

THE ASTHMA FOUNDATION OF SA INC
ABN 29 187 159 478

FINANCIAL REPORT

FOR THE 3 MONTHS ENDED 30 SEPTEMBER 2017

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THE ASTHMA FOUNDATION OF SA INC
ABN 29 187 159 478

STATEMENT OF SURPLUS OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE 3 MONTHS ENDED 30 SEPTEMBER 2017

	Note	3 months ended 30 September 2017 \$	12 months ended 30 June 2017 \$
REVENUE			
Fundraising	2B-1	113,165	623,225
Trading Activities	2B-2	32,786	240,309
Grants Income	2B-3	75,820	256,635
Investment Income	2B-4	186,156	775,095
Bequests Received	2B-1	41,988	102,213
TOTAL REVENUE		449,915	1,997,477
EXPENSES			
Administration		85,049	243,528
Health Services		17,270	210,983
Promotion & Advertising		1,845	34,007
Fundraising		41,131	289,524
Occupancy		9,996	41,199
Personnel		223,675	1,082,429
TOTAL EXPENSES	2C	378,966	1,901,670
SURPLUS/(LOSS)		70,949	95,807
OTHER COMPREHENSIVE INCOME			
Items that may be re-classified to surplus or loss:			
Revaluation of financial assets		(148,146)	(278,777)
Items that will not be re-classified to surplus or loss:			
Revaluation of land and buildings		-	-
TOTAL COMPREHENSIVE INCOME		(77,197)	(182,970)

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

THE ASTHMA FOUNDATION OF SA INC
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STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2017

	Note	30 September 2017 \$	30 June 2017 \$
CURRENT ASSETS			
Cash and Cash Equivalents	2D	891,349	948,057
Receivables & Prepayments	2E	96,138	81,198
Inventory on Hand	2F	40,245	41,239
Non-current assets held for distribution - Financial assets	3A	3,841,667	3,911,932
Non-current assets held for distribution - Property, plant and equipment	3B	1,333,515	1,349,173
TOTAL CURRENT ASSETS		6,202,914	6,331,599
TOTAL ASSETS		6,202,914	6,331,599
CURRENT LIABILITIES			
Trade Creditors & Other Payables	2G	48,321	98,273
Income Received in Advance	2B-3	18,175	-
Employee Benefits Provision	2H	136,576	156,287
TOTAL CURRENT LIABILITIES		203,072	254,560
TOTAL LIABILITIES		203,072	254,560
NET ASSETS		5,999,842	6,077,039
MEMBERS' FUNDS			
Accumulated Surpluses	4A	4,782,156	4,711,207
Reserves	4B	1,217,686	1,365,832
TOTAL MEMBERS' FUNDS		5,999,842	6,077,039

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

THE ASTHMA FOUNDATION OF SA INC
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STATEMENT OF CHANGES IN EQUITY
FOR THE 3 MONTHS ENDED 30 SEPTEMBER 2017

Note	Accumulated Surpluses \$	Asset Revaluation Reserve \$	Financial Assets Reserve \$	Total Equity \$
Balance at 1 July 2016	4,615,400	741,769	902,840	6,260,009
Surplus/(loss)	95,807	-	-	95,807
Other comprehensive income: Revaluation of financial assets	-	-	(278,777)	(278,777)
Total comprehensive income	95,807	-	(278,777)	(182,970)
Balance at 30 June 2017	4,711,207	741,769	624,063	6,077,039
Surplus/(loss)	70,949	-	-	70,949
Other comprehensive income: Revaluation of financial assets	-	-	(148,146)	(148,146)
Total comprehensive income	70,949	-	(148,146)	(77,197)
Balance at 30 September 2017	4,782,156	741,769	475,917	5,999,842

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

THE ASTHMA FOUNDATION OF SA INC
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STATEMENT OF CASH FLOWS
FOR THE 3 MONTHS ENDED 30 SEPTEMBER 2017

		3 months ended 30 September 2017	12 months ended 30 June 2017
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from fundraising		113,165	621,287
Receipts from customers		59,897	276,643
Receipts from grants		75,820	246,480
Receipts from bequests		41,988	102,213
Payments to suppliers, employees and others		(429,910)	(1,903,946)
Interest received		2,828	8,915
Dividends received		76,882	274,867
Net cash provided by (used in) operating activities	2D-2	<u>(59,330)</u>	<u>(373,541)</u>
CASH FLOW FROMS INVESTING ACTIVITIES			
Payments for investments		(318,173)	(1,394,657)
Proceeds from investments		320,795	2,086,655
Payments for property, plant & equipment		-	(2,476)
Proceeds from property, plant & equipment		-	-
Net cash provided by (used in) investing activities		<u>2,622</u>	<u>689,522</u>
Net increase (decrease) in cash held		(56,708)	315,981
Cash at the beginning of the period		948,057	632,076
Cash at the end of the period	2D-1	<u>891,349</u>	<u>948,057</u>

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

THE ASTHMA FOUNDATION OF SA INC
ABN 29 187 159 478

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 3 MONTHS ENDED 30 SEPTEMBER 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting policy notes have been presented where appropriate alongside the relevant quantitative disclosures.

