

**ASTHMA AUSTRALIA INC.
ABN No. 47 931 649 319**

FINANCIAL STATEMENTS

Year Ended 30th June 2017

**ASTHMA AUSTRALIA INC
FINANCIAL REPORT
YEAR ENDED 30 JUNE 2017**

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**ASTHMA AUSTRALIA INC
FINANCIAL REPORT
YEAR ENDED 30 JUNE 2017**

BOARD REPORT

The Board members submit the financial report of Asthma Australia Inc for the financial year ended 30 June 2017.

The name of the Board members at the date of this report are:

Mr Terry Evans - Independent Chairman
Dr Simon Bowler - Independent Director (Resigned August 2016)
Ms Jennifer Robertson - Independent Director
Ms Marita Cowie - QLD Director
Mr Alan Grove - NT Director (Resigned August 2016)
Ms Maria Walters - NT Director (Appointed December 2016)
Mr Ian Buddery - NSW Director
Mr Doug Gould - VIC Director (Resigned November 2016)
Mr Jonathan Burdon - VIC Director (Appointed December 2016)
Mr Kevin Morgan - TAS Director
Mr Robert Stobbe - SA Director
Mr Tony Carter - WA Director
Ms Amanda Bresnan - ACT Director


In accordance with Section 35(5) of the Associations Incorporations Act 1985, the Board of Asthma Australia Inc hereby states that during the financial year ended 30 June 2017

- (a) (i) No officer of the association;
(ii) No firm of which the officer is a member;
(iii) No body corporate in which an officer has a substantial financial interest;

Has received or become entitled to receive a benefit as a result of a contract between the officer, firm or body corporate and the association.

No officer of the association has received directly or indirectly from the association any payment or other benefit of a pecuniary value.

This report is made in accordance with a resolution of the Board and is signed for and on behalf of the Board by:



BOARD MEMBER



BOARD MEMBER

Dated this 9th day of November 2017

**ASTHMA AUSTRALIA INC
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2017**

STATEMENT BY MEMBERS OF THE BOARD OF MANAGEMENT

The Board have determined that the association is not a reporting entity.

The Board have determined that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial report.

In the opinion of the Board, the financial report:

1. Presents fairly position of Asthma Australia Inc for the year ended 30 June 2017 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that Asthma Australia Inc will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Board and is signed for and on behalf of the Board by:



BOARD MEMBER



BOARD MEMBER

Dated this 9th day November 2017

INDEPENDENT AUDITOR'S REPORT

Asthma Australia Inc.

We have audited the accompanying financial report of Asthma Australia Inc., which comprises the Statement of Profit and Loss and other Comprehensive Income as at 30 June 2017, and the Statement of Financial Position for the year then ended, a summary of significant accounting policies and other explanatory notes.

The Responsibility of the Board of Directors for the Financial Report

The Board of Directors are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 of 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 Board of Directors, as well as evaluating the overall presentation of the financial report.

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

Auditor's Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of Asthma Australia Inc. as of 30 June 2017, and of its financial performance for the year then ended in accordance with Australian Accounting Standards.

.....
Peter Hall Chartered Accountant

Peter Hall FCA
25 Leigh Street Adelaide SA

Dated this day of 2017

**DECLARATION OF INDEPENDENCE BY PETER HALL TO THE BOARD OF
MANAGEMENT OF AUSTRALIA INC.**

As the auditor of Asthma Australia Inc. for the year ended 30th June 2017, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

Peter Hall

Adelaide

Asthma Australia Inc.
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017

	NOTE	2017 \$	2016 \$
REVENUE			
Conference Income including Sponsorship		504,509	404,487
CSP, ACAP and HSCDF & Grants		3,104,524	2,936,400
Donations		415,536	428,202
Membership Fees		4,000	4,000
Membership Levies		32,650	52,001
Management Support Fees		39,994	30,000
NAC Merger		39,773	-
Other Income			
Sundry income		48,048	43,307
Training		6,685	9,115
Changes in the fair value of financial assets		82,332	(19,664)
Bank Interest		381	24,719
Dividends Received		73,388	44,663
Research Income		626,014	750,434
TOTAL INCOME		<u>4,977,834</u>	<u>4,707,664</u>
EXPENSES			
Audit		7,000	7,000
Conference		85,236	-
Depreciation		4,636	3,807
Operating		572,384	630,724
Project and Grants		3,708,829	3,438,191
Staff Salaries & Oncosts		653,215	565,824
TOTAL EXPENSES		<u>5,031,300</u>	<u>4,645,546</u>
SURPLUS (DEFICIT) FOR THE YEAR		<u>(53,466)</u>	<u>62,118</u>

The above Income Statement should be read in conjunction with the accompanying notes.

