

Supporting medical research  
at Repatriation General Hospital

**FOUNDATION DAW PARK INC**

**FINANCIAL REPORT**

**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008**

**FOUNDATION DAW PARK INC**

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**FOUNDATION DAW PARK INC**  
**BOARD OF DIRECTOR'S REPORT**

Your board members submit the financial report of the FOUNDATION DAW PARK INC for the financial year ended 30 June 2008.

**Board Members**

The names of the board members throughout the financial year and at the date of this report are;

Robert Willis – Chairman  
David Bubner – Treasurer  
Peter Bridge  
Peter Buberis  
Peter Croser  
Paul Merrow  
Gary Verstegen  
Donny Walford  
John Rawson

**Principal Activities**

The principal activities of FOUNDATION DAW PARK INC in the course of the year were to promote and support medical, scientific and other research relevant to the Repatriation General Hospital, and to promote the education and training of Repatriation General Hospital staff.

**Significant Changes**

No significant change in the nature of these activities occurred during the year.

**Operating Result**

The net result of operations attributable to the Foundation's activities was a loss of \$54,897 (2007 loss of \$100,554).

This year, the Foundation continued with the strategy to broaden its donor base through increased profile building and engagement with the business community. The new activities undertaken included the Anzac Ball held in partnership with State Theatre and the Remembrance Day Breakfast. The fund raising activities undertaken during 2008 reflected the success of the strategy with 2008 fundraising revenue of \$669,824 a significant increase on the prior year.

The operating loss includes a write down of the Foundation Investment Portfolio of \$187,161 reflecting the decline in the market value of the Investment Portfolio. The write down was brought to account in 2008 as required for end of year reporting purposes.

The effect of the write down was to offset the profit from fund raising activities for 2008.

**After Balance Date Events**

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

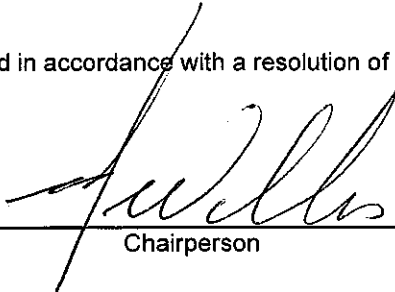
**FOUNDATION DAW PARK INC**  
**BOARD OF DIRECTOR'S REPORT (CONT)**

**BENEFITS RECEIVED**

In the opinion of the Board of Management of FOUNDATION DAW PARK INC:

- a) During the year ended 30 June 2008 no:
- i) officer of the Association;
  - ii) firm of which the officer is a member; or
  - iii) body corporate in which the officer has a substantial financial interest,
- has received or become entitled to receive a benefit as a result of a contract between the officer, firm or body corporate and the Association; and
- b) during the year ended 30 June 2008 no officer of the Association received directly or indirectly from the Association any payment or other benefit of a pecuniary value.

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

  
\_\_\_\_\_  
Chairperson

  
\_\_\_\_\_  
Board Member

Dated this 30<sup>th</sup> day of October 2008

## FOUNDATION DAW PARK INC

## INCOME STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

	Notes	2008 \$	2007 \$
<b>Revenues from ordinary activities:</b>			
Revenues and other income		455,558	280,643
Interest		27,105	72,866
Total revenues from ordinary activities	2	<u>482,663</u>	<u>353,509</u>
<b>Expenses from ordinary activities:</b>			
Depreciation Expense		2,250	-
Employee Expenses		195,218	139,443
Finance Expenses		-	-
Grant Expenses		107,612	-
Supplies and Services		232,480	314,620
Total expenses from ordinary activities		<u>537,560</u>	<u>454,063</u>
<b>Profit (Loss) from Operations</b>	2	<u>(54,897)</u>	<u>(100,554)</u>
Retained Earnings at the beginning of Financial Year		<u>1,248,864</u>	<u>1,349,418</u>
<b>Retained Earnings at the End of Financial Year</b>		<u>1,193,967</u>	<u>1,248,864</u>

The accompanying notes form part of these financial statements.