1 A Basis of Preparation

The financial report covers The Asthma Foundation of SA Inc ("the Foundation") as an individual not-for-profit entity. The Foundation is an association incorporated in South Australia under the Association Incorporation Act (SA) 1985. It is also a registered charity under the Australian Charities and Not-for-profits Commission Act (Cwth) 2012.

This financial report is a special purpose financial report prepared in order to satisfy the financial report preparation requirements of the Associations Incorporation Act 1985 and the Australian Charities and Not-for-profits Commission Act 2012. The board members have determined that the Foundation is not a reporting entity.

The report has been prepared in accordance with the recognition and measurement requirements of Australian Accounting Standards, and disclosure requirements of the following Australian Accounting Standards:

AASB 101 Presentation of Financial Statements;
AASB 107 Statement of Cash Flows;
AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors;
AASB 110 Events after the Reporting Period;
AASB 1048 Interpretation of Standards; and
AASB 1054 Australian Additional Disclosures.

No other specific Accounting Standard or other authoritative pronouncements of the Australian Accounting Standards Board have been applied. The Asthma Foundation of SA Inc is a not-for-profit entity for the purpose of preparing these financial statements.

The financial statements have been prepared using the accruals concept of accounting. All amounts are measured at historical cost, except for land and buildings and financial assets that are measured at fair value. No amounts are rounded. The presentation currency is Australian dollars. All accounting policies have been consistently applied unless otherwise stated.

The Association has merged with state foundations from ACT, NSW, Queensland, and Victoria to form Asthma Australia Ltd effective 1 October 2017. All assets and liabilities were transferred to Asthma Australia Ltd at the carrying values in these financial statements with the exception of long term investments which are to be transferred to Asthma Foundation SA Trust. The process of deregistering and dissolving the Association is expected to be finalised within the 2018 financial year. As a result, the Association is not considered a going concern and the financial statements have been prepared on a break-up basis.

Due to the merger being effective from 1 October 2017, the current reporting period is for the 3 months ended 30 September 2017 and the comparative amounts for the year ended 30 June 2017 are not entirely comparable.

NOTE 2 OPERATING ACTIVITIES AND WORKING CAPITAL

2 A Sustainability

The Foundation relies on public donations, bequests, grants and the support of corporate partners to fund core community services and programs.

2 B Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

2 B- 1 Fundraising and Bequests

Donations, corporate sponsorships, bequests, and other fundraising income is recognised when the entity obtains control over the funds, which is generally at the time of receipt.

2 B- 2 Trading Income

Trading income is recognised when the related goods or services are provided to the customer.

THE ASTHMA FOUNDATION OF SA INC
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE 3 MONTHS ENDED 30 SEPTEMBER 2017

NOTE 2 OPERATING ACTIVITIES AND WORKING CAPITAL (CONTINUED)

2 B- 3 Grants Income	3 months ended 30 September 2017 \$	12 months ended 30 June 2017 \$
Commonwealth Grants:		
Asthma Child & Adolescent Program	-	149,441
Asthma Community Support Program	-	79,664
Asthma Management Program	65,733	-
Other Grants	10,087	27,530
	<u>75,820</u>	<u>256,635</u>

When there are conditions that must be met before the Foundation has control over grant funding received, such as a requirement to pay back unspent funds, the grant funds received are recorded in the Income Received in Advance Liability account. When the conditions have been met, e.g. when the relevant expenditure has been incurred and funds are no longer refundable, the funds are recognised as revenue.

2 B- 4 Investment Income	3 months ended 30 September 2017 \$	12 months ended 30 June 2017 \$
Investment Income is made up of the following:		
Interest Earned	2,828	8,916
Dividends and Franking Credits	102,825	273,918
Gain on sale of Shares	80,503	492,261
	<u>186,156</u>	<u>775,095</u>

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

Dividend revenue is recognised when the right to receive a dividend has been established.

Gain on sale of investments is the difference between cost and proceeds realised on disposal of the investment.

