

# **Dry July Foundation**

**Financial Statements**

**For the Year Ended 31 December 2017**

**Dry July Foundation**  
**Financial Statements**  
**For the Year Ended 31 December 2017**

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## Dry July Foundation

# Directors' Report

## For the Year Ended 31 December 2017

The directors present their report on Dry July Foundation (the "Foundation" for the financial year ended 31 December 2017. During the prior financial period, the Foundation changed its financial reporting date from 30 June to 31 December. Accordingly, the comparative figures covers the period from 1 July 2015 to 31 December 2016.

### General information

#### Directors

The names of the directors of Dry July Limited, the Trustee Company of the Foundation, at any time during, or since the end of, the year are:

<b>Names</b>	<b>Position</b>	<b>Appointed/Resigned</b>
Mr. B. Macdonald	Executive Director	
Mr. P. Grove	Non Executive Director	Resigned 1 December 2017
Mr. I. Elliot	Chairman, Non Executive Director	
Mr. G. Dennis	Non Executive Director	
Mr. S. Abraham	Non Executive Director	
Mr. K. McGilvary	Non Executive Director	

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

#### Principal activities

The principal activity of Dry July Foundation during the financial year was fundraising and charitable donations to Australian cancer services.

Dry July Foundation is the sole beneficiary of Clear Heads International Limited as Trustee for Clear Heads Foundation which delivers fundraising services in other jurisdictions and also assists Dry July Foundation in delivering its local campaign.

#### Information on directors of the Trustee Company

<b>Mr. B. Macdonald</b>	Executive Director BA (Hons) Graphic Design (University of the West of England) Graduate Member, Australian Institute of Company Directors
<b>Mr. P. Grove</b>	Non Executive Director Bsc (Hons) Electronic Imaging and Media Communication (University of Bradford, UK) Australian Institute of Company Directors
<b>Mr. I. Elliot</b>	Chairman, Non Executive Director Australian Institute of Company Directors
<b>Mr. G. Dennis</b>	Non Executive Director Partner, HWL Ebsworth Bachelor of Laws (Sydney University) Bachelor of Arts (Sydney University) Admitted as a solicitor in NSW, VIC and NZ

## Dry July Foundation

### Directors' Report For the Year Ended 31 December 2017

**Mr. S. Abraham**

Non Executive Director  
B. Bus - Accounting (Charles Sturt University)  
Fellow, Institute of Chartered Accountants of Australia  
Registered Tax Agent  
Director and Owner of ABR Virtus Chartered Accountants, Canberra

**Mr. K. McGilvary**

Non Executive Director  
MA (Hons) Management (\*St Andrews University)  
Chartered Institute of Marketing Advanced Certificate  
Member, Australian Institute of Management

**Company secretary**

The following person held the position of Foundation Secretary for the Trustee Company at the end of the reporting year.

**Mr. S. Bardwell**

**Company secretary since 26 March 2015**  
Company Secretary Salmat Limited  
Bachelor of Business - Charles Sturt University  
Fellow of CPA Australia  
Fellow of Corporate Governance Australia

**Review of operations**

The operating surplus/(deficit) of the Foundation amounted to \$ 227,614 (2016: \$ (692,680)).

**Events after the reporting date**

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Foundation, the results of those operations or the state of affairs of the Foundation in future financial years.

**Future developments**

Likely developments in the operations of the Foundation and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Foundation.

**Meetings of directors**

During the financial year, 8 meetings of directors were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Mr. B. Macdonald	8	8
Mr. P. Grove	8	7
Mr. I. Elliot	8	7
Mr. G. Dennis	8	8
Mr. S. Abraham	8	7
Mr. K. McGilvary	8	6

**Dry July Foundation**

**Directors' Report**

**For the Year Ended 31 December 2017**

**Auditor's independence declaration**

The lead auditor's independence declaration, for the year ended 31 December 2017 has been received and can be found on page 4 of the financial report.

**Remuneration Report**

No remuneration or benefits were paid or attributed to any director or non executive director during the period of this report.

Signed in accordance with a resolution of the Board of Directors:



Director: .....



Director: .....

Dated this 29 day of MAY 2018

Dry July Foundation

## Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

I am pleased to provide the following declaration of independence to the directors of the Trustee Company of Dry July Foundation.