## FOUNDATION DAW PARK INC

## BALANCE SHEET AS AT 30 JUNE 2008

	Notes	2008 \$	2007 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	161,661	96,829
Trade and other receivables	5	12,851	6,441
Inventories	6	7,014	8,753
<b>TOTAL CURRENT ASSETS</b>		<u>181,526</u>	<u>112,023</u>
<b>NON-CURRENT ASSETS</b>			
Financial Assets	7	1,038,684	1,151,216
Intangible Assets	8	14,335	16,895
<b>TOTAL NON-CURRENT ASSETS</b>		<u>1,053,019</u>	<u>1,168,111</u>
<b>TOTAL ASSETS</b>		<u>1,234,545</u>	<u>1,280,134</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	26,322	24,438
Short Term Provisions	10	9,947	6,832
<b>TOTAL CURRENT LIABILITIES</b>		<u>36,269</u>	<u>31,270</u>
<b>NON-CURRENT LIABILITIES</b>			
Long term provisions	10	4,309	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>4,309</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>		<u>40,578</u>	<u>31,270</u>
<b>NET ASSETS</b>		<u>1,193,967</u>	<u>1,248,864</u>
<b>EQUITY</b>			
Retained earnings		1,193,967	1,248,864
<b>TOTAL EQUITY</b>		<u>1,193,967</u>	<u>1,248,864</u>

The accompanying notes form part of these financial statements.

## FOUNDATION DAW PARK INC

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2008

	<b>Retained Earnings \$</b>	<b>Total \$</b>
Balance at 1 July 2006	1,349,418	1,349,418
Operating loss for 2007 year	(100,554)	(100,554)
<b>Balance at 30 June 2007</b>	<b>\$1,248,864</b>	<b>\$1,248,864</b>
Operating loss for 2008 year	(54,897)	(54,897)
<b>Balance at 30 June 2008</b>	<b>\$1,193,967</b>	<b>\$1,193,967</b>

The accompanying notes form part of these financial statements.

## FOUNDATION DAW PARK INC

## CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

	Notes	2008 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<i>Cash receipts from operations</i>		
Donations – General and Bequests		397,871
Trading Activities		15,390
Interest received		27,105
Other		229,458
GST Received (NET)		3,009
<i>Payments</i>		
Wages and salaries and salary related charges		(195,218)
Suppliers		(337,367)
Interest and bank charges		(787)
Net cash provided by (used in) operating activities	15(ii)	<u>139,461</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for intangible assets		-
Proceeds from sale of intangible assets		-
Payments for investments (net)		(74,629)
Net cash provided by (used in) investing activities		<u>(74,629)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Loan advances		-
Repayment of Loans		-
Net cash provided by (used in) by financing activities		<u>-</u>
Net increase/(decrease) in cash held		64,832
Cash at the beginning of the financial year		96,829
Cash at the end of the financial year	15(i)	<u>\$161,661</u>

The accompanying notes form part of these financial statements.

**FOUNDATION DAW PARK INC**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008**

**1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting**

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Associations Incorporation Act, 1985.

The financial report covers Foundation Daw Park Inc as an individual entity. Foundation Daw Park Inc is an Association incorporated in South Australia under the Association Incorporation Act, 1985.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis including the going concern assumption and is based on historic costs, modified, where applicable by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The accounting policies used in the preparation of this report are described below and are, in the opinion of the Board of Directors, appropriate to meet the needs of the Association.

a) **Income Tax**

No Income Tax is payable by the Foundation as Section 50-5 of the Income Tax Assessment Act exempts Charitable Institutions from Income Tax.

b) **Inventories**

Inventories are measured at cost, adjusted when applicable for any loss of service potential. Costs are assigned a specific identification basis.

c) **Intangible Assets**

(i) **Web Site**

Web Site is recorded at cost less, where applicable, any accumulated depreciation and impairment losses. Intangible assets recognised by the Association at 30 June 2008 comprise solely the development of the Association's Web Site. It has an estimated useful life of between one and three years. It is assessed annually for impairment.

The carrying amount of intangible assets is reviewed annually by the Association to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows, which will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to present values in determining recoverable amounts.

The depreciable amount of the Web Site is depreciated on a straight line basis over the useful life of the asset to the Association, commencing from the time the asset is held ready for use. The depreciation rate used for this class of depreciable asset is:

Web site

30%

**FOUNDATION DAW PARK INC****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008 (CONT)****d) Financial Instruments***Recognition and Initial Measurement*

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the Association becomes a party to the contractual provisions of the instrument.

Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

*Derecognition*

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the Association no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

*Classification and Subsequent Measurement***(i) Financial assets at fair value through profit or loss**

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

**(ii) 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 subsequently measured at amortised cost using the effective interest rate method.