2 C Specific Expenses	3 months ended 30 September 2017 \$	12 months ended 30 June 2017 \$
Surplus/(loss) for the period includes the following specific expenses:		
Auditor's Remuneration - Audit Fee	7,600	11,688
Auditor's Remuneration - Compilation of Financial Report	1,500	1,500
Depreciation	15,658	63,447
<i>Employee benefits expense</i>		
Wages and salaries	203,353	980,324
Superannuation contribution	18,421	86,327

THE ASTHMA FOUNDATION OF SA INC
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE 3 MONTHS ENDED 30 SEPTEMBER 2017

NOTE 2 OPERATING ACTIVITIES AND WORKING CAPITAL (CONTINUED)

2 D Cash and Cash Equivalents

Cash and cash equivalents - unrestricted, includes cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

Cash and Cash Equivalents - restricted, includes cash held for lotteries and grants.

Statement of Cash Flows	3 months ended 30 September 2017	12 months ended 30 June 2017
	\$	\$

2 D-1 Reconciliation of cash and cash equivalents

Cash at the end of the period as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Positions as follows.

Cash and Cash Equivalents - Unrestricted	838,556	864,354
Cash and Cash Equivalents - Restricted	52,793	83,703
	<u>891,349</u>	<u>948,057</u>

2 D-2 Reconciliation of cash flows from operations with surplus/(loss) for the period

Surplus/(Loss) for the period	70,949	95,807
<i>Non-cash flows in surplus/ (loss)</i>		
Depreciation	15,658	63,447
(Gain)/Loss on sale of Shares	(80,503)	(492,261)
<i>Changes in assets and liabilities</i>		
(Increase)/Decrease in receivables and prepayments	(14,940)	17,181
(Increase)/Decrease in inventory on hand	994	(5,637)
Increase/(Decrease) in trade creditors and other payables	(49,952)	(39,074)
Increase/(Decrease) in income received in advance	18,175	(12,092)
Increase/(Decrease) in employee benefits provision	(19,711) -	912
Net cash provided by operating activities	<u>(59,330)</u>	<u>(373,541)</u>

2 E Receivables

Receivables include amounts receivable from trade debtors less, where applicable, an allowance for doubtful debts.

2 F Inventories

Inventories comprise asthma management products.

Inventories are valued on the lower of cost or net realisable value.

2 G Trade and Other Payables

Payables include trade creditors and accruals, including goods and services received prior to the end of the reporting period that are unpaid at the end of the period.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 3 MONTHS ENDED 30 SEPTEMBER 2017

NOTE 2 OPERATING ACTIVITIES AND WORKING CAPITAL (CONTINUED)

2 H Employee Benefits

Provision is made for the Foundation's liability for employee benefits arising from services rendered by employees to reporting date.

Short-term employee benefit obligations

Liabilities for wages and salaries, including non-monetary benefits and leave expected to be settled wholly within 12 months after the end of the reporting period are recognised in provisions in respect of employees' services rendered up to the end of the reporting period and are measured at amounts expected to be paid when the liabilities are settled.

Long-term employee benefit obligations

Liabilities for long service leave and annual leave that are not expected to be settled wholly within 12 months after the end of the reporting period. They are recognised as part of the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees to the end of the reporting period. Consideration is given to expected future salaries and wages levels, experience of employee departures and periods of service. Expected future payments are discounted using corporate bond rates at the end of the reporting period with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Classification between current and non current liabilities

Regardless of when settlement is expected to occur, liabilities for long service leave and annual leave are presented as current liabilities in the statement of financial position if the entity does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period.

2 I Income Taxes

No income tax is payable by the Foundation, as Section 50-5 of the Income Tax Assessment Act 1997 exempts Charitable Institutions from Income Tax.

2 J Goods & Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

Cash flows are presented in the Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

NOTE 3 LONG TERM ASSETS - HELD FOR DISTRIBUTION

3 A Financial assets

All financial assets within this portfolio are classified as "available for sale".

What are available-for-sale financial assets?

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They usually comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Recognition and Initial Measurement

Financial instruments are initially measured at cost (including transaction costs) on trade date, when the related contractual rights or obligations exist.

Subsequent Measurement

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in reserves. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in reserves is reclassified into surplus or loss.

