



Royal District Nursing Service of SA Inc.

Annual Report
2008/09

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Annual Report 2008/09



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ABN 21 588 603 824

Royal District Nursing Service of SA Inc. Board

The Board



Anne Skipper
Chair



Alison Adair



Dick Fidock



Richard Hearn



Terri Gibson



Geoff Doyle



Stephen Connor



Kathy Gramp

Contents

	Page
Message from the Chair _____	6
Message from the CEO _____	8
Financial Statements _____	10
Statement of Comprehensive Income _____	11
Statement of Financial Position _____	12
Notes to the Financial Statements _____	13
Statement of Changes in Equity _____	22
Statement of Cash Flows _____	23
Statement by the Board of Directors _____	24
Independent Auditor's Report _____	25
Sponsors _____	26

Message from the Chair



A handwritten signature in blue ink that reads "A Skipper".

Anne Skipper AM
CHAIR RDNS SA

This past year has seen the adoption of Strategy 2015 which is RDNS SA's response to the rapidly changing health and care environment in Australia. This Vision and Strategy were the culmination of many months of work by the Board and senior management and will result in a more flexible, innovative and entrepreneurial organisation.

Our vision to create an organisation that is driven by the need to provide community health and care for all health disadvantaged is no longer just a vision, it is already happening. Across the organisation we see the wheels of change turning; whether at a Board, business or customer delivery level. The RDNS SA is focused on providing flexible and innovative health care solutions that ultimately give people the lifestyle choices they want.

Taking our traditional nursing service and growing our product and service offer is one of the most exciting developments to happen this year. The wealth of experience and knowledge within RDNS SA is outstanding and is a very saleable commodity that we will continue to develop and promote to those wishing to find their careers in nursing and care and to those that are fellow healthcare providers.

Firstly, I would like to acknowledge the tremendous work of the RDNS SA Board and to thank the retiring members; Tony Higginbottom, David Meldrum and Russell Gallman for their dedicated service. We were fortunate in having Stephen Connor and Kathy Gramp join the Board in October 2008.

Much of the RDNS SA forward thinking is shaped around better service provision in both our public and private service delivery. We are very appreciative of the continued support from our State Government partners and we look forward to an ongoing relationship with them.

Some of the major aspects of Strategy 2015 are our social enterprise, new culture and goals which will embrace corporate and social responsibility as well as generating the commercial gains necessary to fund the health and care needs of our most health disadvantaged.

During the year we have put in place a new organisational structure and team with the skills and attributes that will ensure we deliver on our new 2015 Strategy and Values.

In closing I would like to acknowledge the hard work and commitment of our staff and CEO, Dale Cleaver. I look forward to the continued progress with Strategy 2015 and the exciting opportunities that lie ahead both within South Australia and interstate.

Message from the CEO

It has been a privilege as the CEO to provide leadership to the RDNS SA over the last year.

The year has been a time of significant change, innovation, challenge and achievement. Strategy 2015 has set the path for an exciting health and care future that will mean new and innovative models of care, broader product and service offers and the beginning of a journey to become a national health and care provider.

Not only are we proudly maintaining our success in the delivery of high quality nursing services but in addition, we are now providing allied health, care worker and telehealth options. Every day we see the community's increasing need for more flexible service provision, more immediate communication and a broader service choice.

In the coming months, RDNS SA will grow both within South Australia and nationally by providing increased services to governments, commercial partners and direct to individual clients. The funds generated from an increased commercial product and service delivery will enable us to meet our social objectives as well as provide health and care for the health disadvantaged.

Our push into new "fee for service" markets has commenced with the provision of services into the Fleurieu Peninsula. This is soon to be followed with the organisation's entry into the Queensland market.

Yet another exciting and highly enjoyable development this year has been the establishment of a partnership with the Smith Family to provide trainee scholarships to young people who ordinarily may not have had such an opportunity.

