

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

**Special Purpose Financial Report
for the year ended 31 December 2014**

Cancer Council of the Northern Territory Incorporated

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Cancer Council of the Northern Territory Incorporated

Board of Directors Report

FOR THE YEAR ENDED 31 DECEMBER 2014

Your board members submit the financial report of the Cancer Council of the Northern Territory Incorporated for the financial year ended 31 December 2014.

BOARD MEMBERS

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

Chairperson	David Gwyther – Finance and Audit Committee
Vice Chairperson	Paulo Randazzo – Finance and Audit Committee
Public Officer	Ms Marilyn Harvey
Directors	Mr Gino Lugiletti – Finance and Audit Committee Mr Paulo Randazzo – Finance and Audit Committee Giam Kar Annette Burke Marilyn Harvey

PRINCIPAL ACTIVITY

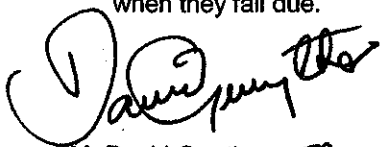
The principal activity of the Association during the year was the provision of support services to community members affected by cancer. There were no significant changes in the nature of the Association's principal activities during the year.

OPERATING RESULT

The operating loss for the year was \$216,550 (2013 surplus: \$21,692).

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 2014 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.



Mr David Gwyther SP

Chairperson

Date:
DARWIN

8 March 2015

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 2014 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

- a. 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	\$737,959
Sponsorship and donations	\$58,351

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 2014 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: 9/3/2015

Cancer Council Of The Northern Territory Incorporated

Income Statement

FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	2014 \$	2013 \$
INCOME			
Grant funding	9 (a)	342,087	515,657
Fundraising and donations	9 (b)	796,310	898,915
Sales and royalties	9 (c)	89,277	96,653
Other income	9 (d)	502,046	514,792
Total Income		1,729,720	2,026,017
EXPENDITURE			
Administration and support services	10 (a)	1,398,316	1,477,926
Cost of sales	10 (b)	66,133	66,153
Purchase of medical supplies		452,138	426,362
Depreciation and amortisation	5 (b) & (c)	29,683	33,884
Total Expenditure		1,946,270	2,004,325
NET SURPLUS/(LOSS) FOR THE YEAR		(216,550)	21,692

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

Cancer Council Of The Northern Territory Incorporated

Balance Sheet

AS AT 31 DECEMBER 2014

	Note	2014 \$	2013 \$
CURRENT ASSETS			
Cash and cash equivalents	2	1,592,951	1,782,320
Trade and other receivables	3	120,458	103,589
Inventory	4	115,102	112,183
Prepayments		13,655	13,655
		1,842,166	2,011,747
NON CURRENT ASSETS			
Property, plant and equipment	5 (a)	404,972	428,907
Intangible assets	5 (c)	632	1,604
		405,604	430,511
TOTAL ASSETS		2,247,770	2,442,258
CURRENT LIABILITIES			
Trade and other payables	6	101,860	115,265
Provisions	7	72,716	43,029
		174,576	158,294
NON CURRENT LIABILITIES			
Provisions	7	10,877	5,097
		10,877	5,097
TOTAL LIABILITIES		185,453	163,391
NET ASSETS		2,062,317	2,278,867
ACCUMULATED FUNDS			
Accumulated surplus	8	1,890,665	2,107,215
Reserves for Research and Development	8	150,000	150,000
Asset revaluation reserve		21,652	21,652
		2,062,317	2,278,867

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 2014

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.

Notes to and Forming Part of the Financial Accounts

YEAR ENDED 31 DECEMBER 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Major depreciation rates are:

	2014	2013
Office buildings	2%	2%
Office fittings	2 – 17%	2 – 17%
Plant and equipment	10 – 30%	15 – 30%
Motor vehicles	15 – 25%	15 – 25%

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.