**(iii) Held-to-maturity investments**

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Association's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

**(iv) Available-for-sale financial assets**

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They

**FOUNDATION DAW PARK INC**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008 (CONT)**

**d) Financial Instruments (cont)**

*(iv) Available-for-sale financial assets (cont)*

comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

*(v) Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

*Impairment*

At each reporting date, the Association assesses where there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

**e) Impairment of Assets**

At each reporting date, the entity reviews the carrying value of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Income Statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the Association estimates the recoverable amount of the cash-generating unit to which the asset belongs.

**f) Employee Benefits**

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to balance date. 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 the present value of the estimated future cash outflows to be made for those benefits. These cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

**g) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

**h) Revenue and Other Income**

Revenues and expenses are recognised in the Foundation's Income Statement, when and only when the flow or consumption or loss of economic benefits has occurred and can be reliably measured.

Foundation Daw Park Incorporated received \$135,000 for the year ended 30 June 2008 (2007 \$500) from Bequests and Legacies. It is the policy of the Foundation that such

**FOUNDATION DAW PARK INC****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008 (CONT)****h) Revenue and Other Income (cont)**

Bequests and Legacies are brought to account as revenue only when received by the Association.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in these goods.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from the provision of membership subscriptions is recognised on a straight line basis over the financial year.

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

**i) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

**j) Comparative Figures**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Comparative figures for the cash flow statement are not available as the cost of providing these disclosures outweigh any benefits of providing this information.

**k) Critical Accounting Estimates and Judgements**

Members of the Board of Directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Association.

**l) Continued Funding of Operations**

The research and development programs conducted by Foundation Daw Park Incorporated are dependent on donations and bequests from the Public.

The ability for the Association to maintain and expand on its current level of operations, programs and activities, is dependent upon the continued support of the Public, its sponsors and upon the outcomes of Foundation Daw Park Incorporated achieving expected levels of financial performance during the next financial year.

## FOUNDATION DAW PARK INC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008 (CONT)

	2008 \$	2007 \$
<b>NOTE 2: OPERATING RESULTS</b>		
<b>(i) Revenue</b>		
Operating Activities		
Anzac Gala Ball	112,502	-
Corporate Income	31,720	-
Dividends - Investment Securities (Macquarie)	31,326	-
Dividends - Other	482	8,647
Donations - General	253,871	203,142
Donations - Bequests	135,000	500
Interest - Bank	5,321	10,099
Interest - Investment Securities (Macquarie)	21,784	54,113
Memberships	3,250	7,111
Merchandise Income	15,390	11,931
Special Events	28,484	-
Telethon	21,694	57,966
Other Income	9,000	-
	<u>669,824</u>	<u>353,509</u>
Investment Portfolio Losses - Movements in Market Value 2008	(187,161)	-
	<u>\$482,663</u>	<u>\$353,509</u>
<b>ii) Charging Expenses</b>		
<b>Expenses</b>		
- Auditors Remuneration - audit	600	600
- Depreciation	2,250	-
- Provision for Long Service Leave	4,309	-
	<u>\$7,159</u>	<u>\$600</u>

**iii) Significant Items of Revenue and Expenditure**

There are no significant revenue and expense items that are relevant in explaining the income statement.

**NOTE 3: KEY MANAGEMENT PERSONNEL COMPENSATION**

	Short Term Benefits	Post-Employment Benefits	Total
<b>2008</b>			
Total compensation	94,664	8,111	102,775
	<u>94,664</u>	<u>8,111</u>	<u>102,775</u>
<b>2007</b>			
Total compensation	97,968	8,132	106,100
	<u>97,968</u>	<u>8,132</u>	<u>106,100</u>