Part of our vision for growth incorporates recognising the importance of evidence based results and to this end our Research and Strategy resource has become increasingly active in supporting the work we do. The RDNS SA Education and Training Centre has also been a focus of development. In recognising our professional expertise we have proudly built an extensive product and service offer that delivers the benefit of our experience to other healthcare providers as well as those wanting to start their career or further their specialist needs within the health and care industry.

To keep pace with the amount of change across the organisation we have extended our thinking around smart solutions to health and care mobility. All nurses are now equipped with palm pilots providing immediate communications assistance for both professional advice and clinical client reference.

A significant financial investment has been made during the year to develop and commence implementation of Strategy 2015. While it is clear that this investment will provide substantial benefits to the future development of RDNS SA, it has contributed to a deficit being reported during 2008/09.

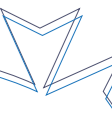
Once again, on behalf of RDNS SA, may I thank SA Health and the Department of Families and Communities as well as the Commonwealth Departments of Health and Ageing and Veteran Affairs for their continued support and partnership of our organisation. The vital role our sponsors play in assisting us achieve our objectives is also recognised and highly valued and we look forward to our continued partnerships into 2010.

In closing my report, I would like to extend my sincere thanks to our dedicated and committed staff and Board and to our new Leadership Team for their dedication and drive in developing our organisation for the future.



A handwritten signature in blue ink that reads "Dale Cleaver". The signature is fluid and cursive, written over a thin blue horizontal line.

Dale Cleaver
CHIEF EXECUTIVE OFFICER



Royal District Nursing Service of SA Inc.

Annual Report 2008/09

Financial Statements

	Note	2009 \$	2008 \$
Revenue from Ordinary Activities	3.1	39,434,435	36,511,118
Employee Entitlements	3.2	(28,482,802)	(25,893,672)
Other Expenses from Ordinary Activities	3.3	<u>(11,297,962)</u>	<u>(10,440,106)</u>
Operating Surplus/(Deficit) from Ordinary Activities		<u>(346,329)</u>	<u>177,340</u>

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

	Note	2009 \$	2008 \$
CURRENT ASSETS			
Cash Assets	4	1,367,830	1,760
Receivables	5	1,983,000	1,824,505
Prepayments	6	341,974	1,357,414
Total Current Assets		<u>3,692,804</u>	<u>3,183,679</u>
NON CURRENT ASSETS			
RDNS Foundation of SA Inc.	18	3,405,356	3,261,835
Plant and Equipment	8	197,803	302,812
Leasehold Improvements	8	133,225	237,784
Intangible Assets	9	80,000	80,000
Total Non Current Assets		<u>3,816,384</u>	<u>3,882,431</u>
TOTAL ASSETS		<u>7,509,188</u>	<u>7,066,110</u>
CURRENT LIABILITIES			
Bank Overdraft		-	60,509
Payables	10	1,991,074	1,609,223
Revenue Received in Advance	11	312,793	369,782
Employee Entitlements	12	2,389,636	2,310,521
Total Current Liabilities		<u>4,693,503</u>	<u>4,350,035</u>
NON CURRENT LIABILITIES			
Employee Entitlements	12	1,938,905	1,492,966
Total Non Current Liabilities		<u>1,938,905</u>	<u>1,492,966</u>
TOTAL LIABILITIES		<u>6,632,408</u>	<u>5,843,001</u>
NET ASSETS		<u>876,780</u>	<u>1,223,109</u>
EQUITY			
Retained Earnings		876,780	1,223,109
TOTAL EQUITY		<u>876,780</u>	<u>1,223,109</u>

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

1. Objectives

The Royal District Nursing Service of SA Inc. (the Service) operates predominantly in the health industry with the following objectives: To provide skilled nursing and health care to people in the community based on the principles of primary health care, to promote, restore, maintain and palliate health status, to provide multi-disciplinary health education and wellness strategies to the community, to work collaboratively with health care providers and other community organisations to support people to live in the community, to expand and develop the role and function of the Service as the Board may determine.