Notes to and Forming Part of the Financial Accounts

YEAR ENDED 31 DECEMBER 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

l) Employee benefits

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

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

m) Comparative figures

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

Cancer Council Of The Northern Territory Incorporated

Notes to and Forming Part of the Financial Accounts

YEAR ENDED 31 DECEMBER 2014

	2014 \$	2013 \$
Note 2: Cash and cash equivalents		
Operating account	207,702	88,382
Net Bank Saver Account	534,501	751,710
Term Deposits	850,000	941,878
Cash on hand	748	350
	<u>1,592,951</u>	<u>1,782,320</u>
Note 3: Trade and other receivables		
Trade debtors	107,434	96,459
Less: Provision for doubtful debts	0	0
	<u>107,434</u>	<u>96,459</u>
Accrued interest	13,024	7,130
	<u>120,458</u>	<u>103,589</u>
Note 4: Inventory		
Stock on hand	22,295	23,904
Stock – Ostomy	57,946	69,603
Stock – Goods	34,861	26,932
Less: Provision for obsolescence	0	(8,256)
	<u>115,102</u>	<u>112,183</u>
Note 5 (a): Property, plant and equipment		
Plant and equipment at cost	98,424	93,649
Less: Accumulated depreciation	(87,044)	(81,487)
	<u>11,380</u>	<u>12,162</u>
Motor vehicles	86,862	86,862
Less: Accumulated depreciation	(59,918)	(45,672)
	<u>26,944</u>	<u>41,190</u>
Office Fittings	41,413	41,413
Less: Accumulated depreciation	(5,074)	(3,194)
	<u>36,339</u>	<u>38,218</u>
Office Buildings	351,393	351,393
Less: Accumulated depreciation	(21,084)	(14,056)
	<u>330,309</u>	<u>337,337</u>
	<u>404,972</u>	<u>428,907</u>

Notes to and Forming Part of the Financial Accounts

YEAR ENDED 31 DECEMBER 2014

	2014 \$	2013 \$
Note 5(b): Property, plant and equipment		
<i>Plant and equipment</i>		
Opening carrying value	12,162	19,199
Additions	4,775	1,556
Depreciation	(5,557)	(8,593)
Closing carrying value	11,380	12,162
<i>Motor vehicles</i>		
Opening carrying value	41,190	13,535
Additions	0	38,677
Depreciation	(14,246)	(11,022)
Closing carrying value	26,944	41,190
<i>Office fittings</i>		
Opening carrying value	38,218	40,098
Additions	0	0
Depreciation	(1,879)	(1,880)
Closing carrying value	36,339	38,218
<i>Office building</i>		
Opening carrying value	337,337	344,365
Additions	0	0
Depreciation	(7,028)	(7,028)
Closing carrying value	330,309	337,337
Total written down value	404,972	428,907
Note 5(c): Intangible Assets		
Software	66,816	66,816
Less: Accumulated amortisation	(66,184)	(65,212)
	632	1,604
Reconciliations are as follows:		
Opening carrying value	1,604	6,425
Additions	0	539
Amortisation	(972)	(5,360)
Total written down value	632	1,604

Cancer Council Of The Northern Territory Incorporated

Notes to and Forming Part of the Financial Accounts

YEAR ENDED 31 DECEMBER 2014

	2014 \$	2013 \$
Note 6: Trade and other payables		
Trade creditors	79,569	63,841
Unspent grant liability	0	17,716
Other payables	22,291	33,708
	<u>101,860</u>	<u>115,265</u>
Note 7: Provisions		
<i>Current</i>		
Provision for annual leave	72,716	43,029
Provision for long service leave	0	0
	<u>72,716</u>	<u>43,029</u>
<i>Non current</i>		
Provision for long service leave	10,877	5,097
Note 8: Accumulated funds		
Accumulated surplus		
Opening accumulated surplus	2,107,215	2,185,523
Net surplus for the year	(216,550)	21,692
Transfer to reserves account	0	(100,000)
	<u>1,890,665</u>	<u>2,107,215</u>
Reserves for research and development		
Opening reserves	150,000	50,000
Transfer from accumulated surplus	0	100,000
	<u>150,000</u>	<u>150,000</u>

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	67,810	50,094
DoH – Community Education and Support	158,379	164,411
DoH – Breast Care Nurses	52,792	51,376
DoH – Counselling services	0	45,007
DoH – Indexation Rise	0	7,564
DoH – Breast Screen Service	39,500	0
DoH – Wells Women Workshop	4,000	0
DoH – Public Health Awareness Grant	19,606	197,205
	<u>342,087</u>	<u>515,657</u>