## FOUNDATION DAW PARK INC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008 (CONT)

	2008 \$	2007 \$
<b>NOTE 4: CASH AND CASH EQUIVALENTS</b>		
Cash on Hand	300	300
Cash at Bank	161,361	96,529
	<u>\$161,661</u>	<u>\$96,829</u>
<b>NOTE 5: TRADE AND OTHER RECEIVABLES</b>		
<b>CURRENT</b>		
Trade Receivables	550	-
Less Provision for Impairment of Receivables	-	-
	<u>550</u>	<u>-</u>
Entertainment Books – Clearing Account	260	-
Franking Credits	565	430
GST receivable	9,814	-
TFN Withholding Tax	1,662	1,662
Payroll Clearing	-	4,349
	<u>\$12,851</u>	<u>\$6,441</u>
<b>NOTE 6: INVENTORIES</b>		
<b>CURRENT</b>		
Stock – Chocolates at cost	314	-
Stock – Iris Pins at cost	6,700	8,753
	<u>\$7,014</u>	<u>\$8,753</u>
<b>NOTE 7: FINANCIAL ASSETS</b>		
Available for Sale Financial Assets at fair value:		
Macquarie MPPM Account - at market value	1,038,684	-
Direct Investment – at market value	-	40,421
Master Key Trust – at market value	-	40,100
BSA 30 Day Bill Flex 1260 UROL – at market value	-	566,506
BSA 30 Day Bill Flex 9560 – at market value	-	419,659
Share Account – at market value	-	84,530
Total available-for-sale financial assets	<u>\$1,038,684</u>	<u>\$1,151,216</u>

The Market Value of the Macquarie MPPM investment portfolio as at 30 September 2008 is \$995,764. It is the intention of the Board of Directors to hold the investment securities underlying this portfolio for the long term. Any movement in the investment's fair value subsequent to 30 June 2008, will be reflected in the next year's financial statements.

## FOUNDATION DAW PARK INC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008 (CONT)

	2008 \$	2007 \$
<b>NOTE 8: INTANGIBLE ASSETS</b>		
Web site at cost	16,585	16,895
Accumulated depreciation	(2,250)	-
Net carrying value	<u>\$14,335</u>	<u>16,895</u>
<b>NOTE 9: TRADE AND OTHER PAYABLES</b>		
CURRENT		
Trade creditors	1,534	24,438
Income in advance	2,370	-
Accrued Liabilities	4,424	-
Chapel/Chaplains Fund	669	-
PAYG Payable	12,318	-
Super Payable	5,007	-
	<u>\$26,322</u>	<u>\$24,438</u>
<b>NOTE 10: PROVISIONS</b>		
EMPLOYEE BENEFITS		
CURRENT		
Provision for Annual Leave	9,947	6,832
	<u>\$9,947</u>	<u>\$6,832</u>
NON-CURRENT		
Provision for Long Service Leave	4,309	-
	<u>\$4,309</u>	<u>\$ -</u>
Total Provisions	<u>\$14,256</u>	<u>\$6,832</u>
<b>NOTE 11: CAPITAL AND LEASING COMMITMENTS</b>		
There were no capital or operating lease commitments for the Foundation for the year ended 30 June 2008 (2007 NIL).		
<b>NOTE 12: CONTINGENT LIABILITIES</b>		
The Association has a credit card facility limit of \$20,000 for cardholder Chris Jenner. As at 30 June 2008 the Association had used \$335 (2007: NIL) of this facility and had available an unused credit facility of \$19,665 (2007: NIL).		

## FOUNDATION DAW PARK INC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008 (CONT)

Notes	2008 \$	2007 \$
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**NOTE 13: EVENTS AFTER THE BALANCE DATE**

- a) The financial report was authorised for issue on 30<sup>th</sup> October 2008 by the Board of Directors.
- b) There have been no significant events which have occurred subsequent to 30 June 2008 (2007 NIL).

**NOTE 14: RELATED PARTY DISCLOSURES**

- i) The following persons were members of the Board during the year ended 30 June 2008.

Robert Willis - Chairman  
 Peter Bridge – Resigned as Chairman  
 David Bubner – Treasurer  
 Peter Bridge  
 Peter Buberis  
 Peter Croser  
 Paul Merrow  
 Gary Verstegen  
 Donny Walford  
 John Rawson

- ii) Related party transactions of Board members:

There were no transactions with related parties during the year.