As lead audit partner for the audit of the financial report for the period ended 31 December 2017, I declare that, to the best of my knowledge and belief, during the year ended 31 December 2017, there have been:

- (i) no contraventions of the auditor independence requirements as set out in *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



PKF



MARTIN MATTHEWS

PARTNER

29 MAY 2018

NEWCASTLE, NSW

## INDEPENDENT AUDIT REPORT

### TO THE TRUSTEES OF DRY JULY FOUNDATION

#### Report on the Financial Report

#### Opinion

We have audited the accompanying financial report of the ('Foundation'), which comprises the statement of financial position as at 31 December 2017, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' of the trustee company's declaration.

In our opinion, the accompanying financial report of Dry July Foundation has been prepared in accordance with *ACNC Act 2012*, including:

- (i) giving a true and fair view of the Foundation's financial position as at 31 December 2017 and of its financial performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 1, and the *Corporations Regulations 2001*.

#### Basis for Opinion

We conducted our audit in accordance with Australian Accounting Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report section* of our report. We are independent of the Foundation in accordance with the auditor independence requirements of the ACNC Act 2012 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

## Responsibilities of Directors' for the Financial Report

The Directors of the Foundation are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the ACNC Act 2012 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Foundation or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation's financial reporting processes.

## Auditor's Responsibilities for the Audit of the Financial Report

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 relating to audit engagements 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 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 Foundation's preparation of the financial report that gives a true and fair view 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 Foundation's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.



PKF



MARTIN MATTHEWS

PARTNER

29 MAY 2018

NEWCASTLE, NSW



# Dry July Foundation

## Directors' of the Trustee Company's Declaration

The directors have determined that the Foundation is not a reporting entity and that these special purpose financial statements should be prepared in accordance with the accounting policies described in Note 2 of the financial statements.

The directors of the Trustee Company declare that:

1. The financial statements and notes, as set out on page 8 to 23, are in accordance with the ACNC Act 2012 and:
  - (a) comply with Australian Accounting Standards as stated in Note 1; and
  - (b) give a true and fair view of the financial position as at 31 December 2017 and of the performance for the year ended on that date of its in accordance with the accounting policy described in Note 2 of the financial statements.
2. In the directors' opinion, there are reasonable grounds to believe that the Foundation will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director  .....

Director  .....

Dated this 29 day of MAY 2018

# Dry July Foundation

## Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 31 December 2017

		12 Months Ended 31 December201 7	18 Months Ended 31 December201 6
	Note	\$	\$
Revenue	4	4,287,603	7,017,932
Other income	4	1,307,865	1,584,582
Marketing expenses		(1,447,218)	(1,689,348)
Administrative expenses		(448,068)	(769,273)
Grants and donations to Charitable Beneficiaries	4	(3,425,114)	(6,775,908)
Depreciation		(12,303)	(11,107)
Employee expenses		(270)	-
Other expenses		(6,924)	(6,357)
Finance and merchant costs		(27,957)	(43,201)
<b>Surplus/(deficit) before income tax</b>		<b>227,614</b>	<b>(692,680)</b>
Income tax expense		-	-
<b>Surplus/(deficit) after income tax expense</b>		<b>227,614</b>	<b>(692,680)</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income</b>		<b>227,614</b>	<b>(692,680)</b>

The accompanying notes form part of these financial statements.

# Dry July Foundation

## Statement of Financial Position As At 31 December 2017

	Note	31 December 2017 \$	31 December 2016 \$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	5	2,334,344	1,810,320
Trade and other receivables	6	142,005	38,781
Other assets	7	-	11,321
TOTAL CURRENT ASSETS		<u>2,476,349</u>	<u>1,860,422</u>
NON-CURRENT ASSETS			
Trade and other receivables	6	177,632	323,513
Plant and equipment	8	41,504	53,807
TOTAL NON-CURRENT ASSETS		<u>219,136</u>	<u>377,320</u>
TOTAL ASSETS		<u><u>2,695,485</u></u>	<u><u>2,237,742</u></u>
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and other payables	9	455,996	225,557
TOTAL CURRENT LIABILITIES		<u>455,996</u>	<u>225,557</u>
TOTAL LIABILITIES		<u>455,996</u>	<u>225,557</u>
NET ASSETS		<u><u>2,239,489</u></u>	<u><u>2,012,185</u></u>
<b>EQUITY</b>			
Retained earnings		<u>2,239,489</u>	2,011,875
TOTAL EQUITY		<u><u>2,239,489</u></u>	<u><u>2,011,875</u></u>

The accompanying notes form part of these financial statements.