2. Statement of Significant Accounting Policies

The financial report of the Royal District Nursing Service of SA Inc. for the year ended 30 June 2009 was authorised for issue by a resolution of the Board of Directors on 22 September 2009.

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 of SA Inc. as an individual entity. The Royal District Nursing Service 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 where stated does not take into account current valuations of non-current assets.

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 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 Plant and Equipment

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

	2009	2008
General Equipment	10%	10%
Office Equipment	20%	20%
Computing Equipment	33%	33%
Medical Equipment	33%	33%

Leasehold improvements are amortised over the period of a lease or 5 years, whichever is the sooner.

2.2 Employee Benefits

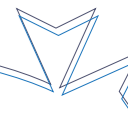
Liabilities arising in respect of employee entitlements which are measured at their nominal amounts are wages, salaries and annual leave, regardless of whether they are expected to be settled within twelve months of balance date. Related superannuation on-costs are included.

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 Royal District Nursing Service of SA Inc. is not liable for payment of income tax.



2.4 Receivables

Trade accounts receivable and other receivables represent the principal amounts due at balance date and less, where applicable, any unearned income and provision for doubtful debts. Amounts due from claims with the Department of Veterans' Affairs and private health insurers at balance date are estimates of likely recoveries.

2.5 Accounts Payable

Accounts payable represent the principal amounts outstanding at balance date. They are normally settled within 30 days.

2.6 Cash

For the purposes of the Statement of Cash Flows, cash includes cash on hand and cash at banks.

2.7 Revenue

Revenue from the provision of services is recognised upon the provision of services. Other revenue is recognised when it is received.

Government Grants are 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.

2.8 Goods and Services Tax (GST)

Revenue, expenses, assets and liabilities are recognised net of the amount of GST.

2.9 Recoverable Amount of Assets

At each reporting date, the Service assesses whether there is any indication that an asset may be impaired. Where an indicator of an impairment exists, the Service 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.

2.10 Early Adoption of Accounting Standard

The Service has early adopted AASB 101 Presentation of Financial Statements, which became applicable to annual reporting periods beginning on or after 1 January 2009. The revised AASB 101 and amendments supercede the previous AASB 101 and redefine the composition of financial statements including the inclusion of a Statement of Comprehensive Income. There has been no measurement or recognition impact on the Service.

2.11 Future Accounting Standards to be Adopted

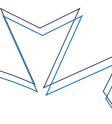
The Australian Accounting Standards Board has issued new, revised and amended Standards and Interpretations that have mandatory application dates for future reporting periods and which the Service has decided not to early adopt. A discussion of those future requirements and their impact on the Association is as follows:

- AASB 8: Operating Segments and AASB 2007-3: Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 and AASB 1038] (applicable for annual reporting periods commencing from 1 January 2009). This Standard replaces AASB 114 and requires identification of operating segments on the basis of internal reports that are regularly reviewed by the group's board for the purposes of decision making. Whilst the impact of this Standard cannot be assessed at this stage, there is the potential for more segments to be identified. Given the lower economic level at which segments may be defined, and the fact that cash generating units cannot be bigger than operating segments, impairment calculations may be affected. Management presently do not believe impairment will result however.

- AASB 2008-5: Amendments to Australian Accounting Standards arising from the Annual Improvements Project (July 2008) and AASB 2008-6: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (July 2008) detail numerous non-urgent but necessary changes to accounting standards arising from the International Accounting Standards Board's annual improvements project. No changes are expected to materially affect the Service.