Asthma Australia Inc.
STATEMENT OF FINANCIAL POSITION
AS AT THE YEAR ENDED 30 JUNE 2017

	NOTE	2017 \$	2016 \$
CURRENT ASSETS			
Shares in Public Companies - at Fair Value		1,749,797	1,759,913
Cash on hand		220	220
Cash at bank		2,241,135	150,196
Receivables		170,202	90,795
Prepayments and other receivables		143,445	135,696
		<u>4,304,799</u>	<u>2,136,820</u>
NON-CURRENT ASSETS			
Plant and Equipment	3	8,889	11,903
		<u>8,889</u>	<u>11,903</u>
TOTAL ASSETS		<u>4,313,688</u>	<u>2,148,723</u>
CURRENT LIABILITIES			
Creditors and Accruals		347,318	72,766
Grants/Project funding in Advance		2,042,065	119,478
Research Grants Approved		441,184	-
Staff Leave Provisions - Annual leave		26,804	30,845
TOTAL CURRENT LIABILITIES		<u>2,857,371</u>	<u>223,089</u>
NON CURRENT LIABILITIES			
Research Grants Approved		187,297	-
Staff Leave Provisions - Long service leave		43,740	18,407
TOTAL NON CURRENT LIABILITIES		<u>231,037</u>	<u>18,407</u>
TOTAL LIABILITIES		<u>3,088,408</u>	<u>241,496</u>
NET ASSETS		<u>1,225,280</u>	<u>1,907,227</u>
EQUITY			
Retained Earnings	2	336,363	389,829
National Research Reserves		888,917	1,517,398
TOTAL EQUITY		<u>1,225,280</u>	<u>1,907,227</u>

The above Balance Sheet should be read in conjunction with the accompanying notes.

Asthma Australia Inc.

A.B.N 47 931 649 319

Statement of changes in equity for the year ended 30th June 2017

	Retained Earnings	Total
Balance at 1 July 2015	\$ 327,711	\$ 327,711
Surplus for the Year	62,118	62,118
Balance at 30 June 2016	389,829	389,829
	Retained Earnings	Total
Balance at 1 July 2016	\$ 389,829	\$ 389,829
Surplus (Deficit) for the Year	(53,466)	(53,466)
Balance at 30 June 2017	336,363	336,363

The above statement of changes in equity should be read in conjunction with the accompanying notes

Asthma Australia Inc.
STATEMENT OF CASH FLOW
FOR YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$
CASHFLOW FROM OPERATING ACTIVITIES		
Receipts from Grants and Rsearch	5,653,125	3,637,076
Less/Increase Decrease in Grants in Advance		
Receipts from Conferences and Sponsorships	504,509	404,487
Receipts from Donations	415,536	428,202
Other Income	56,893	220,118
Plus Less Decrease in Receivables		
Payments to Employees	(631,923)	(557,951)
Less Income in Provisions		
Payments for Research Projects & Grants	(3,708,829)	(3,569,497)
Plus Decrease in National Reserves		
Payments to Suppliers	(357,823)	(645,780)
Plus Decrease in Creditors & Prepay		
NET CASH/FLOW FROM OPERATING ACTIVITIES	1,931,488	(83,345)
CASHFLOWS FROM INVESTING ACTIVITIES		
Bank Interest Received	381	24,719
Dividends Received	68,244	34,081
(Purchase) / Proceeds on Sale of Investments	92,448	(1,142,047)
Purchase of Plant and Equipment	(1,622)	(3,355)
NET CASHFLOWS FROM INVESTING ACTIVITIES	159,451	(1,086,602)
Net Increase / (Decrease in Cash Equivalents)	2,090,939	(1,169,947)
Cash and Cash Equivalents at the Beginning of the Year	150,196	1,320,143
	2,241,135	150,196

Asthma Australia Inc.

Notes to the financial statements for the Year Ended 30 June 2017

1. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial report contains financial statements for Asthma Australia Inc as an individual entity

(a) Basis of preparation

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements for the Associations Incorporations Act (SA) 1985. The Board has determined that the Association is not a reporting entity. The financial report has been prepared in accordance with the requirements of the Associations Incorporations Act (SA) 1985 and the following Australian Accounting Standards:-

AASB 116	Depreciation
AASB 1031	Materiality
AASB 110	Events occurring after reporting date

(b) Incorporation

Asthma Australia Inc was incorporated on 18 June 1992.

(c) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognised for major activities as follows:

(i) Government grants

Grants from the government are recognised at their fair value where there is reasonable assurance that the grant will be received and the Association will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the income statement over the period necessary to match them with the costs that they are intended to compensate.

