

**Cancer Council of the
Northern Territory
Incorporated
ABN 78 039 911 732**

**Special Purpose Financial Report
for the year ended 31 December 2012**

Cancer Council of the Northern Territory Incorporated

Contents

Board of Directors Report 3

Independent Auditor's Report 4 – 5

Income Statement..... 6

Balance Sheet..... 7

Notes to and Forming Part of the Financial Statements 8 – 15

Cancer Council of the Northern Territory Incorporated

Board of Directors Report

FOR THE YEAR ENDED 31 DECEMBER 2012

Your board members submit the financial report of the Cancer Council of the Northern Territory Incorporated for the financial year ended 31 December 2012.

BOARD MEMBERS

The names of board members at the date of this report are:

Chairperson	Ms Sandie Smiles
Vice Chairperson	Mr Jeff Tubbenhauer
Public Officer	Romola Sebastian-Pillai
Directors	Mr James Adcock Ms Diann Feldman Ms Marilyn Harvey Mr Allan McEwan - Consumer Representative

PRINCIPAL ACTIVITY

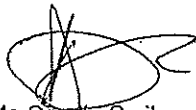
The principal activity of the Association during the year was the provision of support services to community members affected by cancer. There were no significant changes in the nature of the Association's principal activities during the year.

OPERATING RESULT

The operating surplus for the year was \$167,911 (2011: \$223,356).

In our opinion –

- a) the accompanying financial report as set out on pages 6 to 14, being a special purpose financial report, is drawn up so as to present fairly the state of affairs of the Association as at 31 December 2012 and the results of the Association for the year ended on that date;
- b) the accounts of the Association have been properly prepared and are in accordance with the books of account of the Association; and
- c) there are reasonable grounds to believe that the Association will be able to pay its debts as and when they fall due.



Ms Sandie Smiles

Chairperson

Date: 20/3/2013
DARWIN

Independent audit report to the Members of the Cancer Council of the Northern Territory Incorporated

We have audited the accompanying special purpose financial report of the Cancer Council of the Northern Territory Incorporated ("the Association"), which comprises the balance sheet as at 31 December 2012 and the income statement for the year then ended, a summary of significant accounting policies and other explanatory notes and the Board of Directors report.

The Responsibility of the Board of Directors for the Financial Report

The Board of Directors of the Association are responsible for the preparation of the special purpose financial report in accordance with the reporting requirements of the Associations Act and the Association's Constitution and are appropriate to meet the needs of the members, and for such internal control as the Board of Directors determines is necessary to enable the preparation 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 conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 assessments 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 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 our audit opinion.

Independence

We are independent of the Association, and have met the independence requirements of Australian professional ethical pronouncements.

Basis for Qualified Auditor's Opinion

As is common for organisations of this type, it is not practical to establish an efficient system of controls over the following revenue lines prior to entry into its financial records:

Fundraising events - \$704,883
Sponsorship and donations - \$128,138

Accordingly, as the evidence available to us regarding this source of revenue was limited, our audit procedures with respect to these sources had to be restricted to the amounts recorded in the financial records. We therefore are unable to confirm that these sources of revenue recorded by the Association are complete.

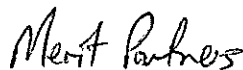
Qualified Auditor's Opinion

In our opinion, except for the effects, if any, of the matter noted in the qualification paragraph above:

- a. the special purpose financial report presents fairly, in all material respects, the financial position of the Cancer Council of the Northern Territory Incorporated as of 31 December 2012 and of its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements;
- b. there are reasonable grounds to believe the Association will be able to pay its debts when they fall due;
- c. we have obtained all information and explanations required; and
- d. proper accounting records and other records have been kept by the Association as required by the Associations Act.

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 is prepared to assist Cancer Council of the Northern Territory Incorporated to meet the reporting requirements of the Associations Act and the Association's Constitution. As a result, the financial report may not be suitable for another purpose.