3. Operating Revenues & Expenses

	Note	2009 \$	2008 \$
3.1			
Revenue from Ordinary Activities			
Fees and Charges		10,625,208	9,180,304
Interest	18	343,833	464,834
Donations		19,635	43,043
Total Other Revenue		10,988,676	9,688,181
Government Grants		28,445,759	26,822,937
		<u>39,434,435</u>	<u>36,511,118</u>
3.2			
Employee Entitlements			
Nursing Salaries		16,991,781	16,409,742
Careworker Salaries		1,903,329	1,093,586
Occupational Therapist Salaries		128,101	124,314
Physiotherapist Salaries		83,057	16,167
Administration and Clerical Salaries		5,806,848	4,989,145
Leave Provisions		3,569,686	3,260,718
		<u>28,482,802</u>	<u>25,893,672</u>
3.3			
Other Expenses from Ordinary Activities			
Accommodation		2,033,040	1,813,826
Advertising		155,630	151,569
Audit Fees	16	16,000	15,100
Computing		837,974	1,006,614
Contracted Services		1,827,456	1,146,562
Depreciation/Amortisation		198,985	198,329
Directors Fees		112,435	48,870
Equipment Purchases		85,572	101,591
Fringe Benefits Tax		-	32,809
Impairment Loss Computer Software		-	81,500
Insurance		263,100	186,400
Loss on Disposal of Assets		-	2,175
Motor Vehicles/Travel		1,774,626	1,701,506
Other Support Costs		220,833	183,467
Postage		78,458	77,248
Printing & Stationery		306,124	267,593
Security		19,998	29,374
Staff Education & Resources		829,342	941,802
Supplies		1,599,505	1,647,734
Telephone		551,052	403,939
Workers Compensation		387,832	402,098
		<u>11,297,962</u>	<u>10,440,106</u>



	2009	2008
	\$	\$
4. Cash Assets		
Petty Cash	1,760	1,760
Cash at Bank	1,366,070	-
	<u>1,367,830</u>	<u>1,760</u>
Cash at bank earns interest at floating rates based on daily bank deposit rates. All deposits are held in at call accounts.		
5. Receivables		
Current		
Trade Receivables	718,463	616,068
Less: Provision for doubtful debts	(47,764)	(42,809)
	<u>670,699</u>	<u>573,259</u>
Other Debtors	1,279,461	1,115,807
	<u>1,950,160</u>	<u>1,689,066</u>
GST Receivable	32,840	135,439
	<u>1,983,000</u>	<u>1,824,505</u>
6. Prepayments		
RDNS Foundation of SA Inc.	-	1,040,000
Other	341,974	317,414
	<u>341,974</u>	<u>1,357,414</u>
7. Movements in Plant & Equipment		
Movement in the carrying amount of each class of plant & equipment between the beginning and end of the financial year was as follows:		
Plant & Equipment		
Balance at the beginning of the year	237,762	255,664
Additions	4,325	49,253
Disposals	(18,519)	-
Depreciation expense	(64,602)	(67,155)
Carrying amount at the end of the year	<u>158,966</u>	<u>237,762</u>
Computer Equipment		
Balance at the beginning of the year	65,050	139,045
Additions	3,611	32,944
Disposals	-	(80,325)
Depreciation expense	(29,824)	(26,614)
Carrying amount at the end of the year	<u>38,837</u>	<u>65,050</u>
Leasehold Improvements		
Balance at the beginning of the year	237,784	342,344
Additions	-	-
Amortisation expense	(104,559)	(104,560)
Carrying amount at the end of the year	<u>133,225</u>	<u>237,784</u>

	2009	2008
	\$	\$
8. Plant & Equipment, Motor Vehicles & Leasehold Improvements		
Plant and Equipment - at cost	622,932	705,604
Less: Accumulated depreciation	(463,966)	(467,842)
	<u>158,966</u>	<u>237,762</u>
Computer Equipment - at cost	228,852	669,801
Less: Accumulated depreciation	(190,015)	(604,751)
	<u>38,837</u>	<u>65,050</u>
Total Plant and Equipment	<u>197,803</u>	<u>302,812</u>
Leasehold Improvements - at cost	761,642	761,642
Less: Accumulated amortisation	(628,417)	(523,858)
	<u>133,225</u>	<u>237,784</u>

9. Intangible Assets

Following a formal due diligence process, the Service in September 2005 purchased the business Occupational Therapy Home Services Pty Ltd. The goodwill acquired represents the payment made in anticipation of future economic benefits from assets that are not capable of being individually identified and separately recognised. Goodwill is valued in the accounts at the cost of acquisition of \$80,000. Goodwill is reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