# Dry July Foundation

## Statement of Changes in Equity For the Year Ended 31 December 2017

2017

	Retained Earnings	Total
	\$	\$
<b>Balance at 1 January 2017</b>	<b>2,011,875</b>	<b>2,011,875</b>
Surplus for the year	227,614	227,614
<b>Balance at 31 December 2017</b>	<b>2,239,489</b>	<b>2,239,489</b>

2016

	Retained Earnings	Total
	\$	\$
<b>Balance at 1 July 2015</b>	<b>2,704,555</b>	<b>2,704,555</b>
Deficit for the eighteen months	(692,680)	(692,680)
<b>Balance at 31 December 2016</b>	<b>2,011,875</b>	<b>2,011,875</b>

The accompanying notes form part of these financial statements.

# Dry July Foundation

## Statement of Cash Flows For the Year Ended 31 December 2017

	12 Months Ended 31 December201 7	18 Months Ended 31 December201 6
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from donors and supporters	4,684,607	7,262,631
Payments to suppliers	(1,161,529)	(1,137,907)
Grants to beneficiaries	(3,196,067)	(6,557,736)
Interest received	47,013	95,734
Net cash provided by/(used in) operating activities	10 <u>374,024</u>	<u>(337,278)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property, plant and equipment	-	(52,000)
Net cash from investing activities	<u>-</u>	<u>(52,000)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from repayment of loans	<u>150,000</u>	212,604
Net cash provided by financing activities	<u>150,000</u>	<u>212,604</u>
Net increase/(decrease) in cash and cash equivalents held	524,024	(176,674)
Cash and cash equivalents at beginning of year	<u>1,810,320</u>	1,986,994
Cash and cash equivalents at end of financial year	5 <u><u>2,334,344</u></u>	<u><u>1,810,320</u></u>

The accompanying notes form part of these financial statements.

# Dry July Foundation

## Notes to the Financial Statements For the Year Ended 31 December 2017

The financial report covers Dry July Foundation as an individual entity. Dry July Foundation is a trust settled in Australia.

The functional and presentation currency of Dry July Foundation is Australian dollars.

### 1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *ACNC Act 2012*.

Material accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

### 2 Summary of Significant Accounting Policies

#### (a) Income Tax

As a Trust, the Foundation is exempt from income tax.

#### (b) Leases

##### (i) Finance leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to the Foundation are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

##### (ii) Operating leases

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

# Dry July Foundation

## Notes to the Financial Statements For the Year Ended 31 December 2017

### 2 Summary of Significant Accounting Policies (cont'd)

#### (c) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the trust and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

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

Donations received are credited to income in the period in which they are received. In respect of pledges committed, income is recognised when the pledge is received.

Revenue from the sale of merchandise is recognised when the trust has transferred the risks and rewards to the customer and there is no longer any ownership or effective control over the goods.

In kind donations including professional pro bono services that can be reasonably valued are brought to account as revenue when the benefit of the service or control of the asset transfers to the trust.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the trust and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Rental revenue is recognised on a straight-line basis over a period of the lease term so as to reflect a constant periodic rate of return on the net investment.

Other income is recognised on an accruals basis when the Trust is entitled to it.

#### (d) Goods and services tax (GST)

Revenue, expenses 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 Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

#### (e) Property, plant and equipment

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Plant and equipment are measured using the cost model.

# Dry July Foundation

## Notes to the Financial Statements For the Year Ended 31 December 2017

### 2 Summary of Significant Accounting Policies (cont'd)

#### (e) Property, plant and equipment (cont'd)

Property, plant and equipment, excluding freehold land, is depreciated on a reducing balance basis over the assets useful life to the Foundation, commencing when the asset is ready for use.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

The estimated useful lives used for each class of depreciable asset are shown below:

Office and Computer Equipment	4 years
Web Development	5 years

#### (f) Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the trust becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

##### *Financial Assets*

Financial assets are divided into the following categories which are described in detail below:

- loans and receivables;
- financial assets at fair value through profit or loss;
- available-for-sale financial assets; and
- held-to-maturity investments.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

##### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss. The Foundation's trade and other receivables fall into this category of financial instruments.



