Note</b>	<b>2010</b>	<b>2009</b>
			\$	\$
	Inventory Held for Sale		12,846	20,145
	Inventory Held for Distribution		59,690	59,379
			<u>72,536</u>	<u>79,524</u>
<b>7. Prepayments</b>				
	Conference Expenditure		-	206,382
	Motor Vehicle Registration		85,340	79,617
	Other		60,741	59,423
			<u>146,081</u>	<u>345,422</u>
<b>8. Movements in Non Current Assets</b>				
	Movement in the carrying amount of each class of non current asset between the beginning and end of the financial year was as follows:			
	<b>Plant &amp; Equipment</b>			
	Balance at the beginning of the year		76,074	112,034
	Additions		7,646	132,838
	Disposals		-	(124,139)
	Depreciation expense		(29,842)	(44,659)
	Carrying amount at the end of the year		<u>53,878</u>	<u>76,074</u>
	<b>Motor Vehicles</b>			
	Balance at the beginning of the year		3,729,169	3,692,818
	Additions		1,907,610	2,308,950
	Disposals		(1,683,043)	(1,908,703)
	Depreciation expense		(360,513)	(363,896)
	Carrying amount at the end of the year		<u>3,593,223</u>	<u>3,729,169</u>
<b>9. Land &amp; Buildings, Plant &amp; Equipment and Motor Vehicles</b>				
	Plant and Equipment - at cost		243,986	236,340
	Less: Accumulated depreciation		(190,108)	(160,266)
			<u>53,878</u>	<u>76,074</u>
	Motor Vehicles - at cost	20	3,971,744	4,059,167
	Less: Accumulated Depreciation		(378,521)	(329,998)
			<u>3,593,223</u>	<u>3,729,169</u>
	Total Plant, Equipment and Motor Vehicles		<u>3,647,101</u>	<u>3,805,243</u>



**10. Investment Properties**

	Note	2010 \$	2009 \$
Land:	2.1		
At Valuation (30/6/10)		6,150,000	-
At Valuation (30/6/07)		-	4,500,000
		<u>6,150,000</u>	<u>4,500,000</u>
Buildings:	2.1		
At Valuation (30/6/10)		5,560,000	-
At Valuation (30/6/07)		-	6,740,000
At Cost		-	96,937
		<u>5,560,000</u>	<u>6,836,937</u>
Total Investment Properties		<u>11,710,000</u>	<u>11,336,937</u>

**Land**

Balance at the beginning of the year	4,500,000	4,950,000
Disposals	-	(450,000)
Revaluation increment	1,650,000	-
Carrying amount at the end of the year	<u>6,150,000</u>	<u>4,500,000</u>

**Buildings**

Balance at the beginning of the year	6,836,937	7,333,898
Disposals	-	(496,961)
Revaluation decrement	(1,276,937)	-
Carrying amount at the end of the year	<u>5,560,000</u>	<u>6,836,937</u>

The land and buildings located at Glenside, Beverley and Wayville were independently valued at the market value for the existing use basis, by Knight Frank Valuations SA in April 2010. These valuations were adopted, as at 30 June 2010, by the Board of Directors and it is believed that there has been no reduction in the market value of the land and buildings since that time.

**11. Trade and Other Payables**

Payable to RDNS of SA Inc.	485,653	-
Trade Creditors and Accruals	249,272	214,259
	<u>734,925</u>	<u>214,259</u>

**12. Revenue Received in Advance**

Conference Income	-	121,297
Grants	-	96,690
Research Project Income	85,017	163,533
Specialist Project Income	6,151	12,476
Other	23,547	30,387
	<u>114,715</u>	<u>424,383</u>

**13. Employee Entitlements**

	2010 \$	2009 \$
Current	21,000	6,000
Long Service Leave	156,317	164,698
Annual Leave	<u>177,317</u>	<u>170,698</u>
Non Current	<u>180,860</u>	<u>162,336</u>
Long Service Leave		
Number of Full Time Equivalent Employees at Year End	<u>25</u>	<u>29</u>

**14. Loans from Commonwealth Bank of Australia**

In November 2005, the Foundation Board approved the signing of a contract with the Commonwealth Bank of Australia (CBA) for a loan facility of \$5,300,000 to finance the purchase and refurbishment of the property at 44 Greenhill Road, Wayville. The loan is secured by a first mortgage over the properties at 44 Greenhill Road, Wayville and 31 Flemington Street, Glenside.