Income received for a purpose, but not liable to be repaid if unspent, is recognised as revenue on receipt and disclosed as a separate reserve in the Balance Sheet.

(ii) Interest Income

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

(d) Income Tax

Asthma Australia Inc is exempt from the payment of income tax pursuant to Section 50-30 of the Income Tax Assessment Act 1997.

(e) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight line basis over the period of the lease.

(f) Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units).

(g) Cash and cash equivalents

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Asthma Australia Inc. Notes to the financial statements for the Year Ended 30 June 2017

(h) Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised costs, less provision for doubtful debts.

Collectively the receivables are reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful receivables is established when there is objective evidence that the Association will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the provision is recognised in the income statement.

(i) Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation on assets is calculated using the diminishing value method to allocate their cost, net of their residual value, over their estimated useful lives, as follows:

- IT Equipment 20%
- Office Equipment 20%
- Furniture & fittings 20%

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(f)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

(j) Accounts Payable

These amounts represent liabilities for goods and services provided to the Association prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(k) Employee Benefits

(i) Wages and Salaries

Liabilities for wages and salaries, including non monetary benefits, expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

(l) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

(m) New Accounting Standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the 30th June 2017 reporting period. These new standards and interpretations are not expected to have a significant impact on the Association's financial statements.

(n) Current and Non-Current Classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

Deferred tax assets and liabilities are always classed as non current.

Asthma Australia Inc.
Notes to the financial statements for the Year Ended 30 June 2017

An asset is current when: it is expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within twelve months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when: it is expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within twelve months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

(o) Critical Accounting Judgements, Estimates and Assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are noted below at item (p).

(p) Events After the Reporting Period

On 1st October 2017, Asthma Australia Inc. merged with the Asthma Foundations of Queensland and New South Wales, ACT, Victoria and South Australia to form a united entity which will be able to achieve efficiencies, direct greater resources to service delivery and with scale be better able to realise opportunities currently not afforded to any of the individuals alone.

(q) Financial Assets

All equity investments are measured at fair value. Equity investments are measured at fair value through profit or loss. At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other income or other expenses in the income statement as applicable. Interest income from these financial assets is included in the net gains/(losses). Dividend income is presented as other revenue.

Impairment of financial assets

Asthma Australia Inc. assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. Financial assets are considered impaired when there has been a significant or prolonged decline in the value below initial cost.

2. Members Retained Earnings

	2017	2016
	\$	\$
Members Funds at the Beginning of the Financial Year	389,829	327,711
Add Surplus (Deficit) for the Year	<u>(53,466)</u>	<u>62,118</u>
Members Funds at the End of the Financial Year	<u>336,363</u>	<u>389,829</u>

Asthma Australia Inc.**Notes to the financial statements for the Year Ended 30th June 2017****3. Non-current assets - Property, Plant and equipment**

	IT Equipment \$	Office Equipment \$	Furniture and Fittings \$	Total \$
Year ended 30 June 2017				
Opening net book amount	8,093	826	2,984	11,903
Additions	1,622	-	-	1,622
Disposals	-	-	-	-
Depreciation charge	3,064	420	1,152	4,636
Closing net book amount	<u>6,651</u>	<u>406</u>	<u>1,832</u>	<u>8,889</u>
At 30 June 2017				
Cost	33,745	2,505	11,293	47,543
Accumulated depreciation	<u>27,094</u>	<u>2,099</u>	<u>9,461</u>	<u>38,654</u>
Net book amount	<u>6,651</u>	<u>406</u>	<u>1,832</u>	<u>8,889</u>

4. Remuneration of auditors

	2017 \$	2016 \$
Audit of financial reports	7,000	7,000
Total remuneration for audit services	<u>7,000</u>	<u>7,000</u>

5. Financial instruments

The Association's activities expose it to a variety of financial risks. The Association's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Association. Risk management is carried out by management under policies approved by the Board of Directors.

At the balance date, the Association held the following:

	<u>30 June 2017</u> \$	<u>30 June 2016</u> \$
Cash and cash equivalents	2,241,135	150,196
Shares in Public Companies - at Fair Value	1,749,797	1,759,913

The Association's interest rate risk would not have had a significant impact on the surplus for the years ended 30 June 2017 and 2016

The Association had no borrowings at end of 30 June 2017 or 2016.

(b) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash to meet payment obligations.

The Association did not have access to significant undrawn borrowing facilities at the report date.

All of the Association's financial liabilities have a contractual maturity date of less than one year.

6. Contingent liabilities

At balance date there are no known contingent liabilities.