

# **Dry July Limited as Trustee for the Dry July Foundation**

**Financial Statements**

**For the Year Ended 30 June 2014**

**Dry July Limited as Trustee for the Dry July Foundation**  
**Financial Statements**  
**For the Year Ended 30 June 2014**

**Contents**

|  | <b>Page</b> |
|--|-------------|
| <b>Financial Statements</b>  |             |
| Directors' Report  | 2           |
| Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 | 5           |
| Independent Auditor's Report   | 6           |
| Directors' Declaration   | 8           |
| Statement of Profit or Loss and Other Comprehensive Income                         | 9           |
| Statement of Financial Position  | 10          |
| Statement of Changes in Equity   | 11          |
| Statement of Cash Flows  | 12          |
| Notes to the Financial Statements  | 13          |
| Charitable Fundraising Act Declaration   | 23          |

## Dry July Limited as Trustee for the Dry July Foundation

### Directors' Report

30 June 2014

The directors present their report on Dry July Limited as Trustee for the Dry July Foundation for the financial year ended 30 June 2014.

#### General information

##### Directors

The names of the directors in office at any time during, or since the end of, the year are:

| <b>Names</b>     | <b>Position</b>                  | <b>Appointed/Resigned</b> |
|------------------|----------------------------------|---------------------------|
| Mr. S. Abraham   | Non-Executive Director           |                           |
| Mr. P. Grove     | Executive Director               |                           |
| Ms. J. Jeffery   | Non-Executive Director           |                           |
| Mr. B. Macdonald | Executive Director               |                           |
| Mr. K. McGilvary | Non-Executive Director           |                           |
| Mr. D. Brennan   | Chairman, Non Executive Director | Resigned 14 April 2014    |
| Mr. G. Dennis    | Non Executive Director           |                           |

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

##### Company secretary

The following person also held the position of Company secretary at the end of the financial year:

Ms. J. Jeffery

##### Principal activities

The principal activity of Dry July Limited as Trustee for the Dry July Foundation during the financial year was fundraising and charitable donations to Australian Cancer Services.

No significant changes in the nature of the Company's activity occurred during the financial year.

##### Information on directors

###### 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. P. Grove

###### Executive Director

Bsc (HONS) Electronic Imaging and Media Communication  
(University of Bradford, UK)  
Australian Institute of Company Directors

###### Ms. J. Jeffery

###### Non - Executive Director

Manager, Australian Customs and Border Protection Service  
Masters in Human Resource Management  
BA (Human Resource Management)

# Dry July Limited as Trustee for the Dry July Foundation

## Directors' Report

30 June 2014

### Meetings of directors (continued)

**Mr. B. Macdonald**

**Executive Director**

BA (Hons) Graphic Design (University of the West of England)  
Member, International Society of Typographic Designers  
Graduate Member, Australian Institute of Company Directors

**Mr. K. McGilvary**

**Non - Executive Director**

Director, Acumen Republic MA (Hens) Management  
Chartered Institute of Marketing Advanced Certificate  
Member, Australian Institute of Management

**Mr. D. Brennan**

**Chairman & Non - Executive Director**

Financial Advisory Services, Dimensional Fund Advisors  
Non-Executive Director, *A Start in Life* Foundation  
Advisor Board Member, Charities Consultative Committee - ATO  
Executive Education Program (Harvard University)  
Bachelor of Business Law (Banking) (University of Technology, Sydney)  
Applied Finance & International Management (ESC Rauen, France)  
Fellow, Financial Services Institute Australasia (FINSIA)  
Member, Australian Institute of Company Directors  
Member, Institute of Directors (New Zealand)

**Mr. G. Dennis**

**Non - Executive Director**

Partner, Clayton Utz  
Bachelor of Law (Sydney University)  
Bachelor of Arts (Sydney University)  
Member, College of Law (Sydney)