Merit Partners



Matthew Kennon
Director

DARWIN
Date: 25/3/2013

Cancer Council Of The Northern Territory Incorporated

Income Statement

FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	2012 \$	2011 \$
INCOME			
Grant funding	9 (a)	388,846	401,038
Fundraising and donations	9 (b)	833,021	823,800
Sales and royalties	9 (c)	98,351	109,004
Other income	9 (d)	510,129	532,675
Total Income		1,830,347	1,866,517
EXPENDITURE			
Administration and support services	10 (a)	1,125,861	1,108,697
Cost of sales	10 (b)	495,184	496,152
Depreciation and amortisation	5 (b) & (c)	41,391	38,312
Total Expenditure		1,662,436	1,643,161
NET SURPLUS FOR THE YEAR		167,911	223,356

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

Cancer Council Of The Northern Territory Incorporated

Balance Sheet

YEAR ENDED 31 DECEMBER 2011

	Note	2012 \$	2011 \$
CURRENT ASSETS			
Cash and cash equivalents	2	1,806,957	1,567,169
Trade and other receivables	3	117,215	147,563
Inventory	4	90,111	93,939
Prepayments		13,655	12,508
		2,027,938	1,821,179
NON CURRENT ASSETS			
Property, plant and equipment	5 (a)	417,197	386,923
Intangible assets	5 (c)	6,425	23,346
		423,622	410,269
TOTAL ASSETS		2,451,560	2,231,448
CURRENT LIABILITIES			
Trade and other payables	6	68,629	38,036
Provisions	7	123,336	83,576
		191,965	121,612
NON CURRENT LIABILITIES			
Provisions	7	2,420	20,572
		2,420	20,572
TOTAL LIABILITIES		194,385	142,184
NET ASSETS		2,257,175	2,089,264
ACCUMULATED FUNDS			
Accumulated surplus	8	2,185,523	2,067,612
Reserves for Research and Development	8	50,000	-
Asset revaluation reserve		21,652	21,652
		2,257,175	2,089,264

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

Cancer Council Of The Northern Territory Incorporated

Notes to and Forming Part of the Financial Accounts

YEAR ENDED 31 DECEMBER 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of accounting

This special purpose financial report has been prepared in order to satisfy the Board of Directors financial reporting requirements under the Associations Act. The accounting policies used in the preparation of this report, as described below, are consistent with the financial reporting requirements of the Cancer Council of the Northern Territory Incorporated's Constitution and are, in the opinion of the Board of Directors, appropriate to meet the needs of members.

The requirements of Accounting Standards and other professional reporting requirements in Australia do not have mandatory applicability to the Association, as the Directors had determined that the Association is not a reporting entity. The financial report has been prepared on an accrual basis of accounting including the historical cost convention and the going concern assumption.

The following specific accounting policies, which are consistent with the previous period have been adopted in the preparation of this financial report:

b) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and in banks, and money market investments readily convertible into amounts of cash and which are subject to an insignificant risk of change in value.

c) Trade and other receivables

Trade and other receivables are recorded at amounts due, less any provision for doubtful debts.

d) Inventories

Inventories for sale are valued at the lower of cost and net realisable value. Inventories held for distribution are valued at the lower of cost and replacement cost.

e) Payables

Trade creditors are non-interest bearing and are normally settled on 30 day terms. Other creditors are non-interest bearing and are normally settled when due.

f) Property, plant and equipment

All property, plant and equipment are valued at cost less any accumulated depreciation.

Depreciation is provided on property, plant and equipment. Depreciation is calculated using the straight line method so as to write off the cost of each asset over its expected useful life.

Major depreciation rates are:

	<u>2012</u>	<u>2011</u>
Office buildings	2%	Nil
Office fittings	2 – 17%	Nil
Plant and equipment	15 – 40%	15 – 40%
Motor vehicles	15%	15%

Notes to and Forming Part of the Financial Accounts

YEAR ENDED 31 DECEMBER 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Intangible Assets

Intangible assets consist of software which is not an integral part of related hardware. Software classified in this manner is amortised over a period of 3– 4 years.

h) Taxation

The Association is exempt from income tax.

i) Goods and services tax

Income, expenditure and assets are recognised net of the amount of goods and services tax ("GST"). Except where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense, or for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included in receivables or payables.

j) Economic dependency

During the year, the Association received income from grants, donations and fundraising. The future operation of the Association is dependent on continued funding from these sources. The financial report has been prepared on a going concern basis on the expectation that such funding will continue.

k) Income

Grants and other contributions are recognised as income when the Association obtains control over the assets comprising the contributions.

l) Employee benefits

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to balance sheet date. Employee benefits expected to be settled within one year together with entitlements arising from wages and salaries and annual leave have been measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled.

