

25 August 2011

Professor Helen Keleher
President
Public Health Association of Australia Incorporated
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Dear Professor Keleher

Audit Clearance

We confirm audit clearance on the financial report of the Public Health Association of Australia Incorporated (the Association) for the year ended 30 June 2011 subject to the receipt of the signed management representation letter from yourself and Michael Moore.

In accordance with normal practice, the audit report will be issued after the Board have approved and signed their Statement and the finalisation of our subsequent events review at that time.

Independence

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

Audit Results

We will issue an unqualified audit opinion in respect of the financial report of the Association for the year ended 30 June 2011.

We confirm audit clearance in respect of the financial report balances. A number of adjustments were made after consultation with the Finance Manager. A listing of the adjusting journal entries proposed and accepted by management is attached. There were no uncorrected misstatements aggregated by us during the audit.

Our audit procedures are designed primarily to enable us to form an opinion on the financial report and therefore may not bring to light all weaknesses in systems and procedures, which may exist. We aim, however, to use our knowledge of the Association gained through our work to make comments and suggestions, which we hope will be useful to you.

We have not formally evaluated the efficiency and effectiveness of all internal control procedures; however our observations indicated that the financial procedures adopted by the Association were appropriate given its size and operations.

We have attached a copy of the audit clearance letter and draft audited financial report in respect of the audit of the Public Health Education and Research Trust for the year ended 30 June 2011 for your information as the Settlor of the Trust.

The following issues were identified during our 2010-11 audit process.

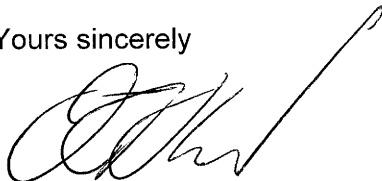
Minor Issues

- As noted in the previous year four employees are carrying annual leave balances as at 30 June 2011 in excess of six weeks. It is in the Association's interest to encourage the staff to take regular leave and to reduce its liability which will ultimately be payable at increased hourly rates.
- We noted that annual leave is being accrued above the standard four weeks per year. This is a systemic error in the annual leave calculation performed by MYOB. This error did not result in a misstatement of annual leave in the financial statements due to management's exclusion of on-costs which offset the overstatement. We recommend that the Association resolves the annual leave accrual calculation error in MYOB.
- During testing we noted that funding had been received from DOHA which was required to be deposited into a separate bank account. The funding (\$11,000) was deposited into PHAA's main bank account on the 29th of June 2011. Management has indicated that a new bank account is being created and will be available for use from mid-September.
- In testing job allocations we noted \$273,177 in adjustments to conference income that had not been allocated to specific jobs. We recommend that all transactions affecting the income statement be coded to jobs within MYOB and that monthly procedures be put in place to review the completeness of allocations.
- An independent valuation was performed by CB Richard Ellis on 30 June 2009. The annual assessment by management indicated that the value of leasehold land and buildings had not changed as at 30 June 2011. We recommend that in accordance with the Association's policy of obtaining independent valuation every three years that leasehold land and buildings are formally valued on 30 June 2012.

We found that the records kept to support the financial transactions of the Association and overall quality of work were of a very high standard, and as such would like to congratulate Anne Brown for her efforts and thank her, George Neale and Michael Moore for their assistance during the audit.

We request that you complete the attached client feedback form to facilitate our internal assessment of client service.

Yours sincerely



Ian Hollow
Director
Moore Stephens

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Cc. Michael Moore, Chief Executive Officer

PUBLIC HEALTH ASSOCIATION OF AUSTRALIAN INCORPORATED

**FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2011**

STATEMENT BY THE BOARD

Your Board members submit the financial report of the Public Health Association of Australia Incorporated for the financial year ended 30 June 2011.