### Meetings of directors

During the financial year, 5 meetings of directors were held. Attendances by each director during the year were as follows:

|                  | Directors' Meetings       |                 |
|------------------|---------------------------|-----------------|
|                  | Number eligible to attend | Number attended |
| Mr. S. Abraham   | 5                         | 5               |
| Mr. P. Grove     | 5                         | 5               |
| Ms. J. Jeffery   | 5                         | 4               |
| Mr. B. Macdonald | 5                         | 5               |
| Mr. K. McGilvary | 5                         | 4               |
| Mr. D. Brennan   | 3                         | 1               |
| Mr. G. Dennis    | 5                         | 5               |

### Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2014 has been received and can be found on page 5 of the financial report.

### After Balance Date Events

Except for matters listed in Note 9, no other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

**Dry July Limited as Trustee for the Dry July Foundation**

**Directors' Report**

**30 June 2014**

**Indemnifying Officers or Auditors continued**

**Future Developments**

Likely developments in the operations of the company 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 company.

**Remuneration Report**

No remuneration or benefits were paid or attributed to any director or non - executive director during the period of this report except as disclosed on Note 9 to the financial statements.

**Review of Operations**

The operating surplus of the Company amounted to \$ NIL (2013: \$ NIL).

**Indemnifying Officers or Auditors**

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of Dry July Limited as Trustee for the Dry July Foundation.

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

Director:  .....

Director:  .....

Sydney, NSW

Dated 20/11/2014

**AUDITOR'S INDEPENDENCE DECLARATION  
TO THE DIRECTORS OF  
DRY JULY LIMITED**

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Dry July Limited

As lead audit partner for the audit of the Dry July Limited financial report for the period ended 30 June 2014, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

*PKF Lawler Partners*

**PKF LAWLER PARTNERS**  
Chartered Accountants

Newcastle

Dated: 20 November 2014



**MARTIN MATTHEWS**  
Partner

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DRY JULY LIMITED AS TRUSTEE FOR THE DRY JULY FOUNDATION

We have audited the accompanying financial report, being a special purpose financial report of Dry July Limited as Trustee for the Dry July Foundation, which comprises the statement of financial position as at 30 June 2014, 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' declaration.

### Director's responsibility for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error, and for the accounting estimates inherent in the financial report

### 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 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 Company'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 Company'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.

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 Corporations Act 2001.

PKF Lawler Partners Audit & Assurance  
(a Limited Partnership)  
ABN 91 850 861 839

Liability limited by a scheme  
approved under Professional  
Standards Legislation

#### Sydney

Level 9, 1 O'Connell Street  
Sydney NSW 2000 Australia  
GPO Box 5446 Sydney NSW 2001

p +61 2 8346 6000  
f +61 2 8346 6099

#### Newcastle

755 Hunter Street  
Newcastle West NSW 2302 Australia  
PO Box 2368 Dangar NSW 2309

p +61 2 4962 2688  
f +61 2 4962 3245

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
DRY JULY LIMITED AS TRUSTEE FOR THE DRY JULY FOUNDATION**

**Auditor's Opinion**

In our opinion the financial report of Dry July Limited as Trustee for the Dry July Foundation is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

**Audit opinion pursuant to the Charitable Fundraising (NSW) Act 1991**

In our opinion:

- (a) the financial report gives a true and fair view of the financial result of fundraising appeal activities for the period ended 30 June 2014
- (b) the financial report has been properly drawn up, and the associated records have been properly kept for the period ended on 30 June 2014 in accordance with the Charitable Fundraising (NSW) Act 1991 and Regulations;
- (c) money received as a result of fundraising appeal activities conducted during the period ended 30 June 2014 has been properly accounted for and applied in accordance with the Charitable Fundraising (NSW) Act 1991 and Regulations; and
- (d) there are reasonable grounds to believe that Dry July Limited will be able to pay its debts as and when they fall due.

**Basis of Accounting**

Without modifying our opinion, we draw attention to Note 1 of the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose.

