

The Nelune Foundation

**Financial Statements
30 September 2014**

THE NELUNE FOUNDATION
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2014

1

	Note	2014 \$	2013 \$
Revenue			
Donations		377,174	827,740
Fundraising	3	1,206,280	990,899
Interest received		94,827	92,766
		<hr/>	<hr/>
		1,678,281	1,911,405
Grant funds disbursed	4	(870,000)	(880,127)
Operating expenses	2	(9,474)	(8,183)
		<hr/>	<hr/>
Profit before income tax		798,807	1,023,095
		<hr/>	<hr/>
Income tax expense	1(f)	-	-
Other comprehensive income		-	-
		<hr/>	<hr/>
Total comprehensive income after income tax		798,807	1,023,095

The income statement should be read in conjunction with the notes to the financial statements set out on pages 5 to 7.

**THE NELUNE FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2014**

2

	Note	2014	2013
		\$	\$
Assets			
Cash at bank and on deposit		4,284,636	3,466,935
Receivables		140,548	141,000
Total assets		<u>4,425,184</u>	<u>3,607,935</u>
Liabilities			
Accrued expenses		73,898	55,456
Total liabilities		<u>73,898</u>	<u>55,456</u>
Net Assets		<u>4,351,286</u>	<u>3,552,479</u>
Trust capital			
Settled sum		20	20
Accumulated earnings		4,351,266	3,552,459
Total trust capital		<u>4,351,286</u>	<u>3,552,479</u>

The balance sheet should be read in conjunction with the notes to the financial statements set out on pages 5 to 7.

**THE NELUNE FOUNDATION
STATEMENT OF CHANGES IN TRUST CAPITAL
FOR THE YEAR 30 SEPTEMBER 2014**

3

	2014	2013
	\$	\$
Settled sum	20	20
Accumulated earnings		
Opening balance	3,552,459	2,529,364
Profit recognised for the period	798,807	1,023,095
Closing balance	4,351,266	3,552,459
Total trust capital	4,351,286	3,552,479

The statement of changes in trust capital should be read in conjunction with the notes to the financial statements set out on pages 5 to 7.

**THE NELUNE FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR TO 30 SEPTEMBER 2014**

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	Note	2014	2013
		\$	\$
Cash flows from operating activities			
Receipts from donors and fundraising		1,838,895	1,889,742
Payments including event costs		(1,116,021)	(1,106,478)
Interest		94,827	92,766
Net cash provided by operating activities		<u>817,701</u>	<u>876,030</u>
Net increase in cash held		817,701	876,030
Cash held at the beginning of the financial period		3,466,935	2,590,905
Cash held at the end of the financial period		<u>4,284,636</u>	<u>3,466,935</u>

The statement of cash flows should be read in conjunction with the notes to the financial statements set out on pages 5 to 7.

1 Significant accounting policies

(a) Reporting entity

The Nelune Foundation (“the Foundation”) is not considered to be a reporting entity under Australian Accounting Concepts. Its principal place of business is 12/182 Raglan Street, Mosman, NSW.

The financial report of the Foundation is presented in Australian Dollars and was authorised for issue by the Directors on 10 December 2014.

(b) Basis of preparation

(i) Statement of compliance

The financial report is a special purpose financial report which has been prepared in accordance with Australian Accounting Standards (“AASBs”) adopted by the Australian Accounting Standards Board (“AASB”) (with the exceptions of the disclosure provisions of AASB7 Financial Instruments: Disclosures, AASB101 Presentation of Financial Statements, AASB108 Accounting Policies, Changes in Accounting Estimates and Errors and AASB124 Related Party Disclosures), the Charitable Fundraising Act 1991 and other requirements of the law as they are applicable to a charitable fundraising organisation.

(ii) Basis of measurement

The financial report has been prepared on the basis of historical cost.

(iii) Presentation currency

The financial report is presented in Australian dollars.

(c) Cash

Cash represents amounts held in bank accounts and on deposit.

(d) Revenue

Donations

Donations are recorded as revenue on the date they are received.