Board Members

The names of Board members throughout the financial year and at the date of this report are:

Current

Professor Helen Keleher (President from 29 September 2010)
Ms Sarah Thackway (Vice President – Policy from 29 October 2008)
Dr Yvonne Luxford (Vice President – Development from 29 September 2010)
Ian White (Branch Presidents' Representative from 26 November 2010)
Ingrid Van der Mei (Branch Presidents' Representative from 26 November 2010)
Dr Tony Butler (SIG Convenors' Representative from 23 November 2007)
Dr Bruce Simmons (SIG Convenors' Representative from 23 November 2008)

Former

Mr Gordon Lee Koo (Vice President – Finance to 15 July 2011)
Ms Christine Morris (Vice President – Development to 5 November 2010)
Professor Mike Daube (President to 26 September 2010)

Principal Activities

The principal activity of the Association during the financial year was the provision of information relating to public health issues to members and advocacy on public health issues.

Significant Changes

No significant change in nature of these activities occurred during the year.

Operating Result

The surplus from ordinary activities amounted to \$279,140 (2010: \$52,937 deficit).

After Balance Date Events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Association, the result of those operations, or the state of affairs of the Association in future financial years.

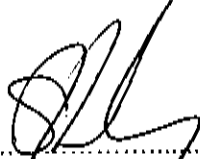
Declaration by the Board

In the opinion of the Board, the accompanying annual financial report is drawn up so as to give a true and fair view of the performance and cash flows of the Association for the year ended 30 June 2011 and the financial position of the Association as at that date. The accompanying annual financial report of the Association is set out in accordance with applicable Accounting Standards and the provisions of the *Associations Incorporation Act* of the Australian Capital Territory.

In the opinion of the Board, the Association will be able to pay its debts as and when they fall due.

Signed in accordance with a resolution of the Board:


.....
Professor Helen Keleher - President


.....
Ms Sarah Thackway – Vice President
Policy

Dated: 4/9/2011

PUBLIC HEALTH ASSOCIATION OF AUSTRALIA INCORPORATED
ABN: 41 062 894 473

BALANCE SHEET
AS AT 30 JUNE 2011

	Note	2011 \$	2010 \$
CURRENT ASSETS			
Cash and cash equivalents	5	615,840	600,239
Receivables	6	148,261	198,137
Other	7	52,310	128,165
TOTAL CURRENT ASSETS		<u>816,411</u>	<u>926,541</u>
NON CURRENT ASSETS			
Property, plant and equipment	8	626,384	650,647
Intangibles	9	3,169	6,338
TOTAL NON CURRENT ASSETS		<u>629,553</u>	<u>656,985</u>
TOTAL ASSETS		<u>1,445,964</u>	<u>1,583,526</u>
CURRENT LIABILITIES			
Payables	10	216,680	179,020
Unearned income	11	249,349	706,670
TOTAL CURRENT LIABILITIES		<u>466,029</u>	<u>885,690</u>
NON CURRENT LIABILITIES			
Provisions	12	5,742	2,783
TOTAL NON CURRENT LIABILITIES		<u>5,742</u>	<u>2,783</u>
TOTAL LIABILITIES		<u>471,771</u>	<u>888,473</u>
NET ASSETS		<u>974,193</u>	<u>695,053</u>
EQUITY			
Retained surplus		545,501	268,666
Reserves		428,692	426,387
TOTAL EQUITY		<u>974,193</u>	<u>695,053</u>

The accompanying notes form part of these financial statements.

PUBLIC HEALTH ASSOCIATION OF AUSTRALIA INCORPORATED
ABN: 41 062 894 473

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011 \$	2010 \$
Revenue from ordinary activities	2	2,158,408	1,250,013
Conference expenses		(597,052)	(275,912)
Publications		(221,080)	(184,510)
Administrative employee costs	3	(685,572)	(611,383)
Other administrative costs		(221,530)	(119,087)
Depreciation and amortisation	3	(28,807)	(39,597)
Branch expenses		(108,536)	(57,622)
Special interest group expenses		(16,691)	(14,839)
Net surplus / (deficit) from ordinary operations		<u>279,140</u>	<u>(52,937)</u>
Total comprehensive income for the year		<u>279,140</u>	<u>(52,937)</u>