*PKF Lawler Partners*  
**PKF LAWLER PARTNERS**  
Chartered Accountants

*Martin Matthews*  
**MARTIN MATTHEWS**  
Partner

Newcastle  
Dated: 20 November 2014

# Dry July Limited as Trustee for the Dry July Foundation

## Directors' Declaration

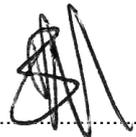
The directors have determined that the Company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 9 to 23, are in accordance with the *Corporations Act 2001* and:
  - (a) comply with Accounting Standards as stated in Note 1; and
  - (b) give a true and fair view of the Company's financial position as at 30 June 2014 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.
2. In the directors opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable with the continuing support of creditors.

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

Director  .....  
Mr. P. Grove

Director  .....  
Mr. B. Macdonald

Dated 20/11/2014

Sydney, NSW

# Dry July Limited as Trustee for the Dry July Foundation

## Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2014

|   | Note | 2014<br>\$  | 2013<br>\$  |
|---|------|-------------|-------------|
| Revenue                                 | 2    | 4,441,468   | 3,485,783   |
| Other income                            | 2    | 1,258,759   | 366,764     |
| Marketing expenses                      |      | (476,355)   | (438,032)   |
| Employee expenses                       | 2    | (629,594)   | (377,531)   |
| Administrative expenses                 |      | (309,225)   | (140,402)   |
| Depreciation                            | 2    | (2,360)     | (2,404)     |
| Finance and merchant costs              |      | (33,405)    | (33,148)    |
| Donation expense                        |      | (4,247,296) | (2,858,546) |
| Other expenses                          |      | (1,992)     | (2,484)     |
| <b>Surplus before income tax</b>        |      | -           | -           |
| Income tax expense                      |      | -           | -           |
| <b>Surplus after income tax expense</b> |      | -           | -           |
| Other Comprehensive Income              |      | -           | -           |
| <b>Total comprehensive income</b>       |      | -           | -           |

The accompanying notes form part of these financial statements.

# Dry July Limited as Trustee for the Dry July Foundation

## Statement of Financial Position as at 30 June 2014

|                                  | Note | 2014<br>\$       | 2013<br>\$       |
|----------------------------------|------|------------------|------------------|
| <b>ASSETS</b>                    |      |                  |                  |
| <b>CURRENT ASSETS</b>            |      |                  |                  |
| Cash and cash equivalents        | 3    | 1,670,282        | 1,091,280        |
| Trade and other receivables      | 5    | 519,450          | 69,092           |
| Other assets                     |      | 7,308            | 14,037           |
| <b>TOTAL CURRENT ASSETS</b>      |      | <b>2,197,041</b> | <b>1,174,409</b> |
| <b>NON-CURRENT ASSETS</b>        |      |                  |                  |
| Plant and equipment              |      | 12,315           | 6,939            |
| Trade and other receivables      | 5    | 587,646          | -                |
| <b>TOTAL NON-CURRENT ASSETS</b>  |      | <b>599,961</b>   | <b>6,939</b>     |
| <b>TOTAL ASSETS</b>              |      | <b>2,797,002</b> | <b>1,181,348</b> |
| <b>LIABILITIES</b>               |      |                  |                  |
| <b>CURRENT LIABILITIES</b>       |      |                  |                  |
| Trade and other payables         | 6    | 2,770,368        | 1,170,373        |
| Provisions                       | 7    | 26,634           | 10,975           |
| <b>TOTAL CURRENT LIABILITIES</b> |      | <b>2,797,002</b> | <b>1,181,348</b> |
| <b>TOTAL LIABILITIES</b>         |      | <b>2,797,002</b> | <b>1,181,348</b> |
| <b>NET ASSETS</b>                |      | <b>-</b>         | <b>-</b>         |
| <b>EQUITY</b>                    |      |                  |                  |
| Retained earnings                |      | -                | -                |
| <b>TOTAL EQUITY</b>              |      | <b>-</b>         | <b>-</b>         |

The accompanying notes form part of these financial statements.