The loan facility, which expires in December 2011, has been structured as follows:

	\$
- Fixed portion at 5.99% per annum expiring in January 2011	2,000,000
- Capped portion at prevailing bill rate, but no more than 6.65% per annum	1,300,000
- Balance of loan at prevailing bill rate	2,000,000
	<u>5,300,000</u>

The loan can be reduced at any time without penalty, with the exception of the fixed proportion of \$2,000,000 which the CBA has guaranteed at a fixed rate of 5.99% per annum to January 2011. After this time, a variable interest rate is applied until the expiry of the loan facility in December 2011, or the repayment of the loan, whichever occurs first. A facility fee equal to 1% of the total value of the loan facility is also payable.

As at 30 June 2010, \$2,000,000 of the loan facility, had been advanced by the CBA to the Foundation.

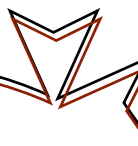
**15. Financial Instruments**

The Foundation's principal financial instruments comprise trade and other receivables, trade and other payables, cash, and interest bearing liabilities. The main risks arising from the Foundation's financial instruments are interest rate risk (market risk), liquidity risk and credit risk. Senior management, in conjunction with the Board, reviews and agrees policies for managing each of these risks.

**15.1 Interest Rate Risk**

The Foundation does not engage in any significant transactions which are speculative in nature and exposure to interest rate risks on financial assets and liabilities is limited to a loan facility with the Commonwealth Bank of Australia for the purchase of the property at 44 Greenhill Road, Wayville. The associated levels of debt are disclosed in Note 14.

At balance date, the Foundation had the following mix of financial assets and liabilities exposed to variable interest rate risk:



	2010 \$	2009 \$
Financial Assets		
Cash Assets	<u>596,213</u>	<u>166,859</u>
Financial Liabilities		
Interest Bearing Liabilities	<u>-</u>	<u>1,300,000</u>

The impact of a 1% change in interest rates would increase/(decrease) equity and operating surplus/(deficit) of the Foundation by \$5,962 (2009: \$11,331).

15.2

Liquidity Risk

The Foundation's objective is to maintain a balance between continuity of business funding and flexibility through the use of credit facilities and borrowings.

The Foundation minimises liquidity risk by ensuring that it has sufficient cash and equivalents as well as access to the use of credit facilities including trade creditors and loan facilities. The Foundation manages cash on a daily basis by monitoring anticipated inflows and outflows and has in place a rigorous debt recovery process.

**Maturity Analysis of Financial Assets and Liabilities:**

	Total	Contractual Cashflows	0-30 Days	31-90 Days	+91 Days	1-5 Years
<b>2010</b>						
<b>Financial Assets</b>						
Cash and cash equivalents	596,213	596,213	596,213	-	-	-
Trade and other receivables	173,163	173,163	173,163	-	-	-
	<u>769,376</u>	<u>769,376</u>	<u>769,376</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Financial Liabilities</b>						
Trade and other payables	734,925	734,925	734,925	-	-	-
Interest bearing loans	2,000,000	2,171,789	14,215	25,037	87,649	2,044,888
	<u>2,734,925</u>	<u>2,906,714</u>	<u>749,140</u>	<u>25,037</u>	<u>87,649</u>	<u>2,044,888</u>
<b>Net Maturity</b>	<u>(1,965,549)</u>	<u>(2,137,338)</u>	<u>20,236</u>	<u>(25,037)</u>	<u>(87,649)</u>	<u>(2,044,888)</u>
<b>2009</b>						
<b>Financial Assets</b>						
Cash and cash equivalents	166,859	166,859	166,859	-	-	-
Trade and other receivables	1,130,242	1,130,242	1,129,389	-	-	853
	<u>1,297,101</u>	<u>1,297,101</u>	<u>1,296,248</u>	<u>-</u>	<u>-</u>	<u>853</u>
<b>Financial Liabilities</b>						
Trade and other payables	232,235	232,235	232,235	-	-	-
Interest bearing loans	3,300,000	3,638,982	9,092	14,540	143,561	3,471,789
	<u>3,532,235</u>	<u>3,871,217</u>	<u>241,327</u>	<u>14,540</u>	<u>143,561</u>	<u>3,471,789</u>
<b>Net Maturity</b>	<u>(2,235,134)</u>	<u>(2,574,116)</u>	<u>1,054,921</u>	<u>(14,540)</u>	<u>(143,561)</u>	<u>(3,470,936)</u>

15.3

Credit Risk

The maximum exposure to credit risk, is the carrying amount, of cash assets and trade and other receivables, as disclosed in the Statement of Financial Position and notes to the financial statements.

The Foundation does not have any material credit risk exposure to any single debtor or group of debtors. Trade and other receivable balances are monitored on an ongoing basis thus ensuring that the Foundation's exposure to bad debts is minimised.