# Dry July Foundation

## Notes to the Financial Statements For the Year Ended 31 December 2017

### 2 Summary of Significant Accounting Policies (cont'd)

#### (f) Financial instruments (cont'd)

Discounting is omitted where the effect of discounting is considered immaterial. Significant receivables are considered for impairment on an individual asset basis when they are past due at the reporting date or when objective evidence is received that a specific counterparty will default. The amount of the impairment is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

#### *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss include financial assets:

- acquired principally for the purpose of selling in the near future
- designated by the entity to be carried at fair value through profit or loss upon initial recognition or
- which are derivatives not qualifying for hedge accounting.

Assets included within this category are carried in the statement of financial position at fair value with changes in fair value recognised in finance income or expenses in profit or loss.

Any gain or loss arising from derivative financial instruments is based on changes in fair value, which is determined by direct reference to active market transactions or using a valuation technique where no active market exists.

#### *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity. Investments are classified as held-to-maturity if it is the intention of the Foundation's management to hold them until maturity.

Held-to-maturity investments are subsequently measured at amortised cost using the effective interest method, with revenue recognised on an effective yield basis. In addition, if there is objective evidence that the investment has been impaired, the financial asset is measured at the present value of estimated cash flows. Any changes to the carrying amount of the investment are recognised in profit or loss.

#### *Financial liabilities*

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired.

The trust's financial liabilities include borrowings, trade and other payables (including finance lease liabilities), which are measured at amortised cost using the effective interest rate method.

#### *Impairment of financial assets*

At the end of the reporting period the trust assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

# Dry July Foundation

## Notes to the Financial Statements For the Year Ended 31 December 2017

### 2 Summary of Significant Accounting Policies (cont'd)

#### (g) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position.

#### (h) Change in Accounting Policy

The directors of the Foundation's Trustee Company have changed the Foundation's accounting policy with respect to the recognition of liabilities regarding payments to charitable beneficiaries of the Foundation. In previous financial reports, the Foundation recognised payments made to charitable beneficiaries as an expense when paid. The accounting policy is now to recognise the expense when there is an obligation for the Foundation to pay the beneficiary. The Directors have considered that recognising this amount as a liability better reflects the financial position of the Foundation. Accordingly, an adjustment being made to the comparative figures as at 31 December 2016 with an additional \$217,862 of liabilities being recognised as at 31 December 2016.

#### (i) Finance costs

Finance costs comprise commissions, transaction fees and charges and are recognised in profit and loss when they are incurred.

#### (j) Adoption of new and revised accounting standards

During the current year, the trust adopted all new and revised accounting standards. There was no material change in recognition and measurement of assets, liabilities, income and expenses as a result of the adoption of these standards.

# Dry July Foundation

## Notes to the Financial Statements For the Year Ended 31 December 2017

### 2 Summary of Significant Accounting Policies (cont'd)

#### (k) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Trust has decided not to early adopt these Standards. The following summarises those future requirements, and their impact on the Trust:

**AASB 9 Financial Instruments** - Classification and Measurement (applicable for annual reporting periods beginning on or after 1 January 2018). AASB 9 introduces new requirements for classifying and measuring financial assets, and new requirements apply where an entity chooses to measure a liability at fair value through profit or loss - in these cases, the portion of the change in fair value related to changes in the entity's own credit risk is presented in other comprehensive income rather than within profit or loss.

**AASB 15 Revenue from Contracts with Customers**, (applicable for annual reporting periods beginning on or after 1 January 2018). The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers contracts for goods and services and AASB 111 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer - so the notion of control replaces the existing notion of risks and rewards.

**AASB 16 Leases** (applicable for annual reporting periods beginning on or after 1 January 2019). The AASB has issued a new standard for the recognition of leases. This will replace AASB 117 and some lease-related interpretations. AASB 16 introduces new requirements for accounting for leases "on balance sheet" by lessees, including new disclosure requirements.

The Trustee Company does not anticipate early adoption of any of the above reporting requirements and does not expect these requirements to have any material effect on the Trust's financial statements.

### 3 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

# Dry July Foundation

## Notes to the Financial Statements For the Year Ended 31 December 2017

### 4 Revenue and Other Income

The following significant revenue items are relevant in explaining the financial performance of the Foundation:

	12 Months Ending 31 December 2017 \$	18 Months Ending 31 December 2016 \$
Revenue		
- Donations	4,280,369	6,997,140
- Merchandise	7,234	20,792
	<u>4,287,603</u>	<u>7,017,932</u>
Other Income		
Rental income	-	31,799
- Sponsorship	-	107,270
- Web cover fees	-	47,476
- Sundry income	-	12,859
Distribution income	122,832	12,643
In - kind donations received	1,067,854	1,269,228
Interest income	105,179	103,307
Partnership income	12,000	-
	<u>1,307,865</u>	<u>1,584,582</u>
- Marketing expenses (i)	1,447,218	1,689,348
- Grants and donations to Charitable Beneficiaries	3,425,114	6,775,908
	<u>3,425,114</u>	<u>6,775,908</u>

(i) Included within marketing expense is \$1,067,854 of in-kind expenditure (18 Months to 31 December 2016: \$1,269,228).