# Dry July Limited as Trustee for the Dry July Foundation

## Statement of Changes in Equity For the Year Ended 30 June 2014

|                                | Retained<br>Earnings | Total |
|--------------------------------|----------------------|-------|
|                                | \$                   | \$    |
| <b>Balance at 1 July 2013</b>  | -                    | -     |
| Surplus for the year           | -                    | -     |
| <b>Balance at 30 June 2014</b> | -                    | -     |

|                                | Retained<br>Earnings | Total |
|--------------------------------|----------------------|-------|
|                                | \$                   | \$    |
| <b>Balance at 1 July 2012</b>  | -                    | -     |
| Surplus for the year           | -                    | -     |
| <b>Balance at 30 June 2013</b> | -                    | -     |

The accompanying notes form part of these financial statements.

# Dry July Limited as Trustee for the Dry July Foundation

## Statement of Cash Flows For the Year Ended 30 June 2014

|   | 2014               | 2013             |
|---|--------------------|------------------|
| Note  | \$                 | \$               |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>                |                    |                  |
| Receipts from donors  | 4,227,817          | 3,541,583        |
| Donations paid  | (2,731,972)        | (2,978,035)      |
| Payments to suppliers and employees                         | (986,324)          | (658,719)        |
| Interest received   | 76,079             | 44,214           |
| Net cash provided by \ (used in) operating activities       | 10 <b>585,600</b>  | <b>(50,957)</b>  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>                |                    |                  |
| Purchase of plant and equipment                             | (7,358)            | (817)            |
| <b>Net cash used by investing activities</b>                | <b>(7,358)</b>     | <b>(817)</b>     |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>                |                    |                  |
| Proceeds from Loan to Dry July NZ Trust                     | 3,880              | (760)            |
| Payment of Loan to Dry July NZ Trust                        | (3,120)            | (760)            |
| Net cash provided by \ (used by) financing activities       | <b>760</b>         | <b>(760)</b>     |
| Net increase \ (decrease) in cash and cash equivalents held | <b>579,002</b>     | <b>(52,534)</b>  |
| Cash and cash equivalents at beginning of year              | <b>1,091,280</b>   | <b>1,143,814</b> |
| Cash and cash equivalents at end of financial year          | 3 <b>1,670,282</b> | <b>1,091,280</b> |

The accompanying notes form part of these financial statements.

# Dry July Limited as Trustee for the Dry July Foundation

## Notes to the Financial Statements For the Year Ended 30 June 2014

### 1 Summary of Significant Accounting Policies

#### (a) Basis of Preparation

The directors have prepared the financial statements on the basis that the not-for-profit Company is a non-reporting entity because there are no users dependent on general purpose financial statements. These financial statements are therefore special purpose financial statements that has been prepared in order to meet the requirements of the *Corporations Act 2001*.

This special purpose financial report has been prepared for the sole purpose of complying with the Corporations Act 2001, NSW Charitable Fundraising Act 1991 and the NSW Charitable Fundraising Regulation 1993 requirements to prepare and distribute a financial report to the members and must not be used for any other purpose. The directors have determined that the accounting policies adopted are appropriate to meet the need of the members.

The financial statements have been prepared in accordance with recognition and measurement criteria in the Australian Accounting Standards and the disclosure requirements of AASB 101 Presentation of Financial Statements, AASB 107 Statement of Cash Flows, AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors, AASB 1031 'Materiality' and AASB 1048 'Interpretations and Application of Standards'.

The significant accounting policies disclosed below are those which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. All amounts are presented in Australian dollars, unless otherwise noted.

#### (b) Comparative Amounts

The financial report has been prepared on an accruals basis and is based on historical cost. The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

Comparatives are consistent with prior years, unless otherwise stated.

#### (c) Financial instruments

##### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

##### 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.

# Dry July Limited as Trustee for the Dry July Foundation

## Notes to the Financial Statements

For the Year Ended 30 June 2014

### 1 Summary of Significant Accounting Policies (continued)

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 Company's trade and most other receivables fall into this category of financial instruments.