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2011

	Gordon Oration Biennial Awards Reserve	Mackay and Ciento Endowment Biennial Awards	Asset Revaluation Reserve	Retained Surplus	Total
Balance at 1 July 2009	22,864	51,639	353,434	320,053	747,990
Deficit attributable to members	-	-	-	(52,937)	(52,937)
Movements in reserves	(2,494)	944	-	1,550	-
Balance at 30 June 2010	<u>20,370</u>	<u>52,583</u>	<u>353,434</u>	<u>268,666</u>	<u>695,053</u>
Balance at 1 July 2010	20,370	52,583	353,434	268,666	695,053
Surplus attributable to members	-	-	-	279,140	279,140
Movements in reserves	998	1,307	-	(2,305)	-
Balance at 30 June 2011	<u>21,368</u>	<u>53,890</u>	<u>353,434</u>	<u>545,501</u>	<u>974,193</u>

The accompanying notes form part of these financial statements.

PUBLIC HEALTH ASSOCIATION OF AUSTRALIA INCORPORATED
ABN: 41 062 894 473

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2011

	Note	<u>2011</u>	<u>2010</u>
		\$	\$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from members, sponsors and others		1,906,243	1,770,386
Payments to suppliers and employees		(1,900,590)	(1,529,126)
Interest received		11,323	9,611
Net cash generated	15 (a)	<u>16,976</u>	<u>250,871</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		<u>(1,375)</u>	<u>(2,900)</u>
Net cash used		<u>(1,375)</u>	<u>(2,900)</u>
Net movement in cash and cash equivalents		15,601	247,971
Cash and cash equivalents at beginning of year		600,239	352,268
Cash and cash equivalents at end of year	5	<u><u>615,840</u></u>	<u><u>600,239</u></u>

The accompanying notes form part of these financial statements.

PUBLIC HEALTH ASSOCIATION OF AUSTRALIA INCORPORATED
ABN: 41 062 894 473

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

The financial report covers the Public Health Association of Australia Incorporated ("the Association") as an individual entity. The Association is an association incorporated in the Australian Capital Territory under the *Associations Incorporation Act 1991*.

Note 1: Summary of significant accounting policies

Basis of Preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and the *Associations Incorporation Act 1991* of the Australian Capital Territory. The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

Any new Accounting Standards that have been issued but are not yet effective at balance date have not been applied in the preparation of this financial report. The possible impacts of the initial application of these Accounting Standards have not been assessed.

The financial report of the Association 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 Association applying the not-for-profit sector specific requirements contained in the AIFRS.

The following is a summary of the significant accounting policies adopted by the company in the preparation of this financial report. The accounting policies have been consistently applied, unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets.

Accounting Policies

(a) Income Tax

The Association is exempt from income tax under section 50 of the *Income Tax Assessment Act 1997*.

(b) Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits held at call with banks or financial institutions.

For the purposes of the statement of cash flows, cash includes cash on hand, cash at bank and bank bills maturing within one year.

(c) Financial Instruments

Recognition

Financial instruments are initially measured at fair value, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

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 stated at amortised cost using the effective interest rate method.

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

Note 1: Summary of significant accounting policies (continued)

Held-to-maturity investments

These investments have fixed maturities, and it is the Association's intention to hold these investments to maturity. Any held-to-maturity investments held by the Association are stated at amortised cost using the effective interest rate method.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

(d) Property, plant and equipment

Property

Leasehold land and buildings are measured on the fair value basis, being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction. It is the policy of the Association to have an independent valuation every three years, with annual appraisals being made by the Board. Fair value increments are recognised by restating the gross carrying amount so that the net carrying amount of the asset after revaluation equals its revalued amount.

An independent valuation was performed by CB Richard Ellis on 30 June 2009. The annual assessment by management indicated that the value of leasehold land and buildings had not changed as at 30 June 2011.

Plant and Equipment

Each class of plant and equipment is carried at cost less, where applicable any accumulated depreciation. Plant and equipment are measured on the cost basis. All other non-current assets are carried at cost.

