

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

**Special Purpose Financial Report
for the year ended 31 December 2013**

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 – 16

Cancer Council of the Northern Territory Incorporated

Board of Directors Report

FOR THE YEAR ENDED 31 DECEMBER 2013

Your board members submit the financial report of the Cancer Council of the Northern Territory Incorporated for the financial year ended 31 December 2013.

BOARD MEMBERS

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

Chairperson	Ms Sandie Smiles
Vice Chairperson	Mr David Gwyther – Finance and Audit Committee
Public Officer	Ms Marilyn Harvey
Directors	Ms Rena Stanton Mr Allan McEwan Mr Gino Lugiletti – Finance and Audit Committee Mr Paulo Randazzo – Finance and Audit Committee

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 \$21,692 (2012: \$167,911).

In our opinion –

- a) the accompanying financial report as set out on pages 6 to 16, 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 2013 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: 7/3/2014
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 2013 and the income statement for the year then ended, notes comprising 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 is responsible for the preparation of the special purpose financial report, and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are appropriate to meet the reporting requirements of the Associations Act and the Association's Constitution and are appropriate to meet the needs of the members. The Board is also responsible for such controls as the board 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 our judgment, 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

In conducting our audit we have met the independence requirements of the Australian professional accounting bodies.

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 - \$833,024
Sponsorship and donations - \$65,891

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 2013 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

Merit Partners



Matthew Kennon
Director

DARWIN

Date: 10/3/2014

Cancer Council Of The Northern Territory Incorporated

Income Statement

FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	2013 \$	2012 \$
INCOME			
Grant funding	9 (a)	515,657	388,846
Fundraising and donations	9 (b)	898,915	833,021
Sales and royalties	9 (c)	96,653	98,351
Other income	9 (d)	514,792	510,129
Total Income		2,026,017	1,830,347
EXPENDITURE			
Administration and support services	10 (a)	1,477,926	1,125,861
Cost of sales	10 (b)	492,515	495,184
Depreciation and amortisation	5 (b) & (c)	33,884	41,391
Total Expenditure		2,004,325	1,662,436
NET SURPLUS FOR THE YEAR		21,692	167,911

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 2013

	Note	2013 \$	2012 \$
CURRENT ASSETS			
Cash and cash equivalents	2	1,782,320	1,806,957
Trade and other receivables	3	103,589	117,215
Inventory	4	112,183	90,111
Prepayments		13,655	13,655
		2,011,747	2,027,938
NON CURRENT ASSETS			
Property, plant and equipment	5 (a)	428,907	417,197
Intangible assets	5 (c)	1,604	6,425
		430,511	423,622
TOTAL ASSETS		2,442,258	2,451,560
CURRENT LIABILITIES			
Trade and other payables	6	115,265	68,629
Provisions	7	43,029	123,336
		158,294	191,965
NON CURRENT LIABILITIES			
Provisions	7	5,097	2,420
		5,097	2,420
TOTAL LIABILITIES		163,391	194,385
NET ASSETS		2,278,867	2,257,175
ACCUMULATED FUNDS			
Accumulated surplus	8	2,107,215	2,185,523
Reserves for Research and Development	8	150,000	50,000
Asset revaluation reserve		21,652	21,652
		2,278,867	2,257,175

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

Notes to and Forming Part of the Financial Accounts

YEAR ENDED 31 DECEMBER 2013

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>2013</u>	<u>2012</u>
Office buildings	2%	2%
Office fittings	2 – 17%	2 – 17%
Plant and equipment	15 – 30%	15 – 40%
Motor vehicles	15 – 25%	15%

Notes to and Forming Part of the Financial Accounts

YEAR ENDED 31 DECEMBER 2013

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

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

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.

Where a grant has been received but it has not been fully spent a liability is recognised for the unspent portion.

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.

