



FPA *health*

Leading the way in reproductive & sexual health

Financial Statements 2001/2002

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FINANCIAL STATEMENTS – 30 JUNE 2002

Directors' Report

Your directors present their report on the company for the financial year ended 30 June 2002.

The names of the directors in office at any time during or since the end of the year are:

Ms R Henderson	President	Ms S Coleman (resigned 28/8/01)
Ms R Winfield	Vice President	Dr L Dayan (appointed 19/11/01)
Mr J Brooks	Vice President	Ms L Garton
Mr S Armstrong	Treasurer	Ms A Grossmann (resigned 19/11/01)
Mr N Jackson	Legal Adviser	Mr R Hozack
		Mr A Lovney (appointed 19/11/01)
		Ms A Low
		Ms J Riley (appointed 19/11/01)
		Ms V St Lawrence
		Dr A Sefton (resigned 19/11/01)
		Ms K Tynan (resigned 29/01/02)
		Ms N Young (resigned 17/12/01)

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

The profit of FPA Health for the financial year amounted to \$273,609 (2001: \$216,890).

No significant changes in the company's state of affairs occurred during the financial year.

The principal activities of FPA Health in the course of the financial year continued to be the provision of clinical, health promotion, educational and research services in the area of reproductive and sexual health.

Under the constitution no dividends are permitted.

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

There are plans for further development of rural initiatives by FPA Health. Likely developments in the operations of FPA Health and the expected results of these operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to FPA Health.

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Under FPA Health's constitution no director is permitted to receive fees or a salary.

No indemnities have been given or insurance premiums paid, during or since the end of the financial year for any person who is or has been an officer or auditor of the company with the exception of the following:

During or since the financial year, the company has paid premiums to insure officers of the company and each of the persons listed above as directors against certain liabilities arising out of their conduct while acting in the capacity of officer of the company.

Under the terms of the insurance contract, neither the nature of liabilities insured against or the premium paid can be disclosed.

No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of these proceedings. The company was not a party to any such proceedings during the year.

Profile of Directors

Ms Robyn Henderson, B.Sc, BA (Hons), Assoc Dip Labour Studies, MLitt: President

Ms Robyn Henderson is currently the Director-General, Department for Women. Previous positions include Chief of Staff, Minister for Fair Trading and Women, and Executive Director of the Royal Institute of Public Administration. Robyn was also a previous Board member of FPACT and former member of ESEAOR, IPPF and Family Planning Federation. Attended 12 out of 14 meetings.

Mr John Brooks, B.Ed, JP: Vice President

Mr John Brooks was previously a national trainer for the Australian Association for Marriage Education and has been a marriage and family counsellor for nearly 20 years. John is the FPA Health representative to the Sexual Health and Family Planning Australia Council. Board member since October 1992. Attended 13 out of 14 meetings.

Ms Rosalind Winfield, BA, LL.B: Vice President

Ms Rosalind Winfield is a lawyer in private practice since 1982 and has a special interest in legal issues affecting women and women's health. Rosalind was President of the Women Lawyers' Association of NSW in 1988 and 1989 and a Committee member from 1983 to 1991. Rosalind was a member of the Women's Advisory Council 1986-1989 and Director of the Women's Legal Resources Centre 1983-1987. Attended 12 out of 14 meetings.

Mr Stephen Armstrong, F.C.A, B. Fin. Admin: Treasurer

Mr Stephen Armstrong is a Chartered Accountant with 24 years experience, the last 14 as a principal in public practice. Stephen has extensive experience in a wide range of practice areas including audit, taxation and management of both domestic and international clients. Attended 13 out of 14 meetings.

Mr Neil Jackson, LL.B, B.Ec., LL.M: Legal Adviser

Mr Neil Jackson practises as a barrister mainly in family law and de facto relationships law. Neil is a member of the Conciliators and Arbitrators Association, the Australian Association of Family Lawyers and Conciliators and the Family Law Section of the Law Council of Australia. Neil is currently the secretary of the Family Law Committee of the Bar Association of New South Wales. Neil is the national editor of the CCH De Facto Relationship Service. This year Neil was appointed an Arbitrator of the Workers Compensation Commission. Attended 11 out of 14 meetings.