10. Payables - Current

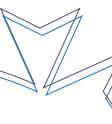
Trade Creditors and Accruals	1,888,187	1,487,896
RDNS Foundation of SA Inc.	61,806	9,982
GST Payable	41,081	111,345
	<u>1,991,074</u>	<u>1,609,223</u>

11. Revenue Received in Advance

Grant Funds	<u>312,793</u>	<u>369,782</u>
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12. Employee Entitlements

Current		
Long Service Leave	249,000	537,000
Annual Leave	2,140,636	1,773,521
	<u>2,389,636</u>	<u>2,310,521</u>
Non Current		
Long Service Leave	<u>1,938,905</u>	<u>1,492,968</u>
Number of Full Time Equivalent Employees at Year End	<u>351</u>	<u>367</u>



	2009	2008
	\$	\$
13. Commitments		
Future non-cancellable operating lease rentals not otherwise provided for in the financial statements and payable:		
Not later than one year	342,917	203,654
Later than one year but not later than five years	942,939	913,376
Later than five years	-	13,671
	<u>1,267,856</u>	<u>1,130,701</u>

The commitments relate to leases for computer and communications equipment contracted for but not capitalised in the financial statements.

14. Economic Dependency

The Service is economically dependent upon the South Australian and Commonwealth Governments for funding for its care services and related operations.

15. Financial Instruments

The Service principal instruments comprise receivables, payables, cash and short term deposits. The main risks arising from these financial instruments are interest rate 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 Service does not engage in any significant transactions which are speculative in nature and exposure to interest rate risk is not significant.

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

Financial Assets		
Cash Assets	1,367,830	1,760
Total Financial Assets	<u>1,367,830</u>	<u>1,760</u>
Financial Liabilities		
Bank Overdraft	<u>-</u>	<u>60,509</u>

15.2 Liquidity Risk

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

Maturity Analysis of Financial Assets and Liabilities:

	Total	0-30 Days	31-90 Days	+91 Days	1-5 Years
2009					
Financial Assets					
Cash and cash equivalents	1,367,830	1,367,830	-	-	-
Trade and other receivables	1,983,000	1,696,386	215,091	29,474	42,049
	<u>3,350,830</u>	<u>3,064,216</u>	<u>215,091</u>	<u>29,474</u>	<u>42,049</u>
Financial Liabilities					
Trade and other payables	1,991,074	1,991,074	-	-	-
	<u>1,991,074</u>	<u>1,991,074</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Maturity	<u>1,359,756</u>	<u>1,073,142</u>	<u>215,091</u>	<u>29,474</u>	<u>42,049</u>

2008

Financial Assets					
Cash and cash equivalents	1,760	1,760	-	-	-
Trade and other receivables	1,824,505	1,603,989	115,003	78,144	27,369
	<u>1,826,265</u>	<u>1,605,749</u>	<u>115,003</u>	<u>78,144</u>	<u>27,369</u>
Financial Liabilities					
Trade and other payables	1,609,223	1,609,223	-	-	-
Bank Overdraft	60,509	60,509	-	-	-
	<u>1,669,732</u>	<u>1,669,732</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Maturity	<u>156,533</u>	<u>(63,983)</u>	<u>115,003</u>	<u>78,144</u>	<u>27,369</u>

15.3 Credit Risk

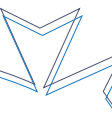
The maximum exposure to credit risk, is the carrying amount, net of any provisions for doubtful debts, as disclosed in the Statement of Comprehensive Income and notes to the financial statements.

The Service does not have any material credit risk exposure to any single debtor or group of debtors. Receivable balances are monitored on an ongoing basis thus ensuring that the Service 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 Impaired
			Past Due Not Impaired	Past Due Not Impaired	Past Due Not Impaired	
2009	718,463	431,849	177,370	37,721	23,759	47,764
2008	616,068	395,552	70,523	44,480	62,704	42,809

The provision for doubtful debts is calculated by reviewing all individual outstanding debtor balance 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.