Notes to and Forming Part of the Financial Accounts

YEAR ENDED 31 DECEMBER 2013

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 2013

	2013 \$	2012 \$
Note 2: Cash and cash equivalents		
Operating account	88,382	161,360
Breast Care Nurse account	0	1,086
Net Bank Saver Account	751,710	737,181
Term Deposit	941,878	907,080
Cash on hand	350	250
	<u>1,782,320</u>	<u>1,806,957</u>
Note 3: Trade and other receivables		
Trade debtors	96,459	111,765
Less: Provision for doubtful debts	0	0
	<u>96,459</u>	<u>111,765</u>
Accrued interest	7,130	5,450
	<u>103,589</u>	<u>117,215</u>
Note 4: Inventory		
Stock on hand	23,904	25,059
Stock – Ostomy	69,603	54,540
Stock – Goods	26,932	24,345
Less: Provision for obsolescence	(8,256)	(13,833)
	<u>112,183</u>	<u>90,111</u>
Note 5 (a): Property, plant and equipment		
Plant and equipment at cost	93,649	92,093
Less: Accumulated depreciation	(81,487)	(72,894)
	<u>12,162</u>	<u>19,199</u>
Motor vehicles	86,862	48,185
Less: Accumulated depreciation	(45,672)	(34,650)
	<u>41,190</u>	<u>13,535</u>
Office Fittings	41,413	41,413
Less: Accumulated depreciation	(3,194)	(1,315)
	<u>38,218</u>	<u>40,098</u>
Office Buildings	351,393	351,393
Less: Accumulated depreciation	(14,056)	(7,028)
	<u>337,337</u>	<u>344,365</u>
	<u>428,907</u>	<u>417,197</u>

Notes to and Forming Part of the Financial Accounts

YEAR ENDED 31 DECEMBER 2013

	2013 \$	2012 \$
Note 5(b): Property, plant and equipment		
<i>Plant and equipment</i>		
Opening carrying value	19,199	16,102
Additions	1,556	12,575
Depreciation	(8,593)	(9,478)
Closing carrying value	<u>12,162</u>	<u>19,199</u>
<i>Motor vehicles</i>		
Opening carrying value	13,535	19,428
Additions	38,677	0
Depreciation	(11,022)	(5,893)
Closing carrying value	<u>41,190</u>	<u>13,535</u>
<i>Office fittings</i>		
Opening carrying value	40,098	0
Additions	0	41,413
Depreciation	(1,880)	(1,315)
Closing carrying value	<u>38,218</u>	<u>40,098</u>
<i>Office building</i>		
Opening carrying value	344,365	351,393
Additions	0	0
Depreciation	(7,028)	(7,028)
Closing carrying value	<u>337,337</u>	<u>344,365</u>
Total written down value	<u><u>428,907</u></u>	<u><u>417,197</u></u>
Note 5(c): Intangible Assets		
Software	66,816	66,277
Less: Accumulated amortisation	(65,212)	(59,852)
	<u>1,604</u>	<u>6,425</u>
Reconciliations are as follows:		
Opening carrying value	6,425	23,346
Additions	539	756
Amortisation	(5,360)	(17,677)
Total written down value	<u><u>1,604</u></u>	<u><u>6,425</u></u>

Notes to and Forming Part of the Financial Accounts

YEAR ENDED 31 DECEMBER 2013

	2013 \$	2012 \$
Note 6: Trade and other payables		
Trade creditors	63,841	17,146
Unspent grant liability	17,716	27,205
Other payables	33,708	24,278
	115,265	68,629
Note 7: Provisions		
<i>Current</i>		
Provision for annual leave	43,029	79,152
Provision for long service leave	0	44,184
	43,029	123,336
<i>Non current</i>		
Provision for long service leave	5,097	2,420
Note 8: Accumulated funds		
Accumulated surplus		
Opening accumulated surplus	2,185,523	2,067,612
Net surplus for the year	21,692	167,911
Transfer to reserves account	(100,000)	(50,000)
	2,107,215	2,185,523
Reserves for research and development		
Opening reserves	50,000	0
Transfer from accumulated surplus	100,000	50,000
	150,000	50,000

On 20 March 2013, the Board approved the allocation of \$100,000 to reserves from the Council's accumulated surplus for research and development.