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.

For trade receivables, impairment provisions are recorded in a separate allowance account with the loss being recognised in profit or loss. When confirmation has been received that the amount is not collectable, the gross carrying value of the asset is written off against the associated impairment provision. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss. In some circumstances, the Company renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the Company does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

#### Financial liabilities

Non - derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

#### *Impairment of financial assets*

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

#### (d) 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.

#### (e) Employee benefits

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

Employee benefits payable later than one year have been measured at present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Those cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

#### (f) Income Tax

No provision for income tax has been raised as the Company is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

#### (g) 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 less depreciation and impairment losses.

The depreciable amount of all property, plant and equipment, is depreciated on a straight-line method from the date that management determine that the asset is available for use.

# Dry July Limited as Trustee for the Dry July Foundation

## Notes to the Financial Statements For the Year Ended 30 June 2014

### 1 Summary of Significant Accounting Policies (continued)

#### (g) Plant and Equipment (continued)

Assets held under a finance lease and leasehold improvements are depreciated over the shorter of the term of the lease and the assets useful life.

The depreciation rates used for each class of depreciable asset are shown below:

|                     |     |
|---------------------|-----|
| Plant and Equipment | 25% |
|---------------------|-----|

#### (h) 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 Company 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 that period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the Company will obtain ownership of the asset or over the term of the lease.

##### (ii) Operating leases - expense on straight-line basis over lease life

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.

#### (i) 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 entity 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 recognized when the pledge is received.

Revenues from the sale of merchandise is recognized when the company has transferred the significant risks and rewards of ownership of the goods to the buyer.

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 Dry July Limited.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company 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.

#### (j) 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.

# Dry July Limited as Trustee for the Dry July Foundation

## Notes to the Financial Statements

For the Year Ended 30 June 2014

### 1 Summary of Significant Accounting Policies (continued)

#### (j) Goods and Services Tax (GST) (continued)

Cash flows are presented in the statement of cash flows 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.

#### (k) Critical accounting estimates and judgements

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.

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

During the current year, the following standards became mandatory and have been adopted retrospectively by the Company:

- AASB 13 *Fair Value Measurement*
- AASB 119 *Employee Benefits*
- AASB 2012-9 Amendments to AASB 1048 arising from the Withdrawal of Australian Interpretation 1039
- AASB 2012-2 *Amendments to Australian Accounting Standards - Disclosures - Offsetting Financial Assets and Financial Liabilities*

The accounting policies have been updated to reflect changes in the recognition and measurement of assets, liabilities, income and expenses and the impact of adoption of these standards is discussed below.

AASB 13 *Fair Value Measurement* does not change what and when assets or liabilities are recorded at fair value. It provides guidance on how to measure assets and liabilities at fair value, including the concept of highest and best use for non-financial assets. AASB 13 has not changed the fair value measurement basis for any assets or liabilities held at fair value, however additional disclosures on the methodology and fair value hierarchy have been included in the financial statements.

AASB 119 *Employee benefits* changes the basis for determining the income or expense relating to defined benefit plans and introduces revised definitions for short-term employee benefits and termination benefits. The Company reviewed the annual leave liability to determine the level of annual leave which is expected to be paid more than 12 months after the end of the reporting period. Whilst this has been considered to be a long-term employee benefits for the purpose of measuring the leave under AASB 119, the effect of discounting was not considered to be material and therefore has not been performed.

In accordance with the transition provisions in the standard, the comparative figures have been restated.