Notes to and Forming Part of the Financial Accounts

YEAR ENDED 31 DECEMBER 2014

Note 9: Income (continued)

(b) Fundraising and donations

	2014 \$	2013 \$
Australia's biggest morning tea	172,624	166,553
Charity Race Day	21,742	14,179
Daffodil day	55,938	61,568
Relay for life	213,730	418,165
Pink ribbon day	88,690	80,757
Call to Arms	3,439	2,531
Gala ball	83,717	0
Girls night in	4,552	22,856
General fundraising	93,527	66,414
Donations	58,351	65,891
	796,310	898,915

(c) Sales and royalties

Sales – breast accessories	6,312	7,414
Sales – breast prosthesis	22,346	23,608
Sales – medical supplies	17,102	22,913
Sales – sunglasses	5,496	5,999
Sales – sunscreen	9,061	3,217
Sales – other	8,554	8,225
Royalties	20,406	18,772
Other sales	0	6,505
	89,277	96,653

(d) Other income

Interest received	47,423	58,094
Membership	4,478	2,748
PBS Stoma Reimbursement	443,334	428,139
Reimbursements	13	481
Other	6,798	25,330
	502,046	514,792

Note 10: Expenditure

(a) Administration and support services

Administration costs	605	0
Advertising and PR	10,437	112,287
Audit and accounting fees	8,667	8,334
Bad debts written off	647	1,000
Bank and finance charges	1,378	1,485
Bank charges - merchant summary	5,163	6,109
Body corporate fees	5,288	5,083
Bendigo Bank lunch	5,528	0
Cab charge	28	1,770
Expenditure carried over	37,741	136,068

Notes to and Forming Part of the Financial Accounts

YEAR ENDED 31 DECEMBER 2014

	2014 \$	2013 \$
Note 10: Expenditure continued		
(a) Administration and support services continued		
Expenditure brought forward	37,741	136,068
Catering	37,343	342
Cleaning	6,956	6,641
Client assistance fund	1,429	1,329
Computer equipment and software	1,447	2,766
Computer IT costs	7,123	5,261
Consultancy	0	34,032
CRM Implementation	12,162	5,595
Freight and couriers	2,227	3,588
Fundraising expenses	3,303	33,989
Insurance	27,183	27,182
Internet services	3,104	3,324
Logistics and equipment	13,885	5,345
Legal costs	1,830	0
Merchandise	12,176	8,104
Motor vehicle expenses	10,228	11,972
National event expenses	17,633	22,830
Office equipment purchased	2,259	300
Power and Water	15,424	17,861
Photocopier maintenance	8,690	10,630
Postage	6,936	8,362
Printing and publications	12,900	7,683
Public relations	3,357	0
Rates	1,064	930
Health Program	17,852	35,981
Provision 2013 Tobacco	0	5,616
Purchase of wigs	3,295	4,609
Repairs and maintenance	481	834
Resource library and publications	255	819
Salary and wages	869,875	810,323
Security	3,177	2,592
Service Initiatives	0	0
Shrinkage and spoilage	740	3,567
Staff amenities	4,126	9,351
Staff development and training	5,867	2,098
Stationery	3,949	2,969
Storage shed and archives	8,398	7,684
Subscriptions	90,130	81,191
Superannuation	74,087	61,420
Support Group expenses	760	470
Telephone	21,054	18,356
Travel and accommodation	39,614	52,399
Venue Costs	1,325	90
Volunteer expenses	2,160	1,205
Waste disposal	325	433
Website costs and others	4,446	21,785
	1,398,316	1,477,926

Notes to and Forming Part of the Financial Accounts

YEAR ENDED 31 DECEMBER 2014

	2014 \$	2013 \$
(b) Cost of sales		
Purchase of breast accessories	3,353	3,868
Purchase of breast prosthesis	11,311	11,568
Purchase of sunscreen	5,137	1,173
Purchase of merchandise	37,143	43,929
Other purchases	9,189	5,615
	66,133	66,153