

The Asthma Foundation of SA Incorporated
Financial Report for the Year Ended 30 June 2013

REPORT BY THE BOARD OF DIRECTORS

The Board of Directors submit the financial report of The Asthma Foundation of SA Inc for the financial year ended 30 June 2013.

Board Directors

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

Ms Anne Burgess	Mr Brendon Green (from Nov 2012)
Mr Peter Beckwith (retired Nov 2012)	Dr Kerry Hancock
Ms Kristyn Briggs (retired July 2013)	Ms Michelle Herriot
Mr Tim Burfield (from Nov 2012)	Mr Rick Persse
Assoc Prof Vicki Clifton	Mr Mark Stewart
Mr Mark Fortunatow	Mr Robert Stobbe
	Dr Andrew Tai

Principal Activities

The principal activities of the Foundation during the financial period were to help people with asthma and linked conditions to breathe better by providing information, education, training and advocacy in the community and by promoting research.

Sustainability Strategy

Asthma Foundation SA has highlighted "sustainability" as a priority goal within its strategic plan. To ensure this goal is achieved, AFSA places high importance of having in place strong governance structures and practices, clear strategic communication plans, strong corporate and community partnerships and carefully monitored income generation strategies. In building a healthy financial investment portfolio, principally through using bequest income, AFSA is ensuring a sustainable income stream for future health services and research programs.

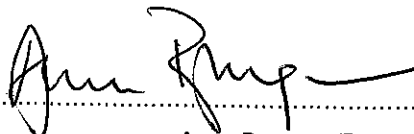
Significant Changes

No significant change in the nature of these activities occurred during the period ended June 2013.

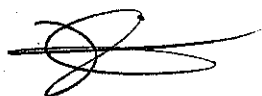
Operating Result

The operating surplus for the period ended June 2013 was \$6,040

Signed in accordance with a resolution of the Board of Directors



.....
Anne Burgess (President)



.....
Tim Burfield (Treasurer)

Dated this sixteenth day of October 2013

The Asthma Foundation of South Australia Inc

INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 30 JUNE 2013

	Note	2012-2013 12 months \$	2011-2012 18 months \$
INCOME FROM OPERATING ACTIVITIES			
Fundraising		935,523	1,473,438
Trading Activities		488,153	515,174
Grants	2	237,198	418,444
Investment Income	3	230,547	286,032
TOTAL OPERATING INCOME		<u>1,891,421</u>	<u>2,693,088</u>
EXPENDITURE FOR OPERATING ACTIVITIES			
Administration		86,835	112,245
Health Services		458,239	529,649
Promotion & Advertising		31,835	53,868
Fundraising		353,887	580,553
Occupancy		45,429	77,753
Personnel		909,003	1,419,416
Sundry		153	2,376
TOTAL OPERATING EXPENDITURE		<u>1,885,381</u>	<u>2,775,860</u>
SURPLUS (DEFICIT) FROM OPERATING ACTIVITIES		6,040	(82,772)
Bequests Received		113,702	605,411
NET SURPLUS FOR THE PERIOD	7	<u>119,742</u>	<u>522,639</u>

The accompanying notes form part of these financial statements.

The Asthma Foundation of South Australia Inc
ASSETS AND LIABILITIES STATEMENT AS AT 30 JUNE 2013

	Note	2012-2013 12 months \$	2011-2012 18 months \$
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents - Unrestricted	1(f)	333,194	308,706
Cash at Bank – Restricted	1(f)	106,549	84,995
Short Term Investments		200,000	400,000
Receivables & Prepayments		345,828	295,897
Inventory on Hand	1(c)	57,437	56,360
TOTAL CURRENT ASSETS		1,043,008	1,145,958
NON-CURRENT ASSETS			
Long Term Investments	1(j)	3,446,181	2,661,476
Property, Plant & Equipment	4	1,034,544	1,046,844
TOTAL NON-CURRENT ASSETS		4,480,725	3,708,320
TOTAL ASSETS		5,523,733	4,854,278
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable		70,829	110,200
Income Received in Advance		326,999	290,760
Employee Benefits	1(d)	47,398	47,455
TOTAL CURRENT LIABILITIES		445,226	448,415
NON-CURRENT LIABILITIES			
Employee Benefits		80,246	65,852
TOTAL NON-CURRENT LIABILITIES		80,246	65,852
TOTAL LIABILITIES		525,472	514,267
NET ASSETS		4,998,261	4,340,011
MEMBERS' FUNDS			
Reserves	6	844,556	490,880
Accumulated Surplus	7	4,153,705	3,849,131
TOTAL MEMBERS' FUNDS		4,998,261	4,340,011

The accompanying notes form part of these financial statements.