At balance date the aging analysis of trade receivables is as follows:

	Total	0-30 Days	31-60 Days	61-90 Days	+91 Days	+91 Days
			Past Due Not Impaired	Past Due Not Impaired	Past Due Not Impaired	Impaired
<b>2010</b>						
Trade receivables	90,046	90,046	-	-	-	-
Other receivables	83,117	83,117	-	-	-	-
Impairment	-	-	-	-	-	-
	<u>173,163</u>	<u>173,163</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>2009</b>						
Trade receivables	82,486	81,633	-	-	-	853
The Service	61,808	61,808	-	-	-	-
Other receivables	986,801	986,801	-	-	-	-
Impairment	(853)	-	-	-	-	(853)
	<u>1,130,242</u>	<u>1,130,242</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The provision for impairment is calculated by reviewing all individual outstanding debtor balances on a monthly basis. After all reasonable steps have been taken to determine the status of an outstanding debt, a determination is made as to whether the debt is doubtful. Receivables from the Service do not contain impaired assets and are not past due. These amounts will be received when due.

The movement in the allowance for impairment in respect of trade receivables during the year was as follows

	2010 \$	2009 \$
Balance at 1 July	853	-
Impairment (gain)/loss recognised	(853)	853
Balance at 30 June	<u>-</u>	<u>853</u>

**16. Related Party Disclosure**

16.1 Compensation received by key management personnel, being those persons having authority and responsibility for planning, directing and controlling the activities of the Foundation, including members of the Foundation Board and senior management was as follows:

	2010 \$	2009 \$
Short Term Benefits	476,697	422,274
Post Employment Benefits	40,670	32,814
Other Long Term Benefits	17,566	32,205
	<u>534,933</u>	<u>487,293</u>

16.2 The following were members of the Foundation Board during the reporting period:

Ms Anne Skipper, AM, Chair  
 Ms Alison Adair (until 22 September 2009)  
 Mr Stephen Connor  
 Mr Geoffrey J Doyle  
 Mr Dick Fidock, AO (until 22 September 2009)  
 Ms Terri Gibson  
 Ms Kathy Gramp  
 Mr Richard Hearn (until 22 September 2009)  
 Mr Robert Knowles (from 18 August 2009)

16.3 Certain members of the Foundation Board receive fees at a rate determined by the Board, in relation to their time and responsibilities. The remuneration for the years ended 30 June were as follows:

Number of Directors		Band
2010	2009	\$
3	4	0 - 10,000
5	7	10,001 - 20,000
1	-	20,001 - 30,000

While membership of the Boards of the Foundation and the Service as at 30 June 2010 is comprised of the same members, all Board remuneration is paid by the Service only.

No further remuneration is received by Board members as a result of their membership of the Foundation Board.

**17. Auditors Remuneration**

	2010	2009
	\$	\$
Audit Review of Financial Reports	12,000	10,600
Other Services	-	2,870
Total Remuneration	<u>12,000</u>	<u>13,470</u>

The 2009 financial audit was undertaken by PKF.

**18. Royal District Nursing Service of SA Inc.**

While membership of the Boards of both the Service and the Foundation as at 30 June 2010 is comprised of the same members, the Royal District Nursing Service of SA Inc. is a separate incorporated body and is not a member of the Foundation and as a result, the financial results and position of the Service are not consolidated in the accounts of the Foundation.

**19. Breathing Space Program**

During September 2004, the Foundation Board approved the establishment of the Breathing Space Program. The Program is designed to address significant and immediate needs of the Service's clients that do not have access to other charitable programs, by offering assistance that delivers the best possible outcome for a clients health and well being. The value of assistance provided for the years ended 30 June were as follows:

	2010	2009
	\$	\$
Direct Assistance	46,060	50,345
Other Related Expenses	-	1,773
	<u>46,060</u>	<u>52,118</u>

**20. Interest Bearing Loan to Related Parties**

The Service fleet of 179 vehicles was purchased on 1 July 2001 for the written down value of \$2,553,217. This created a debt to the Service which is indexed annually and is payable twelve months after demand for repayment has been served on the Foundation, or at other such time as may be agreed in writing between the Foundation and the Service. During the year this debt was increased by \$160,052 to \$3,565,408 using a compounded ABS Wage Cost Index of 4.7%. The \$160,052 increase in the value of the debt, is recognised as a Finance Cost in the Statement of Comprehensive Income.



**21. Commitments**

Future non-cancellable operating lease rentals not otherwise provided for in the financial statements and payable:

	2010	2009
	\$	\$
Not later than one year	220,636	248,731
Later than one year but not later than five years	240,833	525,545
Later than five years	-	-
	<u>461,469</u>	<u>774,276</u>

The commitments relate to property leases contracted for but not capitalised in the financial statements. Increase in lease commitments may occur in line with CPI.