Classification

Available-for-sale financial assets are classified as non-current assets when they are not expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

THE ASTHMA FOUNDATION OF SA INC
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE 3 MONTHS ENDED 30 SEPTEMBER 2017

NOTE 3 LONG TERM ASSETS - HELD FOR DISTRIBUTION (CONTINUED)

3 B Property, Plant and Equipment

	Land & Buildings at fair value	Plant, Equipment & Vehicles at cost	Total
Gross Carrying Amount			
Balance at 30 June 2017	1,300,000	261,817	1,561,817
Additions	-	-	-
Disposals	-	-	-
Balance at 30 September 2017	1,300,000	261,817	1,561,817
Accumulated Depreciation			
Balance at 30 June 2017	26,523	186,121	212,644
Depreciation Expense	6,685	8,973	15,658
Disposals	-	-	-
Balance at 30 September 2017	33,208	195,094	228,302
Net Book Value			
As at 30 June 2017	1,273,477	75,696	1,349,173
As at 30 September 2017	1,266,792	66,723	1,333,515

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Land and Buildings

Land and buildings are carried at their fair value, based on periodic valuations by an external independent valuer, less accumulated depreciation for buildings.

The latest valuation was completed by Certified Practising Valuer, Alex Smithson FAPI of Knight Frank. The valuation report shows the fair value of the land and buildings as \$1,300,000 at 30 June 2016.

Plant and Equipment

Plant and equipment is carried at cost, less accumulated depreciation.

Depreciation

The depreciable amount of all buildings and improvements, plant, equipment and motor vehicles are depreciated over the useful life of the assets of the Foundation, commencing from the time the asset is held ready for use.

NOTE 4 LONG TERM FINANCING

The foundation does not have any debt financing, but rather relies on accumulated surpluses and increases in value of long term assets for its long term financing.

EQUITY FINANCING

Amounts pertaining to key equity categories are shown in the Statement of Changes in Equity.

4 A Accumulated Surpluses

This balance represents the surpluses or losses accumulated from year to year, and does not include the impact of unrealised gains presented directly in reserves.

4 B Reserves

The Financial Assets Reserve records revaluations of financial assets, gain (loss) on revaluation of financial assets to market value.

The reduction in the balance of the Financial Asset Reserve of \$148,146 reflects the decline in market value of share investments held by the foundation for the entire period and profit realised on any shares sold during the period.

The Asset Revaluation Reserve records revaluations of land and buildings.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE 3 MONTHS ENDED 30 SEPTEMBER 2017

NOTE 5 EVENTS AFTER THE REPORTING DATE

The Association has merged with state foundations from ACT, NSW, Queensland, and Victoria to form Asthma Australia Ltd effective 1 October 2017. All assets and liabilities were transferred to Asthma Australia Ltd at the carrying values in these financial statements with the exception of long term investments which were transferred to Asthma Foundation SA Trust on 28 February 2018. The transfer of land and buildings to Asthma Australia Ltd is not yet complete due to complications with the Land Titles Office processes of confirming authority and identity of directors of the association before initiating the transfer, however is expected to occur in due course. The process of deregistering and dissolving the Association is expected to be finalised within the 2018 financial year.

NOTE 6 RELATED PARTY TRANSACTIONS

No transactions occurred between the Board of Directors and the Foundation during the 3 months ended 30 September 2017.

The Foundation engages the services of a wide range of supplier and professional organisations. During the period, no Board Director received a benefit by reason of contract made by the Foundation with any entity in respect of which he/she has a financial interest.

The Foundation is a Member Foundation of Asthma Australia Incorporated, the national body overseeing Asthma support in Australia. As part of this relationship the Foundation is paid to provide services to or on behalf of Asthma Australia Incorporated, and also pays Asthma Australia Incorporated for various administrative services performed on their behalf.

NOTE 7 REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

The registered office and principal place of business of the Foundation are located at:
300 South Road
HILTON SA 5033

THE ASTHMA FOUNDATION OF SA INC
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STATEMENT BY THE BOARD OF DIRECTORS
FOR THE 3 MONTHS ENDED 30 SEPTEMBER 2017

The Board of Directors have determined that the Foundation is not a reporting entity and that this special purpose financial report should be prepared in accordance with the Australian Accounting Standards and accounting policies to the extent described in Note 1 to the financial statements.

The Board of Directors of the Foundation declare that:

- a. The financial report comprising the Statement of Surplus or Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows, and Notes to and forming part of the accounts present fairly the results of the operations of the Foundation for the 3 months ended 30 September 2017 and the state of the affairs of the Foundation as at that date;
- b. The Board has reasonable grounds to believe that the Foundation will be able to pay its debts as and when they fall due;
- c. The Foundation does not have any subsidiaries, nor is the Foundation a Trustee of any trust;
- d. During the 3 months ended 30 September 2017,
 - No officer of the Foundation,
 - No firm of which a Director is a member,
 - No body corporate in which any Director has a financial interest,has received or become entitled to receive a benefit, other than under ordinary commercial terms as a result of a contract between the officer, firm or body corporate and the Foundation, or has received directly or indirectly from the Foundation any payment or other benefit of a pecuniary value.

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

Director

Dated this day of April 2018