The liability for long service leave is recognised in 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 up to the reporting date. Consideration is given to expected future wage and salary levels, related on costs, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

m) Comparative figures

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

Cancer Council Of The Northern Territory Incorporated

Notes to and Forming Part of the Financial Accounts

YEAR ENDED 31 DECEMBER 2012

	2012 \$	2011 \$
Note 2: Cash and cash equivalents		
Operating account	161,360	295,853
Breast Care Nurse account	1,086	1,086
Net Bank Saver Account	737,181	415,145
Term Deposit	907,080	854,875
Cash on hand	250	210
	1,806,957	1,567,169
Note 3: Trade and other receivables		
Trade debtors	111,765	133,512
Less: Provision for doubtful debts	0	0
	111,765	133,512
Accrued interest	5,450	14,051
	117,215	147,563
Note 4: Inventory		
Stock on hand	25,059	17,171
Stock – Ostomy	54,540	67,123
Stock – Goods	24,345	28,220
Less: Provision for obsolescence	(13,833)	(18,575)
	90,111	93,939
Note 5 (a): Property, plant and equipment		
Plant and equipment at cost	92,093	115,657
Less: Accumulated depreciation	(72,894)	(99,555)
	19,199	16,102
Motor vehicles	48,185	48,185
Less: Accumulated depreciation	(34,650)	(28,757)
	13,535	19,428
Office Fittings	41,413	0
Less: Accumulated depreciation	(1,315)	0
	40,098	0
Office Buildings	351,393	351,393
Less: Accumulated depreciation	(7,028)	0
	344,365	351,393
	417,197	386,923

Cancer Council Of The Northern Territory Incorporated

Notes to and Forming Part of the Financial Accounts

YEAR ENDED 31 DECEMBER 2012

	2012 \$	2011 \$
Note 5(b): Property, plant and equipment		
<i>Plant and equipment</i>		
Opening carrying value	16,102	23,743
Additions	12,575	5,747
Depreciation	(9,478)	(13,388)
Closing carrying value	<u>19,199</u>	<u>16,102</u>
<i>Motor vehicles</i>		
Opening carrying value	19,428	26,656
Additions	0	0
Depreciation	(5,893)	(7,228)
Closing carrying value	<u>13,535</u>	<u>19,428</u>
<i>Office fittings</i>		
Opening carrying value	0	0
Additions	41,413	0
Depreciation	(1,315)	0
Closing carrying value	<u>40,098</u>	<u>0</u>
<i>Office building</i>		
Opening carrying value	351,393	0
Additions	0	351,393
Depreciation	(7,028)	0
Closing carrying value	<u>344,365</u>	<u>351,393</u>
Total written down value	<u>417,197</u>	<u>386,923</u>
Note 5(c): Intangible Assets		
Software	66,277	65,521
Less: Accumulated amortisation	(59,852)	(42,175)
	<u>6,425</u>	<u>23,346</u>
Reconciliations are as follows:		
Opening carrying value	23,346	38,971
Additions	756	2,071
Amortisation	(17,677)	(17,696)
Total written down value	<u>6,425</u>	<u>23,346</u>

Cancer Council Of The Northern Territory Incorporated

Notes to and Forming Part of the Financial Accounts

YEAR ENDED 31 DECEMBER 2012

	2012 \$	2011 \$
Note 6: Trade and other payables		
Trade creditors	17,146	5,370
Other payables	51,483	32,666
	68,629	38,036
Note 7: Provisions		
<i>Current</i>		
Provision for annual leave	79,152	69,706
Provision for long service leave	44,184	13,870
	123,336	83,576
<i>Non current</i>		
Provision for long service leave	2,420	20,572
Note 8: Accumulated funds		
Accumulated surplus		
Opening accumulated surplus	2,067,612	1,844,256
Net surplus for the year	167,911	223,356
Transfer to reserves account	(50,000)	-
	2,185,523	2,067,612
Reserves for research and development		
Opening reserves	0	0
Transfer from accumulated surplus	50,000	0
	50,000	0

On 21 November 2012, the Board approved to allocate \$50,000 to reserves from the Council's accumulated surplus for research and development.