The carrying amount of property, plant and equipment is reviewed annually by management to ensure it is not in excess of the remaining service potential of these assets.

Depreciation

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation rates	Depreciation basis
Buildings at fair value	3.75%	Diminishing Value
Plant and equipment	15% - 50%	Diminishing Value

(e) Intangible Assets

Expenditure on initial scoping and planning is recognised as an expense in the period in which it is incurred.

An intangible asset arising from development is recognised if, and only if, all of the following are demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

Note 1: Summary of significant accounting policies (continued)

Intangible assets are stated at cost less accumulated amortisation and impairment, and are amortised on a diminishing value basis over their useful lives as follows:

- Purchased computer software – 3-4 years

(f) Leases

Leases of fixed assets where substantially all of the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the Association, are classified as finance leases. Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period. Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(g) Employee Benefits

Recognition

Contributions are made by the Association to employees' superannuation funds and are charged as recognised when they are due. Liabilities for employee benefits for which employees are presently entitled are recognised in current payables. All other employee benefits are recognised in non-current provisions.

Measurement

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year, together with benefits arising from wages and salaries and annual leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Long service leave benefits expected to be settled later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

(h) Revenue recognition

Membership fees and journal subscriptions

Revenue from membership fees and journal subscriptions are recognised progressively over the period to which the membership or subscription relates. Membership fees are levied on a financial year basis. Journal subscriptions are levied on a calendar year. The portion of membership fees and journal subscriptions received that relates to the following financial year is brought to account at balance date as income in advance, (other current liability).

Government grants

Government grants are recognised as revenue to the extent that the monies have been applied in accordance with the conditions of the grant. Government grants received or invoiced prior to the balance date but unexpended as at that date are recognised as grant income in advance (liabilities, unearned revenue).

Conference, function and workshop income

Revenue and expenses in respect of events are recognised when the event has been held. Prior to the event being held, event receipts and payments are recognised as unearned revenue and prepayments respectively.

Bequests, donations and royalties

Bequests, donations and royalties are recognised as revenue in the period of receipt.

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

Note 1: Summary of significant accounting policies (continued)

Sponsorship revenue

Sponsorships are recognised as revenue on a proportional basis over the financial period to which it relates.

Interest revenue

Interest income is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Other revenue

All other sources of income are recognised as income when the related goods or services have been provided and income earned.

(i) Comparative Figures

Where necessary, comparative figures have been adjusted to conform to changes in presentation in this financial report.

(j) Goods and Services Tax (GST)

All revenue and expenses are stated net of the amount of goods and services tax, except where in the amount of goods and services tax incurred is not recoverable from the Australian Taxation Office. In these circumstances the goods and services tax is recognised as part of the cost acquisition of the asset or as part of an item of the expense. Receivables and payables in balance sheet are shown inclusive of goods and services tax.

(k) Critical accounting estimates and judgements

The Board evaluates estimates and judgements incorporated into the financial report 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 Association.

Key estimates - Impairment

The Association assesses impairment at each reporting date by evaluating conditions specific to the Association that may lead to impairment of assets. Should an impairment indicator exist, the determination of the recoverable amount of the asset may require incorporation of a number of key estimates. No impairment indicators were present at 30 June 2011 or 30 June 2010.

(l) Impairment

At each reporting date, the Association reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. As a not-for-profit entity, value in use for the Association according to AASB 136 *Impairment of Assets*, is depreciated replacement cost. Any excess of the asset's carrying value over its recoverable amount is written off as an expense in the statement of comprehensive income.