**NOTE 15: CASH FLOW INFORMATION**

- (i) Reconciliation of Cash and Cash Equivalents

Cash on hand	3	161,361	96,529
Cash at bank	3	300	300
		<u>\$161,661</u>	<u>\$96,829</u>

- (ii) RECONCILIATION OF OPERATING LOSS  
TO THE NET CASH FLOWS USED FROM OPERATIONS

OPERATING LOSS	(54,897)
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*Cash flows excluded from profit (loss) attributable to operating activities*

*Non-cash flows in profit (loss)*

Depreciation expense	2,250
Investment Portfolio Losses – Movement in Market Value	187,161
(Profit)/Loss on disposal of plant and equipment	310

*Changes in Assets and Liabilities*

Decrease/(increase) in Trade and Other Receivables	(6,410)
Decrease/(increase) in Inventories	1,739
(Decrease)/increase in Trade and Other Payables	1,884
(Decrease)/increase in Employee Entitlements	7,424

NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$139,461</u>
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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008 (CONT)

Notes	2008 \$	2007 \$
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**NOTE 16: FINANCIAL RISK MANAGEMENT**

## (a) Financial Risk Management Policies

The Association's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable and shares in listed equities.

The entity does not have any derivative instruments at 30 June 2008.

## i. Treasury Risk Management

A governance committee consisting of senior board members meet on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

## ii. Financial Risk Exposures and Management

The main risks the Association is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

*Interest rate risk*

Interest rate risk relates to the rollover of short term deposits.

*Foreign currency risk*

The Association is not exposed to fluctuations in foreign currencies.

*Liquidity risk*

The Association manages liquidity risk by monitoring forecast cash flows and ensuring that adequate deposit funds are available.

*Credit risk*

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. The Association does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the entity.

There are no material amounts of collateral held as security at 30 June 2008.

Credit risk is managed by the Association and reviewed regularly by the governance committee.

## (b) Financial Instrument Composition and Maturity Analysis

The table below reflects the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments.

## FOUNDATION DAW PARK INC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008 (CONT)

	Notes	2008 \$	2007 \$			
<b>NOTE 16: FINANCIAL RISK MANAGEMENT (CONT)</b>						
	Interest Maturing In					
	Weighted average interest rate	Floating interest rate	Fixed 1 year or less	Fixed Over 1 to 5 years	Non interest bearing	Total
<b>30 June 2008</b>						
<b>Financial Assets</b>						
Cash	.3%	161,361	-	-	300	161,661
Receivables	-	-	-	-	12,851	12,851
Inventories	-	-	-	-	7,014	7,014
Intangible Assets	-	-	-	-	14,335	14,335
Investments	5.1%	-	1,038,684	-	-	1,038,684
<b>Total Financial Assets</b>		<b>\$161,361</b>	<b>\$1,038,684</b>	<b>\$ -</b>	<b>\$ 34,500</b>	<b>\$1,234,545</b>
<b>Financial Liabilities</b>						
Trade creditors and Accruals	-	-	-	-	26,322	26,322
Employee Benefits	-	-	-	-	14,256	14,256
<b>Total Financial Liabilities</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$40,578</b>	<b>\$40,578</b>
<b>30 June 2007</b>						
<b>Financial Assets</b>						
Cash	.5%	96,529	-	-	300	96,829
Receivables	-	-	-	-	6,441	6,441
Inventories	-	-	-	-	8,753	8,753
Intangible Assets	-	-	-	-	16,895	16,895
Investments	N/A	-	1,151,216	-	-	1,151,216
<b>Total Financial Assets</b>		<b>\$96,529</b>	<b>\$1,151,216</b>	<b>\$ -</b>	<b>\$32,389</b>	<b>\$1,280,134</b>
<b>Financial Liabilities</b>						
Trade creditors and Accruals	-	-	-	-	24,438	24,438
Employee Benefits	-	-	-	-	6,832	6,832
<b>Total Financial Liabilities</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$31,270</b>	<b>\$31,270</b>

## (c) Net Fair Values

Methods and assumptions used in determining net fair value.

The net fair values of financial assets and financial liabilities approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments.

## FOUNDATION DAW PARK INC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008 (CONT)

	Notes	2008 \$	2007 \$
<b>(c) Net Fair Values (cont)</b>			
The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to the financial statements.			
<b>(d) Sensitivity Analysis</b>			
The association has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on current year results and equity which could result from a change in this risk.			
As at 30 June 2008, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:			
		2008 \$	
<b>Change in Profit</b>			
<i>Deposits</i>			
- increase in interest rate by 2%		2,585	
- decrease in interest rate by 2%		(2,585)	
<i>Investments – Financial Assets</i>			
- increase in interest rate by 2%		21,899	
- decrease in interest rate by 2%		(21,899)	
<b>Change in Equity</b>			
- increase in interest rate by 2%		24,428	
- decrease in interest rate by 2%		(24,428)	

This sensitivity analysis has been performed on the assumption that all other variables remain unchanged.