#### (m) Finance Costs

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

# Dry July Limited as Trustee for the Dry July Foundation

## Notes to the Financial Statements For the Year Ended 30 June 2014

### 1 Summary of Significant Accounting Policies (continued)

#### (n) 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 Company has decided against early adoption of these Standards. The following table summarises those future requirements, and their impact on the Company:

| Standard Name  | Effective date for entity | Requirements  | Impact  |
|--|---------------------------|---|---|
| AASB 9 Financial Instruments and amending standards AASB 2010-7 / AASB 2012-6  | 30 June 2016              | Changes to the classification and measurement requirements for financial assets and financial liabilities.<br><br>New rules relating to derecognition of financial instruments. | The impact of AASB 9 has not yet been determined as the entire standard has not been released.    |
| AASB 1055 - Budgetary Reporting<br>AASB 2013-1 Amendments to AASB 1049 - Relocation of Budgetary Reporting Requirements      | 30 June 2015              | This standard specifies the nature of budgetary disclosures and circumstances for inclusion in the financial statements.  | No impact as the entity is not a public sector entity.  |
| AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities [AASB 132] | 30 June 2015              | This standard adds application guidance to AASB 132 to assist with applying some of the offset criteria of the standard.  | There will be no impact to the entity as there are no offsetting arrangements currently in place. |

| 2014 | 2013 |
|------|------|
| \$   | \$   |

### 2 Revenue and Other Income

The following significant revenue and expenses items are relevant in explaining the financial performance:

#### Revenue

|               |                  |                  |
|---------------|------------------|------------------|
| - Donations   | 4,430,813        | 3,477,577        |
| - Merchandise | 10,655           | 8,206            |
|               | <b>4,441,468</b> | <b>3,485,783</b> |

#### Other income

|                              |                  |                |
|------------------------------|------------------|----------------|
| License fee                  | 500,000          | -              |
| Distribution income          | 234,965          | -              |
| Interest income              | 111,366          | 44,214         |
| In - kind donations received | 412,428          | 322,550        |
|                              | <b>1,258,759</b> | <b>366,764</b> |

#### Expenses

|                   |         |         |
|-------------------|---------|---------|
| Employee expenses | 629,594 | 377,531 |
| Depreciation      | 2,360   | 2,404   |

# Dry July Limited as Trustee for the Dry July Foundation

## Notes to the Financial Statements For the Year Ended 30 June 2014

|   | 2014             | 2013             |
|---|------------------|------------------|
|   | \$               | \$               |
| <b>3 Cash and cash equivalents</b>  |                  |                  |
| Cash at bank  | <u>1,670,282</u> | <u>1,091,280</u> |
| <b>4 Remuneration of Auditors</b>   |                  |                  |
| PKF Lawler Partners provide pro - bono audit services to Dry July Limited (Forsythes Assurances & Risk 2013: nil).  |                  |                  |
| <b>5 Trade and other receivables</b>  |                  |                  |
| CURRENT   |                  |                  |
| Pledge receivables  | 227,608          | 59,334           |
| Loan to Dry July NZ Trust   | (30)             | 760              |
| Loan to Clear Heads Trust   | 54,860           | -                |
| GST receivable  | -                | 591              |
| Trust distribution receivable   | 234,965          | -                |
| Other receivables   | 2,047            | 8,407            |
| Total current trade and other receivables   | <u>519,450</u>   | <u>69,092</u>    |
| NON-CURRENT   |                  |                  |
| Loan to Clear Heads Trust   | <u>587,646</u>   | -                |
| <b>6 Trade and other payables</b>   |                  |                  |
| CURRENT   |                  |                  |
| Trade payables  | 61,174           | 16,027           |
| Donations payable to Dry July Foundation  | 2,658,037        | 1,142,714        |
| Superannuation payable  | 16,534           | 11,632           |
| GST payable   | 34,623           | -                |
|   | <u>2,770,368</u> | <u>1,170,373</u> |
| <b>7 Current Provisions</b>   |                  |                  |
| Employee entitlements   | <u>26,634</u>    | <u>10,975</u>    |
| <b>8 Events After the Balance Date</b>  |                  |                  |
| Further donations of \$3.1m were received in July - October 2014 in respect of the Dry July promotion in July 2014. |                  |                  |