### 5 Cash and cash equivalents

Cash at bank and in hand	<u>2,334,344</u>	<u>1,810,320</u>
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# Dry July Foundation

## Notes to the Financial Statements For the Year Ended 31 December 2017

### 6 Trade and other receivables

	12 Months Ended 31 December 2017	18 Months Ended 31 December 2016
	\$	\$
CURRENT		
Pledges receivables	6,600	5,500
Receivable from Dry July NZ Trust	2,263	2,263
GST receivable	10,310	18,375
Distribution receivable from Clear Heads Trust	122,832	12,643
<b>Total current trade and other receivables</b>	<b>142,005</b>	<b>38,781</b>
NON-CURRENT		
Loan to Clear Heads Trust	177,632	323,513
<b>Total non-current trade and other receivables</b>	<b>177,632</b>	<b>323,513</b>

### 7 Other assets

Prepayments	-	11,321
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### 8 Property, plant and equipment

Plant and equipment		
At cost	75,824	75,824
Accumulated depreciation	(34,320)	(22,017)
<b>Total plant and equipment</b>	<b>41,504</b>	<b>53,807</b>

### 9 Trade and other payables

CURRENT		
Grants & Donations payable to Charitable Beneficiaries	447,219	218,488
Audit fee accrual	7,690	5,500
Other payables	-	70
Sundry payables	-	1,183
Trade payables	1,087	316
<b>Total current trade and other payables</b>	<b>455,996</b>	<b>225,557</b>

# Dry July Foundation

## Notes to the Financial Statements For the Year Ended 31 December 2017

### 10 Cash Flow Information

#### (a) Reconciliation of result for the year to cashflows from operating activities

	12 Months Ended 31 December 2017	18 Months Ended 31 December 2016
	\$	\$
Surplus/(deficit) for the year	227,614	(692,680)
Cash flows excluded from surplus/(deficit) attributable to operating activities		
Non-cash flows in profit:		
- depreciation	12,303	11,107
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(107,969)	652,380
- (increase)/decrease in other assets	11,321	(21,298)
- increase/(decrease) in trade and other payables	230,755	(286,787)
Cashflow from operations	<u>374,024</u>	<u>(337,278)</u>

#### (b) Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

Cash and cash equivalents	<u>2,334,344</u>	1,810,320
	<u>2,334,344</u>	<u>1,810,320</u>

### 11 Events Occurring After the Reporting Date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Foundation, the results of those operations, or the state of affairs of the Foundation in future financial years.

### 12 Foundation Details

The registered office of and principal place of business of the Foundation is:

705/6A Glen Street  
Milsons Point NSW 2061

# Dry July Foundation

## Notes to the Financial Statements For the Year Ended 31 December 2017

### 13 Charitable Beneficiaries (cont'd)

#### 13 Charitable Beneficiaries

The Charitable Beneficiaries of Dry July Foundation throughout the year were as follows:

<u>State/Territory</u>	<u>Name</u>
NSW	Prince of Wales Hospital Foundation
NSW	Calvary Mater Hospital, Newcastle
NSW	Royal North Shore Hospital,
NSW	The Crown Princess Mary Cancer Centre, Westmead Hospital
NSW	Central Coast Local Health District
NSW	Nepean Cancer Centre
NSW	North West Cancer Centre (Tamworth)
NSW	Wollongong Hospital
NSW	Liverpool Cancer Therapy Centre
NSW	Camden and Campbelltown Hospitals
NSW	Concord Cancer Centre
NSW	Chris O'Brien Lifehouse
NSW	St George Hospitals
NSW	Cancer Council NSW
NSW	St Vincents Hospital (Sydney)
NSW	Cancer Council NSW
NSW	Manning District Hospital
NSW	Moruya District Hospital
NSW	Shoalhaven Hospital
NSW	St Vincent's Hospital Sydney
NSW	Blacktown Cancer and Haematology Foundation
National	Cancer Patients Foundation
National	Redkite Foundation
National	Prostate Cancer Foundation
National	Leukaemia Foundation
National	Breast Cancer Network
National	The OTIS Foundation
National	Mummy's Wish
National	The Lung Foundation
VIC	Royal Melbourne Hospital
VIC	Ballarat Health Services Foundation
VIC	Bendigo Health
VIC	St. Vincent's Hospital (Melbourne)
VIC	The Alfred
VIC	Barwon Health Foundation
VIC	Cancer Council Victoria
VIC	Olivia Newton John Cancer & Wellness Centre
VIC	Peter MacCullum Cancer Foundation
QLD	Cancer Council Queensland
QLD	Mater Foundation
QLD	Far North Queensland Hospital Foundation
QLD	Gold Coast Hospital Foundation
QLD	Northlakes - Royal Brisbane Hospital
QLD	Princess Alexandra Hospital Brisbane
QLD	Wesley Hospital - Choices Cancer Centre
ACT	The Canberra Hospital
WA	Cancer Council Western Australia
WA	Albany Hospital

# Dry July Foundation

## Notes to the Financial Statements For the Year Ended 31 December 2017

### 13 Charitable Beneficiaries (cont'd)

WA	SolarisCare Cancer Support Centres
WA	Geraldton Hospital
WA	Fiona Stanley Hospital
NT	Cancer Council Northern Territory
TAS	North West Cancer Centre - Burnie Hospital
TAS	Cancer Council Tasmania
SA	Cancer Council South Australia
SA	Flinders Medical Centre Foundation



# Dry July Foundation

## Notes to the Financial Statements For the Year Ended 31 December 2017

### 14 Additional Disclosures Required By The Charitable Fundraising Act 1991 and The Charitable Fundraising Regulations 1993

#### (a) Details of Aggregate Gross Income and Total Expenses of Fundraising Appeals

	12 Months Ended 31 December 2017 \$	18 Months Ended 31 December 2016 \$
Donations received	4,280,369	6,997,140
Merchandise	7,234	20,792
	<b>4,287,603</b>	7,017,932
Less cost of finance and merchant costs	<b>(27,957)</b>	(43,201)
Net surplus from fundraising appeals	<b>4,259,646</b>	6,974,731

#### Statement showing how funds received were applied to charitable purposes

Grants and donations to Charitable Beneficiaries	<b>(3,425,114)</b>	(6,775,908)
Administration costs (excluding in-kind expenditure of \$1,067,854 (18 months to 31 December 2016:\$1,269,228))	<b>(838,982)</b>	(1,206,857)
Total expenditure on direct and indirect services	<b>(4,264,096)</b>	(7,982,765)

#### Accounting Principles and Methods Adopted in the Financial Statements

The accounting principles and methods adopted in the preparation of the financial statements are set out in Note 2 of the Notes to the Financial Statements.

#### Fundraising appeals conducted during the financial period

	\$	%
<b>2017 Campaign</b>		
Total cost of services/total income derived (i)	838,982 / 4,527,614	18.53
<b>18 Months to 31 December 2016</b>		
Total cost of services/total income derived (i)	1,206,857 / 7,333,286	16.46

- (i) The Dry July Foundation fundraising campaign conducted during the 2017 calendar year raised a total of \$4.3m.
- (ii) The amount committed to our beneficiaries was \$3.4m (79% of the total funds raised) which is distributed at their request.
- (iii) Excluded from total income derived was the in-kind donations of \$1,067,854.

# Dry July Foundation

## Notes to the Financial Statements For the Year Ended 31 December 2017

### Charitable Fundraising Act Declaration

I, Brett Macdonald, Executive Director of Dry July Limited, declare that in my opinion:

- (a) the Financial Statements and notes thereto give a true and fair view of all income and expenditure of Dry July Foundation with respect to fundraising appeals and merchandising;
- (b) the Statement of Financial Position, Statement of Comprehensive Income, and notices thereto give a true and fair view of the state of affairs with respect to fundraising appeals and merchandising sales;
- (c) the provision of the *Charitable Fundraising Act 1991* and its regulations, *Charitable Collections Act 1946* and *Charitable Collections Regulations 1947* have been complied with; and
- (d) the internal controls exercised by Dry July Foundation are appropriate and effective in accounting for all income received.

Director.....



Dated this..... day of ..... 2018

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MAY