**NOTE 17: CAPITAL MANAGEMENT**

The Board Members control the capital of the Association in order to maintain a good debt-to-equity ratio and to ensure that the Association can fund its operations and continue as a going concern.

The Association's debt and capital includes financial liabilities, supported by financial assets. The Foundation had no financial liabilities for the year ended 30 June 2008.

There are no externally imposed capital requirements.

The Board members effectively manage the Association's capital by assessing the Association's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels.

There have been no changes in the strategy adopted by management to control the capital of the Association since the prior year. This strategy is to ensure that there is sufficient cash to meet trade and sundry payables and borrowings. The Foundation has no borrowings for the year ended 30 June 2008.

## FOUNDATION DAW PARK INC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008 (CONT)

Notes	2008 \$	2007 \$
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**NOTE 18: ACCOUNTING POLICY AMENDMENTS**

The following Australian Accounting Standards issued or amended and are applicable to the Association, but not yet effective and have not been adopted in preparation of the financial statements at reporting date.

AASB Amendment	Standards Affected	Outline of Amendment	Application Date of Standard	Application Date for Association
AASB 2007-3 Amendments to Australian Accounting Standards	AASB 5	Non-Current Assets Held for Sale and Discontinued Operations	The disclosure requirements of AASB 114: Segment Reporting have been replaced due to the issuing of AASB 8: Segment Reporting in February 2007. These amendments will involve changes to segment reporting disclosures. However, it is anticipated there will be no direct impact on recognition and measurement criteria amounts included in the financial report, as the Association does not fall within the scope of AASB 8.	1.1.2009
	AASB 102	Inventories		
	AASB 107	Cash Flow Statements		
	AASB 119	Employee Benefits		
	AASB 136	Impairment of Assets		
AASB 8 Operating Segments	AASB 114	Segment Reporting	As above.	1.1.2009
AASB 2007-6 Amendments to Australian Accounting Standards	AASB 1	First time adoption of AIFRS	The revised AASB 123: Borrowing Costs issued in June 2007 has removed the option to expense all borrowing costs. This amendment will require the capitalisation of all borrowing costs directly attributable to the acquisition, construction, or production of a qualifying asset. However, there will be no direct impact to the amounts included in the financial report of the Association as it already capitalises borrowing costs related to qualifying assets.	1.1.2009

**FOUNDATION DAW PARK INC**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008 (CONT)**

			Notes	2008 \$	2007 \$
<b>NOTE 18: ACCOUNTING POLICY AMENDMENTS (CONT)</b>					
AASB Amendment	Standards Affected	Outline of Amendment	Application Date of Standard	Application Date for Association	
AASB 123 Borrowing Costs	AASB 123	Borrowing Costs	As above.	1.1.2009	1.7.2009
AASB 2007- 8 Amendments to Australian Accounting Standards	AASB 101	Presentation of Financial Statements	The revised AASB 101: Presentation of Financial Statements issued in September 2007 requires the presentation of a statement of comprehensive income and makes changes to the statement of changes in recognised income and expenditure.	1.1.2009	1.7.2009
AASB 101	AASB 101	Presentation of Financial Statements	As above.	1.1.2009	1.7.2009

**NOTE 19: ASSOCIATION DETAILS**

The principle place of business of FOUNDATION DAW PARK INC is:

Foundation Daw Park Inc  
Daws Road  
DAW PARK SA 5041

**NOTE 20: SEGMENT REPORTING**

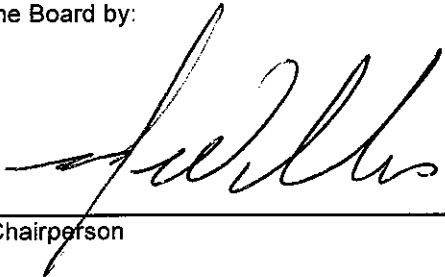

The Foundation operates predominantly in one business and geographical segment, being in the hospital care sector promoting research and training relevant to the Repatriation General Hospital.