# Dry July Limited as Trustee for the Dry July Foundation

## Notes to the Financial Statements For the Year Ended 30 June 2014

### 9 Remuneration of Key Management Personnel

The aggregate compensation made to the executive directors of the Company is set below:

|                    | Short - term<br>benefits | Post<br>employment<br>benefits | Other<br>long - term<br>benefits | Total       |
|--------------------|--------------------------|--------------------------------|----------------------------------|-------------|
|                    | \$                       | \$                             | \$                               | \$          |
| <b>2014</b>        |                          |                                |                                  |             |
| Total compensation | 253,268                  | 23,426                         | -                                | 276,694     |
|                    |                          |                                |                                  |             |
|                    | Short - term<br>benefits | Post<br>employment<br>benefits | Other<br>long - term<br>benefits | Total       |
| <b>2013</b>        |                          |                                |                                  |             |
| Total Compensation | 216,154                  | 17,974                         | -                                | 234,128     |
|                    |                          |                                |                                  |             |
|                    |                          |                                | <b>2014</b>                      | <b>2013</b> |
|                    |                          |                                | \$                               | \$          |

### 10 Cash Flow Information

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

|   |                |                 |
|---|----------------|-----------------|
| Profit for the year   | -              | -               |
| Non-cash flows in profit:   |                |                 |
| Depreciation  | 2,360          | 2,404           |
| Loss/gain on sale of plant & equipment  | (379)          | -               |
| Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries: |                |                 |
| - (increase)/decrease in trade and other receivables  | (1,038,765)    | 63,152          |
| - (increase)/decrease in other assets   | 6,729          | 8,173           |
| - increase/(decrease) in trade and other payables   | 1,599,996      | (129,611)       |
| - increase/(decrease) in provisions   | 15,659         | 4,925           |
| Cashflow from operations  | <b>585,600</b> | <b>(50,957)</b> |

#### (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 | <b>1,670,282</b> | 1,091,280 |
|---------------------------|------------------|-----------|

# Dry July Limited as Trustee for the Dry July Foundation

## Notes to the Financial Statements For the Year Ended 30 June 2014

### 11 Charitable Beneficiaries

Dry July Foundation is the beneficiary of Dry July Limited.

|     |  |
|-----|--|
| NSW | Prince of Wales Hospital Foundation, Sydney        |
| NSW | The Calvary Mater Hospital, Newcastle              |
| NSW | The Lismore Base Hospital, Lismore                 |
| NSW | Randwick - Cancer Survivor Centre, NSW             |
| NSW | Royal North Shore, Sydney                          |
| NSW | The Crown Princess Mary Cancer Centre, Westmead    |
| NSW | Cancer Care Western NSW Incorporated               |
| NSW | Central Coast Local Health District Cancer Service |
| NSW | Nepean Cancer Centre, Penrith                      |
| NSW | North West Cancer Centre (Tamworth)                |
| NSW | Wollongong Hospital, Wollongong                    |
| NSW | The Tweed Hospital                                 |
| NSW | Liverpool Cancer Therapy Centre, Liverpool         |
| NSW | Camden/Campbelltown Hospitals                      |
| NSW | Concord Cancer Centre                              |
| NSW | The Chris O'Brien Lifehouse at RPA                 |
| NSW | St. George and Sutherland Hospital                 |
| VIC | Olivia Newton John Cancer & Wellness Centre        |
| VIC | The Royal Melbourne Hospital, Melbourne            |
| VIC | Andrew Love Cancer Centre, Geelong                 |
| VIC | Ballarat Health Services, Ballarat                 |
| VIC | Ballarat Regional Integrated Cancer Centre         |
| VIC | Bendigo Health                                     |
| VIC | St. Vincent's Hospital (Melbourne)                 |
| VIC | The Alfred, Melbourne                              |
| VIC | Barwon Health Centre                               |
| QLD | Cancer Council                                     |
| QLD | The Mater Adult Hospital, Brisbane                 |
| QLD | FNQ Hospital Foundation, Cairns                    |
| QLD | Princess Alexandra Hospital Brisbane               |
| QLD | Townsville Hospital                                |
| ACT | The Canberra Hospital, Canberra                    |
| WA  | Cancer Council                                     |
| WA  | Sir Charles Gairdner Hospital Perth                |
| WA  | The Royal Perth Hospital, Perth                    |
| WA  | Albany Hospital                                    |
| WA  | SolarisCare Cancer Support Centres                 |