Ms Sue Coleman, B.Soc.Stud., M.M.

Ms Sue Coleman is a strong supporter of community organisations and understands many of the challenges facing FPA Health. Sue can draw on her experiences as she was Manager of The Warehouse from August 1988 to November 1990. Sue currently works for Fairfield City Council and has previously worked with Cabramatta Community Centre. Resigned from the Board August 2001. Attended 1 out of 1 meetings.

Dr Linda Dayan, BMedSc; MBBS; DipRACOG; FACSH; MRCMA; MM(Ven Sci)

Dr Linda Dayan is Director, Northern Sydney Sexual Health Services and Head of Department, Sexual Health, Royal North Shore Hospital; Clinical Lecturer, Department of Community and Public Health, University of Sydney; Chair, NSW Medical Directors of Sexual Health Clinics (2001); Chair, NSW Chapter of Australasian College of Sexual Health Physicians (1998-2000). Private practitioner, Taylor Square Clinic and Honorary Consultant, Sydney Sexual Health Centre. Linda is interested in improving collaboration of service delivery with sexual health and family planning services. Elected to the Board in November 2001. Attended 5 out of 10 meetings.

Profile of Directors

Ms Lesley Garton, Bach Soc Wk

Ms Lesley Garton is Manager of state wide women's health training and non-government organisation grants program at Western Sydney Area Health Service. Lesley is also the Manager NSW Education Program on Female Genital Mutilation. Lesley has worked in the areas of women's health and sexual assault for the last 24 years. Previously she has been a Board Member of ACOSS, NCOSS and the Community Health Association. Attended 10 out of 14 meetings.

Ms Athena Grossmann

Ms Athena Grossmann is a businesswoman running an emergency and medical equipment supply organisation, with formal qualifications in marketing and business management. After experience in a range of specialties as a Registered Nurse, Ms Grossmann moved into sales in pharmaceutical and nutritional products and medical equipment. She became involved in women's health issues particularly in relation to pharmaceutical products and has 15 years experience in sales and people management. Elected to the Board in 1995. Vice President 1996-2001. Leave of absence granted September 2000. Attended 0 out of 4 meetings. Resigned November 2001.

Mr Rod Hozack, B.Ed., M.Bus.

Mr Rod Hozack spent 15 years in the pharmaceutical industry, holding positions in sales, marketing, and divisional and global management, where he developed a close relationship with family planning organisations. Rod has held the position of Honorary Treasurer for the National Menopause Federation in Australia, and was a founding member of the organising committee for the Asia Pacific Menopause Federation. Rod is currently a management consultant developing best-practice business process for organisations in Asia Pacific. Attended 7 out of 14 meetings.

Mr Adrian Lovney, LL.B (Hons)

Mr Adrian Lovney has worked extensively in community and government, as President of the Queensland AIDS Council for three years and, after moving to NSW, as President of the AIDS Council of NSW. Adrian's professional background includes a number of years providing political, strategic, and program advice to government in a range of roles. Adrian currently manages public affairs for the Australian credit union industry. Elected to the FPA Health Board in November 2001. Attended 10 out of 14 meetings.

Ms Angeline Low, B.Econs, Dip.Mgt, M.Mgt

Ms Angeline Low is a Sydney based entrepreneur with many years of Asian and Australian professional and business experience. Angeline was a Partner in Malaysia and Director of Asia Pacific Consulting in Australia of Deloitte Touche Tohmatsu. Currently Angeline is engaged in family business. Angeline is a Board member of the Northern Area Sydney Health Service. Attended 12 out of 14 meetings.

Ms Jane Riley, MA (Comm Mgt/PR), BA (Th St)

Ms Jane Riley is General Manager for the Apex Foundation. Jane has particularly worked for the Children's Cancer Institute Australia and BreastScreen NSW. Jane has extensive experience in the marketing of services, strategic planning for business development, organisational communication and major fundraising and education campaigns. Elected to the Board November 2001. Attended 9 out of 11 meetings.