Note 9: Income

(a) Grant funding

DoH – Ostomy Services	45,442	44,135
DoH – Community Education and Support	156,727	152,236
NTG DVD Indigenous Oncology	0	50,000
NTRO DVD indigenous Oncology	0	2,500
DoH – Breast Care Nurses	50,558	49,113
DoH – Counselling services	90,977	90,917
Telephone Cancer Support Grant	0	5,000
DoH – Indexation Rise	7,347	7,137
DoH – Public Health Awareness Grant	37,795	0
	388,846	401,038

Cancer Council Of The Northern Territory Incorporated

Notes to and Forming Part of the Financial Accounts

YEAR ENDED 31 DECEMBER 2012

Note 9: Income (continued)

	2012 \$	2011 \$
(b) Fundraising and donations		
Australia's biggest morning tea	183,868	158,263
Crab & Quail Fundraiser	0	33,638
Charity Race Day Tickets	2,505	5,387
Daffodil day	65,421	79,678
Relay for life	287,811	296,268
Pink ribbon day	49,260	44,790
Race Raffle	1,428	2,205
Race Sponsorship	4,364	11,727
Call to Arms	0	5,385
Gala ball	40,577	40,480
Girls night in	35,242	18,400
General fundraising	34,407	46,352
Sponsorships	0	353
Donations	128,138	80,874
	833,021	823,800
(c) Sales and royalties		
Sales – breast accessories	6,129	8,947
Sales – breast prosthesis	21,441	22,560
Sales – medical supplies	16,843	16,601
Sales – sunglasses	4,614	4,766
Sales – sunscreen	9,134	13,235
Sales – other	7,472	5,634
Royalties	19,229	22,790
Other sales and royalties	13,489	14,471
	98,351	109,004
(d) Other income		
Interest received	65,703	82,958
Membership	2,910	3,723
PBS Stoma Reimbursement	428,755	431,153
Reimbursements	4,690	4,994
Other	8,071	9,847
	510,129	532,675
Note 10: Expenditure		
(a) Administration and support services		
Advertising and PR	37,805	9,429
Audit and accounting fees	8,076	8,027
Bank and finance charges	1,904	1,326
Bank charges - merchant summary	5,441	4,560
Body corporate fees	4,749	0
Cab charge	1,825	1,519
Catering	29,608	32,525
Expenditure carried over	89,408	57,386

Cancer Council Of The Northern Territory Incorporated

Notes to and Forming Part of the Financial Accounts

YEAR ENDED 31 DECEMBER 2012

	2012 \$	2011 \$
Note 10: Expenditure continued		
(a) Administration and support services continued		
Expenditure brought forward	89,408	57,386
Cleaning	3,750	5,878
Client assistance fund	1,323	1,450
Computer equipment and software	1,336	1,343
Computer IT costs	3,698	3,586
Consultancy	8,422	0
CRM Implementation	5,595	5,595
Freight and couriers	4,187	2,722
Fundraising expenses	4,893	8,493
Insurance	23,922	25,847
Internet services	6,220	3,732
Logistics and equipment	18,847	32,161
Motor vehicle expenses	5,955	6,459
National event expenses	17,356	10,350
Office equipment purchased	1,079	908
Office Relocation	0	3,500
Power and Water	14,023	11,257
Photocopier maintenance	13,674	10,604
Postage	12,864	9,857
Printing and publications	7,140	6,788
Rates	882	422
Health Program	5,994	13,760
Provision for annual leave	9,445	7,295
Provision for long service leave	12,162	9,317
Purchase of wigs	4,659	4,868
Repairs and maintenance	2,231	130
Resource library and publications	2,845	46,945
Salary and wages	619,389	600,475
Security	2,246	2,982
Service Initiatives	330	155
Shrinkage and spoilage	1,047	1,083
Staff amenities	2,088	2,379
Strategic Planning	0	15,854
Staff development and training	4,720	2,582
Stationery	4,058	3,864
Storage shed and archives	6,136	7,455
Subscriptions	73,479	62,996
Superannuation	55,036	53,560
Support Group expenses	155	62
Telephone	18,380	16,111
Travel and accommodation	52,744	44,171
Volunteer expenses	2,346	2,378
Waste disposal	479	674
Sundry expenses	1,318	1,263
	1,125,861	1,108,697

Cancer Council Of The Northern Territory Incorporated

Notes to and Forming Part of the Financial Accounts

YEAR ENDED 31 DECEMBER 2012

	2012 \$	2011 \$
(b) Cost of sales		
Purchase of breast accessories	3,484	4,591
Purchase of breast prosthesis	10,777	11,517
Purchase of medical supplies	436,460	424,870
Purchase of sunscreen	4,212	5,830
Purchase of merchandise	26,789	44,590
Other purchases	13,462	4,754
	<hr/>	<hr/>
	495,184	496,152
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