The Service 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. The Service manages cash on a daily basis by monitoring anticipated inflows and outflows and has in place a rigorous debt recovery process.

	2009	2008
	\$	\$
16. Auditors Remuneration		
Audit of financial reports	<u>16,000</u>	<u>15,100</u>

17. Related Party Disclosure

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

	2009	2008
	\$	\$
Short Term Benefits	1,710,313	1,314,917
Post Employment Benefits	141,435	263,803
Other Long Term Benefits	152,830	153,498
Termination Benefits	205,198	-
	<u>2,209,776</u>	<u>1,732,218</u>

17.2 The following were members of the Service Board during the reporting period:

- Ms Anne Skipper, AM, Chair
- Mr Tony Higginbottom, OAM, Deputy Chair (until 7 October 2008)
- Ms Alison Adair
- Mr Stephen Connor (from 7 October 2008)
- Mr Geoffrey J Doyle
- Mr Dick Fidock, AO
- Mr Russell Gallman (until 7 October 2008)
- Ms Terri Gibson
- Ms Kathy Gramp (from 7 October 2008)
- Mr Richard Hearn
- Mr David Meldrum (until 7 October 2008)

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

Number of Directors		Band
2009	2008	\$
3	6	1 - 10,000
7	1	10,001 - 20,000

18. RDNS SA Foundation

While membership of the Boards of both the Service and the Foundation as at 30 June 2009 is comprised of the same members, the Royal District Nursing Service Foundation of SA Inc. is a separate incorporated body and as a result, the financial results and position of the Foundation are not consolidated in the accounts of the Service.

The office premises at Wayville, Glenside and Beverley occupied by the Service are owned by the Foundation for which the Service pays a monthly rental based on a commercial assessment of the premises.

The Service's fleet of 179 vehicles was sold to the Foundation on 1 July 2001 for the written down value of \$2,553,217. This created a debt to the Service which has been 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 \$143,521 to \$3,405,356 using a compounded ABS Wage Cost Index of 4.4%. The \$143,521 increase in the value of the debt, was recognised as interest revenue in the accounts of the Service.

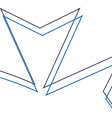
19. Segment Reporting

The Association is a charitable organisation operating within the business and geographical segment of South Australia.

20. Association Details

The principal place of business of the Association is:

Royal District Nursing Service of SA Inc.
 44 Greenhill Road
 Wayville SA 5034



	2009	2008
	\$	\$
Balance as at 1 July	1,223,109	1,045,769
Operating Surplus/(Deficit) from Ordinary Activities	(346,329)	177,340
Balance as at 30 June	<u><u>876,780</u></u>	<u><u>1,223,109</u></u>

CASH FLOWS FROM OPERATING ACTIVITIES

	Notes	2009	2008
		\$	\$
Government Grants		28,212,952	26,828,341
Other Revenue		10,559,567	8,936,137
Interest Received		200,312	301,540
GST Received		3,810,685	3,690,129
Payments to Employees		(27,957,749)	(25,766,231)
Payments to Suppliers		(9,631,423)	(10,408,170)
GST Paid		<u>(3,778,349)</u>	<u>(3,668,014)</u>

NET CASH PROVIDED BY / (USED IN) OPERATING ACTIVITIES 2 1,415,995 (86,268)

CASH FLOWS FROM INVESTING ACTIVITIES

Payments for Acquisition of Plant and Equipment	(16,514)	(43,517)
Proceeds from the Sale of Plant and Equipment	<u>27,098</u>	<u>39,471</u>

NET CASH PROVIDED BY / (USED IN) INVESTING ACTIVITIES 10,584 (4,046)

CASH FLOW FROM FINANCING ACTIVITIES

- -

NET DECREASE IN CASH HELD **1,426,579** **(90,314)**

Cash at the Beginning of the Financial Year (58,749) 31,565

CASH AT THE END OF THE FINANCIAL YEAR 1 **1,367,830** **(58,749)**

Notes:

1	Cash is represented by :-		
	Cash at Bank/(Overdraft)	1,366,070	(60,509)
	Petty Cash	<u>1,760</u>	<u>1,760</u>
		<u>1,367,830</u>	<u>(58,749)</u>
2	Reconciliation of Net Cash Provided by Operating Activities to Operating Surplus/(Deficit):		
	Operating Surplus/(Deficit)	(346,329)	177,340
	Depreciation/Amortisation	198,985	198,329
	Loss on Disposal of Assets	-	2,175
	Change in Assets and Liabilities:		
	Decrease/(Increase) in Receivables	(404,615)	(450,502)
	Decrease/(Increase) in GST Receivable	102,599	(22,257)
	Decrease/(Increase) in Other Current Assets	1,015,440	(604,295)
	Increase/(Decrease) in Creditors and Accruals	452,114	441,465
	Increase/(Decrease) in Revenue Received in Advance	(56,989)	5,405
	Increase/(Decrease) in Employee Entitlements	525,053	121,700
	Increase/(Decrease) in GST Payable	(70,263)	44,372
	Net Cash Provided By / (Used In) Operating Activities	<u>1,415,995</u>	<u>(86,268)</u>

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

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

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

- the financial statements set out in pages 10 to 23 are drawn up so as to present fairly the results of the Service for the financial year ended 30 June 2009 and the state of affairs of the Service at 30 June 2009.
- at the date of this statement, there are reasonable grounds to believe that the Service 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 of SA Inc. Board of Directors reports that for the financial year ended 30 June 2009 no officer, being a director of the Royal District Nursing Service of SA Inc. Board of Directors or officer of the Royal District Nursing Service of SA Inc., or firm of which an officer is a member and no body corporate in which the officer has a substantial financial interest has received, or become entitled to receive, any payment or other benefit other than the following:

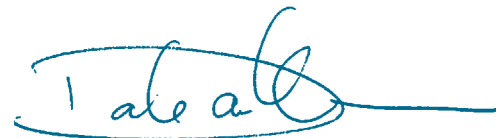
- remuneration as an employee of the Service.
- remuneration as a director of the Service, as disclosed in the notes to the financial statements for the year ended 30 June 2009.

Dated at Adelaide this 22nd day of September 2009.

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



ANNE SKIPPER
DIRECTOR



DALE CLEAVER
CHIEF EXECUTIVE OFFICER

TO THE MEMBERS OF THE ROYAL DISTRICT NURSING SERVICE OF SA INC.

Report on the Financial Report

We have audited the accompanying financial report, being a general purpose financial report, of the Royal District Nursing Service of SA Inc, which comprises the statement of financial position as at 30 June 2009, 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, other explanatory notes and the statement by the Board of Directors.

The Board of Directors' Responsibility for the Financial Report

The Board of Directors of the association are responsible for the preparation and fair presentation of the financial report and have determined the accounting policies described in Note 2, which form part of the financial report, are appropriate to meet the requirements of the Associations Incorporation Act 1985 and the organisations constitution and are appropriate to meet the needs of the members. The Board of Directors' responsibility includes establishing and maintaining internal controls 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. No opinion is expressed as to whether the accounting policies used, as described in Note 2, are appropriate to meet the needs of the members. We conducted our audit in accordance with Australian Auditing Standards.

These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. 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.

The financial report has been prepared for distribution to members for the purpose of fulfilling the Board of Directors financial reporting requirements under the Associations Incorporation Act 1985 and the organisation's constitution. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Australian Professional Ethical Pronouncements.

Auditor's Opinion

In our opinion, the financial report presents fairly, in accordance with the accounting policies described in Note 2 to the financial statements, the financial position of the Royal District Nursing Service of SA Inc as at the 30 June 2009 and its performance for the year then ended.



PKF
Chartered Accountants



I J Painter
Partner



Chartered Accountants
& Business Advisers

Signed at Adelaide this 22nd day of September 2009