Profile of Directors

Ms Victoria St Lawrence, B.Comm, Dip Ed, AIMM

Ms Victoria St Lawrence is based on the North Coast of NSW. Vicki established her Management and Human Services Consultancy business in 1999 and specialises in the rural community and public sectors. From 1996 to 1999 Vicki established and managed the NSW Rural Health Support Unit and from 1991 to 1996, the North Coast Area Assistance Scheme. She has been an active Board Member of many large and small community organisations and is currently a member of the NRAHS Hospitals and Community Health Council. Attended 10 out of 14 meetings.

Dr Anne Sefton, MBBS

Dr Anne Sefton has an extensive background and wide-ranging interest in women's health with 23 years experience working as a doctor with FPA Health in various positions including that of Medical Education Coordinator. Anne was Director of Women's Health of the Corrections Health Service from 1995. Anne is currently a member of the Department of Corrective Services Women's Advisory Committee and a spokesperson for the NCOSS Beyond Bars Alliance. Anne is the current President of the Sydney Reproductive Health Services Board. During her term Anne was also a member of the FPA Health Ethics Committee. Resigned from the Board November 2001. Attended 3 out of 4 meetings

Ms Kate Tynan, B.Sc, MPH

Ms Kate Tynan has held several appointments in the South West Sydney Area Health Services in recent years. Kate's interests are in Health Service Research and Health Management. Currently Kate is the Project Manager for SWSAHS Cancer Service. During her term, Kate was a member and Deputy Convenor of the FPA Health Ethics Committee. Resigned from the Board January 2002. Attended 5 out of 5 meetings.

Ms Nareen Young

Ms Nareen Young is Director of the NSW Working Women's Centre. Nareen spent 10 years working in the trade union movement. Nareen has been an executive member of both the ACTU and the Labor Council of NSW and aims to increase the role and representation of women in the labour movement. Attended 0 out of 5 meetings. Resigned December 2001.

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



Robyn Henderson - President



Stephen Armstrong - Treasurer

Dated this 24th day of September 2002

Statement of Financial Performance for the year ended 30 June 2002

	2002 \$	2001 \$
Revenues from ordinary activities	8,600,364	8,216,363
Changes in inventories of finished goods	(26,925)	70,170
Employee benefits expense	(5,432,297)	(5,084,643)
Cost of contraceptive supplies	(231,609)	(244,055)
Depreciation and amortisation expenses	(207,670)	(192,572)
Lease expense	(203,206)	(165,463)
Insurance expense	(167,776)	(82,951)
Guarantee to Sydney Reproductive Health Services Ltd	(129,411)	-
Other expenses from ordinary activities	<u>(1,927,861)</u>	<u>(2,299,959)</u>
Profit from ordinary activities	<u>273,609</u>	<u>216,890</u>

The accompanying notes form part of these financial statements

Statement of Financial Position as at 30 June 2002

	Note	2002 \$	2001 \$
CURRENT ASSETS			
Cash assets	4	2,807,516	2,851,881
Receivables	5	221,715	482,086
Inventories	6	227,583	254,508
Other	7	449,214	131,372
TOTAL CURRENT ASSETS		<u>3,706,028</u>	<u>3,719,847</u>
NON-CURRENT ASSETS			
Property, plant & equipment	8	<u>3,196,978</u>	<u>3,340,967</u>
TOTAL NON-CURRENT ASSETS		<u>3,196,978</u>	<u>3,340,967</u>
TOTAL ASSETS		<u>6,903,006</u>	<u>7,060,814</u>
CURRENT LIABILITIES			
Payables	9	2,044,124	2,514,021
Provisions	10	338,170	298,949
TOTAL CURRENT LIABILITIES		<u>2,382,294</u>	<u>2,812,970</u>
NON CURRENT LIABILITIES			
Provisions	10	<u>356,428</u>	<u>357,169</u>
TOTAL NON CURRENT LIABILITIES		<u>356,428</u>	<u>357,169</u>
TOTAL LIABILITIES		<u>2,738,722</u>	<u>3,170,139</u>
NET ASSETS		<u>4,164,284</u>	<u>3,890,675</u>
EQUITY			
Reserves	11	722,910	245,220
Retained profits	12	<u>3,441,374</u>	<u>3,645,455</u>
TOTAL EQUITY		<u>4,164,284</u>	<u>3,890,675</u>
Capital & leasing commitments	13		
Contingent liability	14		