Fundraising activities

Revenue from fundraising activities is recognised once the activity has been held. No administrative costs are incurred and only direct event costs are deducted from gross proceeds to arrive at revenue recognised.

Interest income

Interest income on cash and investments are recognised on an accruals basis.

(e) Expenses

Expenses are recognised when the underlying service has been incurred.

(f) Income Tax

The Foundation is a Public Benevolent Institution and is exempt from income tax in accordance with Subdivision 50-B of the Income Tax Assessment Act 1997.

2 Auditors remuneration

During the year, KPMG provided audit services to the Foundation free of charge. Subsequently, Paul Reid, a former partner of KPMG and a registered company auditor, has taken on the role of honorary auditor.

3 Application of funds received for charitable purposes

Comparison by monetary figures and percentages

	2014 \$	2013 \$
Total cost of fundraising – direct event costs only	284,989	212,103
Gross proceeds from fundraising	1,491,269	1,203,002
Percentage	19.1%	17.6%

Net surplus from fundraising	1,206,280	990,899
Gross proceeds from fundraising	1,491,269	1,203,002
Percentage	80.8%	82.4%

Total cost of fundraising – direct event costs only:

	2014 \$	2013 \$
Ball – Hotel cost	57,087	55,456
Ball – Other event cost	94,566	53,757
Race Day – Event costs	100,748	101,930
Golf Day – Event costs	28,858	-
Swim – Event costs	2,770	-
Trivia – Event costs	960	960
	<u>284,989</u>	<u>212,103</u>

4 Grant funds disbursed

The following table details the recipients of grant funds

	2014	2013
	\$	\$
St Vincent's Hospital	120,000	130,000
Prince of Wales Hospital – Nelune Centre	250,000	250,000
Kinghorn Cancer Centre	500,000	500,000
Individual patient supplements	-	127
	<u>870,000</u>	<u>880,127</u>

5. Commitments

	2014	2013
	\$	\$
The Foundation has commitments to funding projects at the reporting date but not recognised as liabilities as follows:		
Prince of Wales Hospital – Nelune Centre (original commitment \$5,000,000)	4,500,000	4,750,000
Kinghorn Cancer Centre (original commitment \$2,500,000)	500,000	1,000,000
	<u>5,000,000</u>	<u>5,750,000</u>

The following payments were made against these commitments after the balance date:

Prince of Wales Hospital – Nelune Centre	985,000	250,000
Kinghorn Cancer Centre	500,000	500,000
	<u>1,485,000</u>	<u>750,000</u>

6 Events occurring after reporting date

There have been no significant events since the balance date which would impact on the financial position of the Foundation as disclosed in the balance sheet as at 30 September 2014 and the results of the Foundation for the year ended on that date.

THE NELUNE FOUNDATION

In the opinion of the Trustee of The Nelune Foundation, the Foundation is not a reporting entity:

- (a) the financial statements and notes set out on pages 1 to 7:
 - (i) give a true and fair view of the financial position of the Foundation as at 30 September 2014 and of the Foundation's performance, as represented by the results of its operations and its cash flows, for the year ended on that date; and
 - (ii) comply with Accounting Standards and other mandatory reporting requirements to the extent described in Note 1 (b); and
- (b) there are reasonable grounds to believe that the Foundation will be able to pay its debts as and when they become due and payable.

Further, in respect of the provisions of the Charitable Fundraising Act 1991:

- (i) the financial report gives a true and fair view of all income and expenditure of the Foundation with respect to fundraising appeal activities for the financial year ended 30 September 2014;
- (ii) the statement of financial position gives a true and fair view of the state of affairs with respect to fundraising appeal activities as at 30 September 2014;
- (iii) the provisions of the Charitable Fundraising Act 1991 and the Regulations under the Act and the conditions attached to the authority have been complied with; and
- (iv) the internal controls exercised by the Foundation are appropriate and effective in accounting for all income received and applied by the Foundation from any of its fundraising appeals.

For and on behalf of the Trustee and in accordance with a resolution of the Board of the Trustee.