The Asthma Foundation of South Australia Inc

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Directors have determined that the Foundation is not a reporting entity and accordingly the financial statements are a special purpose financial statement prepared for the sole purpose of distributing the financial statements to members and must not be used for any other purpose. The Board of Directors have determined that the accounting policies adopted are appropriate to meet the needs of the members.

They do not comply with International Financial Reporting Standards. They have been prepared on an accrual basis, and under the historical cost convention, except for certain assets, which, as noted, have been recorded at fair value. The following significant accounting policies, unless otherwise stated, are consistent with those of the prior period and have been adopted in the preparation of the financial statements.

a. **Income Tax**

The Foundations is exempt from income tax.

b. **Property, Plant and Equipment (PPE)**

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 (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic valuations by external independent valuers, less accumulated depreciation for buildings.

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.

c. **Inventories**

Inventories comprise Asthma management products.

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

d. **Employee Benefits**

Provision is made for the Foundation's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits have been measured at the amounts expected to be paid when the liability is settled.

e. **Provisions**

Provisions are recognised when the Foundation has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured at the best estimate of the amounts required to settle the obligation at the end of the reporting period.

f. **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 at bank, restricted, includes cash held for lotteries and grants.

g. **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.

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.

Donation income is recognised when the entity obtains control over the funds, which is generally at the time of receipt.

Grant income received is recorded in the Income Received in Advance Liability account and allocated to income as expenditure occurs.

The Asthma Foundation of South Australia Inc

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

All revenue is stated net of the amount of goods and service tax (GST).

h. **Rental Payments**

Rental payments for operating rental agreements are charged as expenses in the period in which they are incurred.

i. **Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST.

j. **Investments**

(1) Classification

Investments classified as Current Assets comprise holdings of trading securities and short term deposits.

Investments classified as Non-Current Assets comprise holdings of long-term securities.

(2) Value of Investments

Investments are valued at market value and have been classified as "available for sale".

The gain or loss on revaluing investments to market value is recorded through Reserves

(3) Market Value

As at 30 June 2013, the market value of investments was \$3,446,181 (2012, \$2,661,476)

k. **Comparatives**

Comparative figures are, where appropriate, reclassified so as to be comparable with the figures presented for the current period.

l. **Sustainability**

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

NOTE 2: GRANTS INCOME

	2012-13	2011-12
	12 months	18 months
	\$	\$
Commonwealth Grants:		
Asthma Community Support Program	161,815	114,774
Asthma Child & Adolescent Program	67,292	231,199
Other Commonwealth Grants	-	61,748
Other Grants:	8,091	10,723
	237,198	418,444

NOTE 3: INCOME FROM INVESTMENTS

	2012-13	2011-12
	12 months	18 months
	\$	\$
Investment Income is made up of the following;		
Interest Earned	27,261	44,655
Dividends	217,730	291,836
Gain (Loss) on Sale of Shares	987	(31,922)
	245,978	304,569
Less Investment Advisor Fees	(15,431)	(18,537)
	230,547	286,032

The Asthma Foundation of South Australia Inc

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 4. PROPERTY, PLANT AND EQUIPMENT

	Land, Bldgs & Improvements	Plant, Equip & Vehicles	Total
Gross Carrying Amount at Cost			
Balance at 31 Dec 2010	786,047	310,122	1,096,169
Additions/Revaluations	319,443	15,627	335,070
Adjustments/Write offs	-	(151,014)	(151,014)
Balance at 30 June 2012	<u>1,105,490</u>	<u>174,735</u>	<u>1,280,225</u>
Accumulated Depreciation			
Balance at 31 Dec 2010	131,570	245,807	377,376
Depreciation Expense	35,011	31,185	66,196
Adjustments/Write offs	(59,178)	(151,014)	(210,191)
Balance at 30 June 2012	<u>107,403</u>	<u>125,978</u>	<u>233,381</u>
Gross Carrying Amount at Cost			
Balance at 30 June 2012	1,105,490	174,735	1,280,225
Additions/Revaluations	-	27,725	27,725
Adjustments/Write offs	-	(19,419)	(19,419)
Balance at 30 June 2013	<u>1,105,490</u>	<u>183,041</u>	<u>1,288,531</u>
Accumulated Depreciation			
Balance at 30 June 2012	107,403	125,978	233,381
Depreciation Expense	18,845	21,180	40,025
Adjustments/Write offs	-	(19,419)	(19,419)
Balance at 30 June 2013	<u>126,248</u>	<u>127,739</u>	<u>253,987</u>
Net Book Value			
As at June 2012	998,087	48,757	1,046,844
As at June 2013	<u>979,242</u>	<u>55,302</u>	<u>1,034,544</u>