The accompanying notes form part of these financial statements

Statement of Cash Flows

for the year ended 30 June 2002

	Note	2002 \$	2001 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Government grants received		6,535,036	6,578,454
Other grants received		199,478	380,108
Receipts from customers		1,046,701	1,186,256
Payments to suppliers and employees		(7,932,847)	(7,462,147)
Interest received		<u>133,436</u>	<u>141,943</u>
Net cash provided by (used in) operating activities	18(b)	<u>(18,196)</u>	<u>824,614</u>
CASH FLOW FROM INVESTING ACTIVITIES:			
Proceeds – sale of property, plant & equipment		32,136	-
Payment for property, plant & equipment		<u>(58,305)</u>	<u>(244,173)</u>
Net cash provided by (used in) investing activities		<u>(26,169)</u>	<u>(244,173)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Net increase (decrease) in cash held		(44,365)	580,441
Cash at the beginning of year		<u>2,851,881</u>	<u>2,271,440</u>
Cash at the end of the year	18(a)	<u><u>2,807,516</u></u>	<u><u>2,851,881</u></u>

The accompanying notes form part of these financial statements

Notes to the Financial Statements

For the year ended 30 June 2002

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a special purpose financial report prepared in order to satisfy the financial report preparation requirements of the Corporations Act 2001. The directors have determined that the company is not a reporting entity.

FPA Health is a company limited by guarantee, incorporated and domiciled in Australia.

The report has been prepared in accordance with the requirements of the Corporations Act 2001, and the following Accounting Standards and Urgent Issues Group Consensus Views:

AASB 1001:	Accounting Policies – Disclosure
AASB 1002:	Events Occurring after Reporting Date
AASB 1018:	Statement of Financial Performance
AASB 1021:	Depreciation of Non Current Assets
AASB 1025:	Application of the Reporting Entity Concept and Other Amendments
AASB 1026:	Statement of Cash Flows
AASB 1031:	Materiality
AASB 1034:	Financial Report Presentation and Disclosures
AASB 1040:	Statement of Financial Position
UIG Abstract 35:	Disclosure of Contingent Liabilities

No other Accounting Standards, Urgent Issues Group Consensus Views or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

The report is also prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following material accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this report:

(a) Principles of Consolidation

The directors believe that the controlled entities of FPA Health are not material as their omission or non disclosure does not have the potential to adversely affect:

- i) decisions about the allocation of resources made by users of the consolidated accounts: or
- ii) the discharge of accountability by the directors or the members of the governing body of the entity; and as such the financial statements of FPA Health have not been consolidated with its controlled entities.

(b) Inventories

Inventories are measured at the lower of cost and net realisable value. Inventories are determined on an average cost basis.

(c) Bad and Doubtful Debts

Bad debts are written off as they occur and the provision for doubtful debts is based on an appraisal of individual outstanding accounts that are in excess of normal trading terms.

(d) Property, Plant and Equipment

Each class of property, plant and equipment are carried at cost or fair value less, where applicable, any accumulated depreciation.

Notes continued

Property

Freehold 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.

Plant and equipment

Plant and equipment are measured on the cost basis.

Depreciation

All assets excluding freehold land, are depreciated on a straight line basis over their useful lives to the company.

(e) Employee Benefits

Provision is made for employees' annual leave entitlements accrued at balance date. Provision for long service leave is raised in respect of employees who have in excess of five years continuous service.