PUBLIC HEALTH ASSOCIATION OF AUSTRALIA INCORPORATED

ABN: 41 062 894 473

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

	<u>2011</u>	<u>2010</u>
	\$	\$
Note 2: Revenue		
<i>Operating activities:</i>		
NATIONAL OFFICE		
- Membership subscriptions	294,202	342,221
- Conferences	1,183,794	428,859
- Intouch advertising	53	1,176
- Journals	51,179	47,716
- Funding from Government	326,000	305,000
- Other	183,422	77,354
	<u>2,038,650</u>	<u>1,202,326</u>
BRANCHES		
- Sponsorship	42,991	3,546
- Conferences	46,423	15,717
- Functions	3,923	5,667
	<u>93,337</u>	<u>24,930</u>
SPECIAL INTEREST GROUPS		
- Membership	9,478	9,155
- Workshops	5,620	3,991
	<u>15,098</u>	<u>13,146</u>
<i>Total operating revenue</i>	<u>2,147,085</u>	<u>1,240,402</u>
<i>Non-operating activities:</i>		
NATIONAL		
- Interest	11,323	3,119
BRANCHES		
- Interest	-	6,492
<i>Total non-operating revenue</i>	<u>11,323</u>	<u>9,611</u>
<i>Total revenue</i>	<u>2,158,408</u>	<u>1,250,013</u>

PUBLIC HEALTH ASSOCIATION OF AUSTRALIA INCORPORATED

ABN: 41 062 894 473

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

	<u>2011</u>	<u>2010</u>
	\$	\$

Note 3: Deficit from ordinary activities

Net deficit has been determined after:

(a) Expenses:

Depreciation and amortisation of non-current assets

- Buildings	18,802	19,535
- Plant and equipment	6,836	13,725
- Intangibles	3,169	6,337
	28,807	39,597

Employee benefits

- Salaries and wages	632,812	559,184
- Defined contributions superannuation plan expense	52,760	46,370
	685,572	605,554

Note 4: Auditors' remuneration

Remuneration of the auditor during the financial year for:

- auditing or reviewing the financial report of the Association	8,320	8,000
- other services	650	420
	8,970	8,420

Note 5: Cash and cash equivalents

Cash on hand	200	200
Cash at bank	465,320	359,909
Deposits at call	150,320	240,130
	615,840	600,239

Note 6: Receivables

CURRENT

Trade debtors - membership	13,316	3,010
Trade debtors - government funding	107,085	145,475
Trade debtors - conference	-	48,278
Other debtors	27,860	1,374
	148,261	198,137

There were no indications of impairment of receivables at year end.

Note 7: Other assets

CURRENT

Prepayments - conference	35,062	120,557
Prepayments - other	17,248	7,608
	52,310	128,165

PUBLIC HEALTH ASSOCIATION OF AUSTRALIA INCORPORATED

ABN: 41 062 894 473

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

	<u>2011</u>	<u>2010</u>
	\$	\$
Note 8: Property, plant and equipment		
Land at fair value (note 8b)	134,077	134,077
Buildings at fair value (note 8b)	520,923	520,923
Less accumulated depreciation	<u>(38,337)</u>	<u>(19,535)</u>
	<u>482,586</u>	<u>501,388</u>
Plant and equipment at cost	121,495	120,120
Less accumulated depreciation	<u>(111,774)</u>	<u>(104,938)</u>
	<u>9,721</u>	<u>15,182</u>
Total property, plant and equipment	<u><u>626,384</u></u>	<u><u>650,647</u></u>

There were no indications of impairment of property, plant and equipment at year end.

(a) 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.

	Buildings	Land	Plant & equipment	Total
	\$	\$	\$	\$
Balance at 1 July 2009	520,923	134,077	26,007	681,007
Additions	-	-	2,900	2,900
Disposals	-	-	-	-
Depreciation expense	<u>(19,535)</u>	-	<u>(13,725)</u>	<u>(33,260)</u>
Carrying amount at 1 July 2010	501,388	134,077	15,182	650,647
Additions	-	-	1,375	1,375
Disposals	-	-	-	-
Depreciation expense	<u>(18,802)</u>	-	<u>(6,836)</u>	<u>(25,638)</u>
Carrying amount at 30 June 2011	<u><u>482,586</u></u>	<u><u>134,077</u></u>	<u><u>9,721</u></u>	<u><u>626,384</u></u>

	<u>2011</u>	<u>2010</u>
	\$	\$
Note 9: Intangibles		
Computer software at cost:		
Purchased - in use	42,551	42,551
Accumulated depreciation	<u>(39,382)</u>	<u>(36,213)</u>
	<u>3,169</u>	<u>6,338</u>

There were no indications of impairment of intangibles at year end.