Aggregate depreciation allocated and recognised as an expense during the year:

	2012-13	2011-12
	12 months	18 months
	\$	\$
Buildings & Improvements	18,845	35,011
Plant & Equipment & Motor Vehicles	21,180	31,185
	<u>40,025</u>	<u>66,196</u>

The Asthma Foundation of South Australia Inc

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 5: RENTAL COMMITMENTS	2012-2013	2011-2012
	12 months	18 months
	\$	\$
Operating Rental commitments being for rent of Photocopier		
Payable – minimum rental payments;		
Not later than 12 months,	7680	7,680
Between 12 months and 5 years	14,080	21,760
	<u>21,760</u>	<u>29,440</u>

The rental agreement on a photocopier has a 5 year term finishing in 2015 with rent payable in advance.

NOTE 6: RESERVES	2012-2013	2011-2012
	12 months	18 months
	\$	\$
Asset Revaluation Reserve	<u>371,171</u>	<u>371,171</u>
Financial Assets Reserve opening balance	119,709	
Revaluation of Financial assets 2012-13	538,508	
Revaluation of Financial assets to Retained Surplus for prior years	(184,832)	
Financial Assets Reserve closing balance	<u>473,385</u>	<u>119,709</u>
Total Reserves	<u>844,556</u>	<u>490,880</u>

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

The Revaluation Surplus records revaluations of non-current assets.

NOTE 7: ACCUMULATED SURPLUS	2012-2013	2011-2012
	12 months	18 months
	\$	\$
Accumulated Surplus opening balance	3,849,131	3,326,492
Revaluation of Financial assets for prior years	184,832	-
Current year Net Surplus	119,742	522,639
Accumulated Surplus closing balance	<u>4,153,705</u>	<u>3,849,131</u>

NOTE 8: RELATED PARTY TRANSACTIONS

No transactions occurred between Board of Directors and The Asthma Foundation of SA Inc. during the reporting period ended 30 June 2013.

The Foundation engages the services of a wide range of supplier and professional organisations. During the period, no Board Director of the Foundation 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 Asthma Foundation of South Australia Inc

STATEMENT BY BOARD OF DIRECTORS

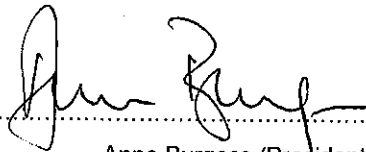
The Board has determined that The Asthma Foundation of South Australia Inc. (the Foundation) is not a reporting entity and that these special purpose financial statements should be prepared in accordance with the accounting policies in Note 1 to the financial statements.

In the opinion of the Board of the Foundation:

- a. The financial report comprising the Income & Expenditure Statement, Assets & Liabilities Statement and Notes to and forming part of the accounts present fairly the results of the operations of the Foundation for the period ended 30 June 2013 and the state of affairs of the Foundation as at that date;
- b. The Board has reasonable ground 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 period ended 30 June 2013,
 - No office 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;

Signed:.....



Anne Burgess (President)

Signed:.....



Tim Burfield (Treasurer)

Dated this sixteenth day of October 2013.



THE ASTHMA FOUNDATION OF SOUTH AUSTRALIA INC

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE ASTHMA FOUNDATION OF SOUTH AUSTRALIA INC**

Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report, of The Asthma Foundation of South Australia Incorporated ('The Foundation'), which comprises the statement of assets and liabilities as at 30 June 2013, income and expenditure statement for the year then ended, notes comprising a summary of significant accounting policies, other explanatory information, and the statement by the members of the board.

Board Members' Responsibility for the Financial Report

The board members of The Foundation are responsible for the preparation and fair presentation of the financial report, and have determined that the basis of preparation described in Note 1, is appropriate to meet the requirements of the *Associations Incorporation Act 1985* and The Foundation's constitution and are appropriate to meet the needs of the members. The board members' responsibility also includes such internal control as the board members determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those 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 to 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 circumstance, 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 board members, 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 our audit opinion.

Independence

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





THE ASTHMA FOUNDATION OF SOUTH AUSTRALIA INC

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE ASTHMA FOUNDATION OF SOUTH AUSTRALIA INC (CONT)

Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of The Foundation as at 30 June 2013, and its financial performance for the year then ended in accordance with the accounting policies in Note 1 to the financial report and the requirements of the *Associations Incorporation Act, 1985*.

We have obtained all of the information and explanations required from the Association.

Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist The Foundation to meet the requirements of the *Associations Incorporation Act, 1985*. As a result, the financial report may not be suitable for another purpose.

Edwards Marshall
Chartered Accountants

Noel Clifford
Partner

Adelaide
South Australia

16th October 2013