(f) Leases

Lease payments for operating leases where substantially all the risk and benefits remain with the lessor are charged as expenses in the periods in which they are incurred.

(g) Income Tax

FPA Health is exempt from income tax under Subsection 23(e) of the Income Tax Assessment Act.

(h) Cash

For the purpose of the Statement of Cash flows, cash includes:

- i) cash on hand and in at call deposits with banks or financial institutions, net of bank overdrafts
and
- ii) investments in money market instruments with less than 30 days to maturity.

Notes continued

2. PROFIT FROM ORDINARY ACTIVITIES

	2002 \$	2001 \$
Profit from ordinary activities has been determined after		
a) Expenses:		
Depreciation of property, plant and equipment	207,670	192,572
Bad and doubtful debts	4,138	6,579
Remuneration of auditor		
audit or review	22,952	29,752
other services	4,050	5,250
Net loss on disposal of property, plant and equipment	-	1,461
b) Revenues:		
Government grants	7,216,070	6,652,477
Other grants	141,655	166,488

3. GRANTS RECEIVED DURING THE YEAR

Commonwealth Government Grants:

Family Planning Program Grant	4,450,431	4,750,437
Rural Health Support, Education & Training Program	<u>9,999</u>	<u>-</u>
	<u>4,460,430</u>	<u>4,750,437</u>

NSW Health Grants:

Fairfield Multicultural Women's Health	385,700	377,400
HIV/AIDS Program	407,900	396,800
Community Services Program	533,500	519,000
Outreach and Community Education, The Warehouse	335,000	325,900
Needle and Syringe Exchange	40,264	39,150
Young Men's Sexual Health	<u>91,836</u>	<u>89,350</u>
	<u>1,794,200</u>	<u>1,747,600</u>

Department for Women Grants:

Community Knowledge For NESB Women	<u>-</u>	<u>817</u>
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Area Health Grants:

Hunter-Health Program	34,128	34,100
Illawarra Area Clinical	<u>46,800</u>	<u>-</u>
	<u>80,928</u>	<u>34,100</u>

Other Health Services Grants:

NSW Cervical Screening - GP's Upskilling	<u>-</u>	<u>45,500</u>
	<u>-</u>	<u>45,500</u>

Other Grants:

Research Grants	127,540	364,108
Dubbo/Plains Division of General Practice	7,638	-
Department of Urban Affairs & Planning	17,300	-
ACON - Young Men & Sexual Health	<u>47,000</u>	<u>16,000</u>
	<u>199,478</u>	<u>380,108</u>

Notes continued

	2002	2001
	\$	\$
4. CASH ASSETS		
Cash on hand	4,935	5,225
Cash at bank	<u>2,802,581</u>	<u>2,846,656</u>
	<u>2,807,516</u>	<u>2,851,881</u>
5. RECEIVABLES		
CURRENT		
Trade debtors	99,651	147,403
Provision for doubtful debts	<u>(1,000)</u>	<u>(2,154)</u>
	98,651	145,249
Other debtors	123,064	164,700
Amounts receivable from controlled entities	<u>-</u>	<u>172,137</u>
	<u>221,715</u>	<u>482,086</u>
6. INVENTORIES		
Stock on Hand	<u>227,583</u>	<u>254,508</u>
7. OTHER ASSETS		
CURRENT		
Prepayments	<u>449,214</u>	<u>131,372</u>

Notes continued

		2002 \$	2001 \$
8. PROPERTY, PLANT AND EQUIPMENT			
Land & Buildings			
Freehold land at			
- independent valuation 2000	(a)	<u>1,499,400</u>	<u>1,499,400</u>
Buildings at			
- independent valuation 2000	(a)	1,015,600	1,015,600
less accumulated depreciation		<u>40,624</u>	<u>20,312</u>
		<u>974,976</u>	<u>995,288</u>
Total Land & Buildings		<u>2,474,376</u>	<u>2,494,688</u>
Leasehold Improvements			
At cost		62,469	59,060
At independent valuation 2000		338,500	338,500
Less accumulated amortisation		<u>61,621</u>	<u>47,666</u>
Total Leasehold Improvements		<u>339,348</u>	<u>349,894</u>
Plant & Equipment			
At cost		1,011,189	1,033,594
Less accumulated depreciation		<u>627,935</u>	<u>537,209</u>
Total Plant & Equipment		<u>383,254</u>	<u>496,385</u>
Total Property, Plant & Equipment		<u>3,196,978</u>	<u>3,340,967</u>

The revaluations of freehold land and buildings were based on the assessment of their current market value.