Note 9: Income

(a) Grant funding

DoH – Ostomy Services	50,094	45,442
DoH – Community Education and Support	164,411	156,727
DoH – Breast Care Nurses	51,376	50,558
DoH – Counselling services	45,007	90,977
DoH – Indexation Rise	7,564	7,347
DoH – Public Health Awareness Grant	197,205	37,795
	515,657	388,846

Notes to and Forming Part of the Financial Accounts

YEAR ENDED 31 DECEMBER 2013

Note 9: Income (continued)	2013	2012
	\$	\$
(b) Fundraising and donations		
Australia's biggest morning tea	166,553	183,868
Charity Race Day Tickets	2,305	2,505
Daffodil day	61,568	65,421
Relay for life	418,165	287,811
Pink ribbon day	80,757	49,260
Race Raffle	1,875	1,428
Race Sponsorship	10,000	4,364
Call to Arms	2,531	0
Gala ball	0	40,577
Girls night in	22,856	35,242
General fundraising	66,414	34,407
Donations	65,891	128,138
	898,915	833,021
(c) Sales and royalties		
Sales – breast accessories	7,414	6,129
Sales – breast prosthesis	23,608	21,441
Sales – medical supplies	22,913	16,843
Sales – sunglasses	5,999	4,614
Sales – sunscreen	3,217	9,134
Sales – other	8,225	7,472
Royalties	18,772	19,229
Other sales and royalties	6,505	13,489
	96,653	98,351
(d) Other income		
Interest received	58,094	65,703
Membership	2,748	2,910
PBS Stoma Reimbursement	428,139	428,755
Reimbursements	481	4,690
Other	25,330	8,071
	514,792	510,129
Note 10: Expenditure		
(a) Administration and support services		
Advertising and PR	112,287	37,805
Audit and accounting fees	8,334	8,076
Bad debts written off	1,000	0
Bank and finance charges	1,485	1,904
Bank charges - merchant summary	6,109	5,441
Body corporate fees	5,083	4,749
Cab charge	1,770	1,825
Expenditure carried over	136,068	59,800

Notes to and Forming Part of the Financial Accounts

YEAR ENDED 31 DECEMBER 2013

	2013 \$	2012 \$
Note 10: Expenditure continued		
(a) Administration and support services continued		
Expenditure brought forward	136,068	59,800
Catering	342	29,608
Cleaning	6,641	3,750
Client assistance fund	1,329	1,323
Computer equipment and software	2,766	1,336
Computer IT costs	5,261	3,698
Consultancy	34,032	8,422
CRM Implementation	5,595	5,595
Freight and couriers	3,588	4,187
Fundraising expenses	33,989	4,893
Insurance	27,182	23,922
Internet services	3,324	6,220
Logistics and equipment	5,345	18,847
Merchandise	8,104	0
Motor vehicle expenses	11,972	5,955
National event expenses	22,830	17,356
Office equipment purchased	300	1,079
Power and Water	17,861	14,023
Photocopier maintenance	10,630	13,674
Postage	8,362	12,864
Printing and publications	7,683	7,140
Rates	930	882
Health Program	35,981	5,994
Provision 2013 Tobacco	5,616	0
Purchase of wigs	4,609	4,659
Repairs and maintenance	834	2,231
Resource library and publications	819	2,845
Salary and wages	810,323	640,996
Security	2,592	2,246
Service Initiatives	0	330
Shrinkage and spoilage	3,567	1,047
Staff amenities	9,351	2,088
Staff development and training	2,098	4,720
Stationery	2,969	4,058
Storage shed and archives	7,684	6,136
Subscriptions	81,191	73,479
Superannuation	61,420	55,036
Support Group expenses	470	155
Telephone	18,356	18,380
Travel and accommodation	52,399	52,744
Volunteer expenses	1,205	2,346
Waste disposal	433	479
Sundry expenses	21,875	1,318
	1,477,926	1,125,861

Notes to and Forming Part of the Financial Accounts

YEAR ENDED 31 DECEMBER 2013

	2013 \$	2012 \$
(b) Cost of sales		
Purchase of breast accessories	3,868	3,484
Purchase of breast prosthesis	11,568	10,777
Purchase of medical supplies	426,362	436,460
Purchase of sunscreen	1,173	4,212
Purchase of merchandise	43,929	26,789
Other purchases	5,615	13,462
	492,515	495,184