**22. Economic Dependency**

The Foundation is dependent on the Royal District Nursing Service of SA Inc. as the principal lessee of the Foundation's building and motor vehicle assets.

**23. Segment Reporting**

The Association operates only within the business of fundraising to support the Royal District Nursing Service of SA Inc. and within the geographical segment of South Australia.

**24. Association Details**

The principal place of business of the Association is:

Royal District Nursing Service Foundation of SA Inc.

44 Greenhill Road

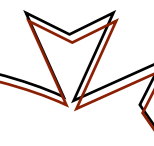
Wayville SA 5034

**25. Reconciliation of Net Cash Provided by Operating Activities to Operating Surplus/(Deficit)**

Operating Surplus	402,650	565,426
Depreciation/Amortisation	390,355	408,555
Loss on Disposal of Assets	78,514	112,285
Net Gain on Revaluation of Investment Properties	(373,063)	-
Change in Assets and Liabilities:		
Decrease/(Increase) in Receivables	1,208,760	(856,677)
Decrease/(Increase) in Inventories	6,988	194,601
Decrease/(Increase) in Other Current Assets	199,341	(173,904)
Increase/(Decrease) in Creditors and Accruals	662,742	161,497
Increase/(Decrease) in Revenue Received in Advance	(561,349)	(1,061,263)
Increase/(Decrease) in Employee Entitlements	25,143	(14,817)
Net Cash Provided By / (Used In) Operating Activities	<u>2,040,081</u>	<u>(664,297)</u>

**26. Subsequent Event**

Subsequent to 30 June 2010, the Board approved the placement of the investment properties located at Beverly and Glenside on the market for sale, and to make Wayville available for lease, in readiness to accommodate the transfer of the Foundation's business units and the Service's administrative functions into new premises.



In the opinion of the Board of Directors of the Royal District Nursing Service Foundation of SA Inc. (the Foundation)

- the financial statements set out in pages 8 to 23 are drawn up so as to present fairly the results of the Foundation for the financial year ended 30 June 2010 and the state of affairs of the Foundation at 30 June 2010.
- at the date of this statement, there are reasonable grounds to believe that the Foundation will be able to pay its debts as and when they fall due.

In accordance with the requirements of Sections 35(5)(a) and 35(5)(b) of the Associations Incorporation Act 1985 as amended, the Royal District Nursing Service Foundation of SA Inc. Board of Directors reports that for the financial year ended 30 June 2010 that a company in which Board Member Mr Stephen Connor has a substantial financial interest in, received a financial payment of \$1,680 relating to the provision of property consulting services.

All other officers, being a director of the Royal District Nursing Service Foundation of SA Inc. Board of Directors or officer of the Royal District Nursing Service Foundation of SA Inc., or firm of which an officer is a member and no body corporate in which the officer has a substantial interest has received, or become entitled to received, any payment or other benefit other than the following:

- remuneration as an employee of the Foundation.
- remuneration as a director of the Foundation as disclosed in the notes to the financial statements for the year ended 30 June 2010.

Dated at Adelaide this 28th day of September 2010

Signed in accordance with the resolution of the Royal District Nursing Service Foundation of SA Inc. Board of Directors.

**ANNE SKIPPER**  
DIRECTOR

**GEOFFREY J DOYLE**  
DIRECTOR

## INDEPENDENT AUDIT REPORT TO THE MEMBERS OF THE ROYAL DISTRICT NURSING SERVICE FOUNDATION OF SA INC.

### Scope

We have audited the accompanying financial report of Royal District Nursing Service Foundation of SA Inc. ("the Association"), which comprises the Statement of Financial Position as at 30 June 2010, and the Statement of Comprehensive Income, Statement of Changes in Equity, and Statement of Cash Flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the statement in accordance with a resolution of the Board of Directors.

### Director's responsibility for the financial report

The directors of the Association are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Associations Incorporation Act 1985*, as amended. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### Auditor's responsibility

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

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

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Associations Incorporation Act 1985*, as amended, Australian Accounting Standards (including the Australia Accounting Interpretations), a view which is consistent with our understanding of the Association's financial position, and of its performance.

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

### Auditor's Opinion

In our opinion, the financial report of the Royal District Nursing Service Foundation of SA Inc. is properly drawn up so as to present fairly in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Associations Incorporation Act 1985*, as amended, the financial position of the Association as at 30 June 2010 and of its financial performance and its cash flows for the year then ended.

KPMG

Darren Ball  
Partner  
Adelaide

28th September 2010