The independent revaluations on 30 June 2000 were carried out by R.L.H. Deane & Co., Registered Real Estate Valuers.

The valuation was made in accordance with a regular policy to revalue land and buildings every three years.

No capital gains tax has been taken into account in determining revalued amounts as the company is considered to be exempt from income tax.

Notes continued

	2002 \$	2001 \$
9. PAYABLES		
CURRENT		
Trade creditors	548	13,878
Sundry creditors	1,398,937	992,934
Unexpended grants	<u>644,639</u>	<u>1,507,209</u>
	<u>2,044,124</u>	<u>2,514,021</u>
10. PROVISIONS		
CURRENT		
Annual leave	<u>338,170</u>	<u>298,949</u>
NON CURRENT		
Long service leave	<u>356,428</u>	<u>357,169</u>
Number of employees at year end	<u>161</u>	<u>175</u>
11. RESERVES		
Assets revaluation	109,910	109,910
General reserves	<u>613,000</u>	<u>135,310</u>
	<u>722,910</u>	<u>245,220</u>
Assets Revaluation Reserve		
Movements during the year:		
Opening balance	109,910	109,910
Revaluation increment on freehold land and buildings	<u>-</u>	<u>-</u>
Closing Balance	<u>109,910</u>	<u>109,910</u>
General Reserves		
Movements during the year:		
Opening balance	135,310	-
Transfer from retained profits	<u>477,690</u>	<u>135,310</u>
Closing balance	<u>613,000</u>	<u>135,310</u>

Asset revaluation reserve records the increase in the value of non current assets as determined by an independent valuation.

General reserve records funds approved by the Board to be set aside to fund specific activities.

Notes continued

	2002 \$	2001 \$
12. RETAINED PROFITS		
Retained profits at the beginning of the financial year	3,645,455	3,563,875
Net profit	273,609	216,890
Transfer to general reserve	<u>(477,690)</u>	<u>(135,310)</u>
Retained profits at the end of the financial year	<u>3,441,374</u>	<u>3,645,455</u>

13. CAPITAL & LEASING COMMITMENTS

Non cancellable operating leases contracted for but not capitalised in the financial statements:

Payable

not longer than one year	88,782	77,980
longer than one year not longer than five years	82,208	147,664
longer than five years	<u>40</u>	<u>41</u>
	<u>171,031</u>	<u>225,685</u>

14. CONTINGENT LIABILITIES

Estimates of the maximum amount of contingent liabilities that may become payable:

Controlled Entities:

Guarantee to Sydney Reproductive Health	20,723	-
Services Limited for cash advances	-	25,000

External Parties:

Unsettled claims	10,378	-
	<u>31,101</u>	<u>25,000</u>

15. MEMBERS' GUARANTEE

FPA Health is a company Limited by Guarantee. If FPA Health is wound up, the constitution states that each member is required to contribute a maximum of \$10 towards meeting any outstanding obligations of FPA Health. At 30 June 2002 the number of members was 117 (2001:149).