# Dry July Limited as Trustee for the Dry July Foundation

## Notes to the Financial Statements

For the Year Ended 30 June 2014

### 11 Charitable Beneficiaries continued

|     |   |
|-----|---|
| NT  | The Royal Darwin Hospital, Darwin           |
| NT  | Cancer Council                              |
| TAS | Cancer Council                              |
| TAS | The Launceston General Hospital, Launceston |
| TAS | Spurr Wing Incorporated                     |
| SA  | The Hospital Research Foundation            |
| SA  | Flinders Medical Centre                     |

### 12 Company Details

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

Suite 2, Level 15  
189 Kent Street  
Sydney NSW 2000

# Dry July Limited as Trustee for the Dry July Foundation

## Notes to the Financial Statements For the Year Ended 30 June 2014

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

#### Details of Aggregate Gross Income and Total Expenses of Fundraising Appeals

|                                      | 2014<br>\$       | 2013<br>\$ |
|--------------------------------------|------------------|------------|
| Donations                            | 4,430,813        | 3,477,577  |
| Merchandise                          | 10,655           | 8,206      |
|                                      | <b>4,441,468</b> | 3,485,783  |
| Less cost of fundraising appeals     | <b>(33,405)</b>  | (33,148)   |
| Net surplus from fundraising appeals | <b>4,408,063</b> | 3,452,635  |

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

|   |                    |             |
|---|--------------------|-------------|
| Beneficiaries Dry July Foundation                 | (3,635,930)        | (2,858,546) |
| Administration costs                              | (1,007,098)        | (594,089)   |
| Total expenditure on direct and indirect services | <b>(4,643,028)</b> | (3,452,635) |
| Surplus / (Shortfall)                             | -                  | -           |

#### 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 1 of the Notes to the Financial Statements.

#### Statement showing how funds received were applied to Charitable purposes.

|                              |                  |           |
|------------------------------|------------------|-----------|
| Net surplus from fundraising | <b>4,643,028</b> | 3,452,635 |
|------------------------------|------------------|-----------|

#### Fundraising appeals conducted during the financial period

Online donations and merchandising.  
Comparison by monetary figures and percentages

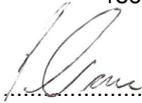
|  | \$                    | %     |
|--|-----------------------|-------|
| <b>2014</b>  |                       |       |
| Total cost of fundraising/gross income from fundraising    | 33,405 / 4,676,778    | 0.71  |
| Net surplus from fundraising/gross income from fundraising | 4,408,063 / 4,676,778 | 99.00 |
| Total cost of services/total expenditure                   | 1,007,098 / 1,040,503 | 97.00 |
| Total cost of services/total income derived                | 1,040,503 / 4,676,778 | 22.00 |
| <b>2013</b>  |                       |       |
| Total cost of fundraising/gross income from fundraising    | 33,148 / 3,485,783    | 1.00  |
| Net surplus from fundraising/gross income from fundraising | 3,452,635 / 3,485,783 | 99.00 |
| Total cost of services/total expenditure                   | 594,089 / 627,237     | 95.00 |
| Total cost of services/total income derived                | 627,237 / 3,485,783   | 18.00 |

# Dry July Limited as Trustee for the Dry July Foundation

## Charitable Fundraising Act Declaration

I, Phillip Grove, Managing 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 Limited 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; and
- d) the internal controls exercised by Dry July Limited are appropriate and effective in accounting for all income received.



.....

Director

Dated: 20/11/2014