Nelune Rajapakse
Director

Dated at Sydney
29 December 2014

Independent auditor's report to the Trustee of The Nelune Foundation

Report on the financial report

I have audited the accompanying financial report (being a special purpose financial report) of The Nelune Foundation (the Foundation) for the financial year ended 30 September 2014 which comprises the statement of financial position as at 30 September 2014 and the statement of comprehensive income, statement of changes in trust capital and statement of cash flows for the year then ended and accompanying notes 1 to 6.

Trustee's responsibility for the financial report

The Trustee of the Foundation is responsible for the preparation and fair presentation of the financial report and has determined that the basis of preparation described in Note 1(b) to the financial statements is appropriate to meet the needs of the Trustee. The Trustee's responsibility also includes such internal controls as the Trustee determines in necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Trustee, as well as evaluating the overall presentation of the financial report.

These procedures have been undertaken to form an opinion whether, in all material respects the financial report presents fairly, in accordance with the basis of accounting described in Note 1(b) to the financial statements so as to present a view which is consistent with my understanding of the Foundation's financial position and of its performance and cash flows.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

In conducting my audit, I have complied with the independence requirements of the Australian professional accounting bodies.

Basis for qualified auditor's opinion

As is common for organisations of this type, it is not practicable for the Foundation to fully establish internal controls over the collection of income from various revenue raising activities prior to entry into its financial records. Accordingly, as the evidence available to me regarding revenue from this source was limited, my audit procedures with respect to these revenue streams had to be restricted to the amounts recorded in the financial records and information provided by the Foundation's management. I therefore am unable to express an opinion whether the unsolicited revenue obtained is complete.

Qualified Audit opinion

In my opinion, except for the effects on the financial report of such adjustments, if any, as might have been required had the limitation on my audit procedures referred to in the qualification paragraph not existed, the financial report of The Nelune Foundation presents fairly, in all material respects, the Foundation's financial position as at 30 September 2014 and its performance for the year then ended in accordance with the accounting policies described in Note 1(b) to the accounts.

Additional scope pursuant to the Charitable Fundraising (NSW) Act 1991

In addition, my audit report has also been prepared for the Trustee of the Foundation in accordance with Section 24(2) of the Charitable Fundraising (NSW) Act 1991. Accordingly I have performed additional work beyond that which is performed in my capacity as auditor pursuant to the Trust Deed. These additional procedures included obtaining an understanding of the internal control structure for fundraising appeal activities and examination, on a test basis, of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the Charitable Fundraising (NSW) Act 1991 and Regulations.

It should be noted that the accounting records and data relied upon for reporting on fundraising appeal activities are not continuously audited and do not necessarily reflect after the event accounting adjustments and the normal year end financial adjustments for such matters as accruals, prepayments, provisioning and valuations necessary for year end financial report preparation.

The audit opinion in this report pursuant to the Charitable Fundraising (NSW) Act 1991 has been formed on the above basis.

Audit opinion pursuant to the Charitable Fundraising (NSW) Act 1991

In my opinion, except for the effects of the matter referred to in the qualification paragraph above:

- a) the financial report gives a true and fair view of the financial result of fundraising appeal activities for the financial year ended 30 September 2014;
- b) the financial report has been properly drawn up, and the associated records have been properly kept for the year ended 30 September 2014, in accordance with the Charitable Fundraising (NSW) Act 1991 and Regulations;
- c) money received as a result of fundraising appeal activities conducted during the year ended 30 September 2014 has been properly accounted for and applied in accordance with the Charitable Fundraising (NSW) Act 1991 and Regulations; and

- d) there are reasonable grounds to believe that The Nelune Foundation will be able to pay its debts as and when they fall due.

Basis of Accounting

Without modifying my opinion, I draw attention to Note 1(b) to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the Trustee of the Nelune Foundation to meet the requirements of the Foundation's Trust Deed. As a result, the financial report may not be suitable for another purpose.



P M Reid CA
Registered Company Auditor

Sydney
29 December 2014