**FOUNDATION DAW PARK INC****STATEMENT BY THE BOARD OF DIRECTORS**

In the opinion of the members of the Board the financial report:

- a) Presents fairly the financial position of the Foundation Daw Park Inc as at 30 June 2008 and its performance for the financial year ended on that date in accordance with Australian Accounting Standards, other mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Associations Incorporation Act, 1985; and
- b) At the date of this statement 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 statement is made in accordance with a resolution of the Board and is signed for and on behalf of the Board by:

  
\_\_\_\_\_  
Chairperson  
\_\_\_\_\_  
Board Member

Dated this 30<sup>TH</sup> day of October 2008



EdwardsMarshall

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**INDEPENDENT AUDITOR'S REPORT  
TO THE BOARD MEMBERS OF FOUNDATION DAW PARK INC**

**REPORT ON THE FINANCIAL REPORT**

We have audited the accompanying financial report of Foundation Daw Park Inc, which comprises the balance sheet as at 30 June 2008, and the income statement, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes.

**The Responsibility of the Board Members for the Financial Report**

The Board Members are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Associations Incorporation Act 1985*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report, ensuring that it is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**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 Accounting Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 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 Board Members, 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 Australian professional ethical pronouncements.



**INDEPENDENT AUDITOR'S REPORT  
TO THE BOARD MEMBERS OF FOUNDATION DAW PARK INC (CONT)**

**BASIS FOR QUALIFIED AUDITOR'S OPINION**

Donations, bequests and other fundraising activities are a significant source of revenue for Foundation Daw Park Incorporated. The Association has determined that it is impracticable to establish and maintain an effective system of control over the collection of donations, bequests and other fundraising activities prior to their entry into its financial records. Accordingly, as the evidence available to us regarding revenue from this source was limited, our audit procedures with respect to donations, bequests and other fundraising activities of the Association had to be restricted to the amounts recorded in the financial records.

We are therefore unable to express an opinion as to whether the donations, bequests and other fundraising activities of Foundation Daw Park Incorporated are complete.

**Auditor's Opinion**

In our opinion, except for the effects on the financial report of such adjustments, if any, as might have been required had the limitation on our audit procedures referred to in the qualification paragraph not existed, the financial report presents fairly, in all material respects the financial position of Foundation Daw Park Inc as of 30 June 2008, and of its financial performance and its cash flows for the year then ended in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Associations Incorporation Act 1985*.

We have obtained all of the information and explanations required from the Association.

*Edmunds Marshall*

Chartered Accountants

*Nae Chiffo*

Partner

Adelaide  
South Australia

Dated *30 October 2008*

## FOUNDATION DAW PARK INC

## INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	\$	\$
<b>REVENUE</b>		
Anzac gala ball	112,502	-
Corporate Philanthropy	31,720	-
Dividends – Investment Securities Macquarie	31,326	-
Dividends - Other	482	8,647
Donations - general	262,871	203,142
Donations - bequests	135,000	500
Interest - Bank	5,321	10,099
Interest – Investment Securities	21,784	54,113
Memberships	3,250	7,111
Merchandise Income	15,390	11,931
Special Events	28,484	-
Telethon	21,694	57,966
Investment Portfolio losses – change in market value	(187,161)	-
<b>TOTAL INCOME</b>	<b>\$482,663</b>	<b>\$353,509</b>

## FOUNDATION DAW PARK INC

## INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

	2008 \$	2007 \$
<b>EXPENDITURE</b>		
Accounting Fees	5,786	11,978
Advertising	25,069	10,506
Anzac ball expenses	72,326	-
Bank charges	787	697
Computer expenses	4,896	5,337
Consultancy expenses	7,088	-
Contractors	4,769	-
Depreciation	2,250	-
Entertainment expenses	1,084	2,501
Events	16,302	21,711
Grants Paid	107,612	195,679
Insurance	4,436	5,112
Long Service Leave	4,309	-
Mail house expenses	49,711	28,698
Marketing	1,416	2,686
Memberships and subscriptions	3,035	1,147
Merchandise	3,663	6,395
Office expenses	-	3,203
Postage	4,224	433
Printing and stationery	5,406	12,068
Salaries and wages	168,647	115,856
Staff training and welfare	290	599
Sundry purchases	1,539	5,432
Superannuation	14,591	10,394
Telephone	701	927
Telethon fees	15,000	5,150
Travel expenses	4,953	868
Workcover	7,671	3,686
<b>TOTAL EXPENSES</b>	<b>\$537,560</b>	<b>\$454,063</b>
<b>OPERATING LOSS</b>	<b>(\$54,897)</b>	<b>(\$100,554)</b>