Notes continued

	2002 \$	2001 \$
16. RELATED PARTY TRANSACTIONS		
Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.		
Transactions with related parties		
i) Director related entities:		
Sales of medical supplies to Sydney Reproductive Health Services Limited and provision of corporate services. Stephen Armstrong, John Brooks, Robyn Henderson and Anne Sefton all directors, have control over Sydney Reproductive Health Services Limited.	188,596	203,941
Marketing fees paid to Sydney Reproductive Health Services Limited.	58,939	76,873
Guarantee paid of behalf of Sydney Reproductive Health Services Limited.	129,411	-

17. COMPANY DETAILS

The registered office and the principle place of business are :
FPA Health, 328-336 Liverpool Rd, Ashfield 2131

18. CASH FLOW INFORMATION

(a) Reconciliation of cash:		
Cash at end of the financial year as shown in the statements of cash flows is reconciled to the related items in the statement of financial position as follows:		
Cash on hand and at bank	<u>2,807,516</u>	<u>2,851,881</u>
(b) Reconciliation of cash flow from operations with profit from ordinary activities:		
Profit from ordinary activities:	273,609	216,890
Cash flow not in operating activities but in operating result	(6,736)	9,501
Non-cash flows in profit from ordinary activities		
Amortisation	13,955	12,565
Depreciation	193,715	180,007
Net (profit)/loss on sale of property, plant & equipment	(30,776)	1,461
Changes in assets and liabilities:		
Increase/(decrease) in employee provisions	38,480	(8,359)
Increase/(decrease) in provision for doubtful debts	(1,154)	1,357
Decrease/(increase) in receivables	261,525	362,106
Decrease/(increase) in other assets	(317,842)	(79,675)
Decrease/(increase) in inventories	26,925	(70,170)
Increase/(decrease) in payables	<u>(469,897)</u>	<u>198,931</u>
Cash flows from operations	<u>(18,196)</u>	<u>824,614</u>

Director's Declaration

The directors of FPA Health have determined that the company is not a reporting entity. The directors have determined that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The directors of the company declare that:

1. The financial statements and notes:
 - (a) comply with Accounting Standards as detailed in Note 1 to the financial statements and the Corporations Act 2001; and
 - (b) give a true and fair view of the company's financial position as at 30 June 2002 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Robyn Henderson - President



Stephen Armstrong - Treasurer

Dated this 24th day of September, 2002

Independent Audit Report to the Members of FPA Health



STIRLING WARTON WILLIAMS
CHARTERED ACCOUNTANTS

Scope

We have audited the attached financial report, being a special purpose financial report of FPA Health for the year ended 30 June 2002 comprising the Director's Declaration, Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows and Notes to and forming part of the Financial Statements.

The company's directors are responsible for the financial report and have determined that the accounting policies used and described in Note 1 to the financial statements are appropriate to meet the requirements of the Corporations Law and are appropriate to meet the needs of the members. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the company. No opinion is expressed as to whether the accounting policies used, and described in Note 1, are appropriate to the needs of the members.

The financial report has been prepared for distribution to members for the purpose of fulfilling the directors' financial reporting requirements under the Corporations Act 2001. We disclaim any assumption of responsibility for any reliance on this audit 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.

Our audit has been conducted in accordance with Australian Auditing Standards. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report and the evaluation of significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial statements are presented fairly in accordance with the accounting policies used in Note 1 so as to present a view which is consistent with our understanding of the company's financial position, and performance as represented by the results of its operations and its cash flows. These policies do not require the application of all Accounting Standards and other mandatory professional reporting requirements in Australia.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion, the financial report of FPA Health is in accordance with:

- (a) the Corporations Act 2001, including:
 - i) giving a true and fair view of the company's financial position as at 30 June 2002 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1; and
 - ii) complying with Accounting Standards, comprising AASB 1025: Application of the Reporting Entity Concept and Other Amendments, AASB 1034: Information to be Disclosed in Financial Reports, other Accounting Standards to the extent described in Note 1 and the Corporations Regulations 2001; and
- (b) other mandatory professional reporting requirements to the extent described in Note 1.

STIRLING WARTON WILLIAMS

Chartered Accountants



AR Ridley

Sydney, September 2002

10th Floor, Bligh House, 4 Bligh Street Sydney NSW 2000 Australia
GPO Box 7019 Sydney NSW 2001 DX 10242 SSE
Email sww@stirlingww.aust.com

Telephone (02) 9232 8222 Facsimile (02) 9232 8333
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