(a) Movements in carrying amounts

Movement in the carrying amounts for each class of intangible assets between the beginning and the end of the current financial year.

	Intangibles	Total
	\$	\$
Balance at 1 July 2010	6,338	6,338
Amortisation expense	<u>(3,169)</u>	<u>(3,169)</u>
Carrying amount at 30 June 2011	<u><u>3,169</u></u>	<u><u>3,169</u></u>

PUBLIC HEALTH ASSOCIATION OF AUSTRALIA INCORPORATED

ABN: 41 062 894 473

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

	<u>2011</u>	<u>2010</u>
	\$	\$
Note 10: Payables		
CURRENT		
<i>Unsecured liabilities</i>		
Supplier creditors and accrued expenses	49,676	53,177
Employee benefits payable	23,794	21,090
Accrued annual leave	69,410	51,282
Accrued long service leave	73,800	53,471
	<u>216,680</u>	<u>179,020</u>
Note 11: Unearned income		
CURRENT		
Conference income in advance	102,465	586,374
Grant income in advance	-	21,000
Journal subscriptions in advance	-	15,633
Membership fees in advance	146,884	83,663
	<u>249,349</u>	<u>706,670</u>
Note 12: Employee benefits		
<i>(a) The aggregate employee benefit liability recognised and included in the financial statements is as follows:</i>		
CURRENT		
Employee benefits payable (note 10)	23,794	21,090
Accrued annual leave (note 10)	69,410	51,282
Accrued long service leave (note 10)	73,800	53,471
	<u>167,004</u>	<u>125,843</u>
NON-CURRENT		
Provisions	5,742	2,783
	<u>5,742</u>	<u>2,783</u>
<i>Aggregate employee benefit liability</i>	<u>172,746</u>	<u>128,626</u>
Number of employees at year end	<u>10</u>	<u>8</u>

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

Note 13 : Key management personnel

(i) Board members of the Association during the financial year:

Prof Mike Daube	Ms Sarah Thackway	Dr Yvonne Luxford
Ms Christine Morris	Mr Gordon Lee Koo	Mr Ian White
Prof Helen Keleher	Dr Bruce Simmons	Ms Ingrid Van der Mei
Dr Tony Butler		

No Board members receive any remuneration from the Association or any related entities in connection with the management of the Association.

(ii) Compensation of Key Management Personnel

Key management received compensation in the form of short term benefits totalling \$275,664 during the financial year (2010: short term benefits totalling \$259,499).

Note 14: Association details

(a) Association details

The Association is incorporated under the *Associations Incorporation Act 1991* of the Australian Capital Territory.

(b) Location

The registered office and principal place of business of the Association is:

Unit 2/20 Napier Close
 Deakin ACT 2600

(c) Activities

The Association is designed to provide a forum for the exchange of ideas, knowledge and information on public health. The Association is also involved in advocacy for public health policy, development, research and training.

	<u>2011</u>	<u>2010</u>
	\$	\$
Note 15: Cash flow information		
<i>(a) Reconciliation of net cash flows from operating activities to net surplus / (deficit)</i>		
Net surplus / (deficit) from ordinary activities	279,140	(52,937)
Non-cash flows in surplus / (deficit) from ordinary activities		
- Depreciation	28,807	39,597
Changes in assets and liabilities		
- receivables	49,876	(105,110)
- other assets	75,855	(108,195)
- payables	37,660	8,763
- other liabilities	(457,321)	466,880
- provisions	2,959	1,873
Net cash relating to operating activities	<u>16,976</u>	<u>250,871</u>

(b) Unused credit facilities

The Association has the following credit card facilities:

- \$20,000 credit card facility with Visa, \$16,230 unused

PUBLIC HEALTH ASSOCIATION OF AUSTRALIA INCORPORATED

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NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

	<u>2011</u>	<u>2010</u>
	\$	\$
Note 16: Expenditure Commitments		
Expenditure commitments arising from conference hire agreements for facilities and services contracted for during the financial year in relation to 2011-12 and 2012-13 conferences.		
Payable:		
- not later than 12 months	253,328	150,793
- later than 12 months	260,026	-
	<u>513,354</u>	<u>150,793</u>

Note 17: Trust liabilities and right of indemnity

The Public Health Association of Australia Incorporated is appointer of the Public Health Education and Research Trust (the Trust), having the power to appoint the trustees of the Trust. In effect, the trustees act on behalf of the Public Health Association of Australia Incorporated, incurring the liabilities of the Trust and discharging them out of the assets of the Trust.

Liabilities incurred on behalf of the Trust are not recognised in the financial report when it is not probable that the Association will have to meet any of those Trust liabilities from its own resources. When it is probable that the Association will have to meet some Trust liabilities, a liability for the Deficiency in Trust Right of Indemnity is liable from the Trustees. Details of the Trust liabilities, the offsetting right of indemnity, and any deficiency in the right of indemnity are disclosed by way of note to the financial statements.

	<u>2011</u>	<u>2010</u>
	\$	\$
Right of indemnity for liabilities incurred by the Association on behalf of the Public Health Education and Research Trust not recorded in the financial statements of the Association were:	<u>-</u>	<u>-</u>

The assets of the Trust, which lie behind the right of indemnity, are not directly available to meet any liabilities of the Association acting in its own right. The assets of the Trust were sufficient to discharge all liabilities of the Trust at 30 June 2011 and 30 June 2010.

Note 18: Contingent Liabilities

A contingent liability exists relative to any future claims which may be made against the Association arising from trustee dealings.

PUBLIC HEALTH ASSOCIATION OF AUSTRALIA INCORPORATED

ABN: 41 062 894 473

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

Note 19: Financial Instruments

(a) Financial Risk Management Policies

The Association's principal financial instruments comprise cash at bank, receivables and accounts payable. These financial instruments arise from the operations of the Association.

The Association does not have any derivative instruments at 30 June 2011.

It is, and has been throughout the period under review, the Association's policy that no trading in financial instruments shall be undertaken.

i. Financial Risk Exposures and Management

The main risks arising from the Association's financial instruments are interest rate risk, liquidity risk, and credit risk. The policies for managing each of these risks are summarised below.

Interest rate risk

The Association's exposure to market risk for changes in interest rates relates primarily to the Association's holdings of cash and cash equivalents. The interest rate applicable to each class of financial asset and liability subject to interest rate risk are as follows:

- Variable rate cash deposits totalling \$540,382 at the average rate of 0.97% (2010: \$527,026 at 1.66%).
- Fixed rate deposits totalling \$75,258 maturing within one year at the rate of 4.38% (2010: \$72,952 at 3.19%).

The Association's policy is to manage its interest income is through regularly reviewing the interest rate being received on cash and cash equivalents and comparing this return to the market.

Liquidity risk

The Association has no external funding or facilities in place. The Association manages its liquidity to ensure that it has sufficient cash and cash equivalent holdings to meet all short, medium and long term requirements.

Credit risk

The Association does not provide credit.

With respect to credit risk arising from the other financial assets of the Association, which comprise cash and cash equivalents, the Association's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments.

The Association does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Association.

The Association manages credit risk by maintaining cash deposits with established financial institutions.

(b) Net fair values

The net fair value of financial assets and liabilities approximates the values shown in the balance sheet and the notes thereto.

Note 20: Capital Management

The Board manages cash to ensure that adequate cash flows are generated to fund the operations of the Association. Management procedures include estimation of operating cash flows and future cash requirements.

Note 21: Subsequent Events

The financial report of the Association was authorised for issue on the date of signing of the attached statement by the Board.