

**Down Syndrome  
Association NSW**  
**ABN 39 032 586 389**

Financial report  
For the year ended 30 June 2017

## TABLE OF CONTENTS

Financial report	
Statement of profit or loss and other comprehensive income .....	1
Statement of financial position .....	2
Statement of changes in members funds .....	3
Statement of cash flows .....	4
Notes to financial statements .....	5 - 13
Statement by members of the Board .....	14
Independent auditor's report .....	15 - 18
Auditor's independence declaration .....	19

**DOWN SYNDROME ASSOCIATION OF NSW**  
**ABN 39 032 586 389**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2017**

	Note	2017 \$	2016 \$
<b>Revenue</b>			
Sales revenue	2	8,930	10,818
Other revenue	2	810,395	1,234,522
		<b>819,325</b>	<b>1,245,340</b>
<b>Less: expenses</b>			
Room and space hire		(28,029)	(55,014)
Depreciation expense	3	(8,540)	(13,636)
Employee benefits expense	3	(466,771)	(697,408)
Occupancy expense		(74,342)	(38,320)
Advertising expense		(44,344)	(38,787)
Contractors		(1,992)	(52,142)
Telephone & internet		(16,555)	(21,154)
IT support & maintenance		(16,043)	(19,174)
Fundraising activities and functions		(61,399)	(73,275)
Accounting		(47,115)	(11,525)
Insurance		(11,700)	(10,914)
Repairs and maintenance		(8,478)	(5,656)
Workers compensation insurance		(4,649)	(4,322)
Other expenses		(107,164)	(190,602)
		<b>(897,121)</b>	<b>(1,231,929)</b>
		<b>(77,796)</b>	<b>13,411</b>
<b>(Deficit)/ Surplus for the year</b>			

The accompanying notes form part of these financial statements.

**DOWN SYNDROME ASSOCIATION OF NSW**  
**ABN 39 032 586 389**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2017**

	Note	2017 \$	2016 \$
<b>Current assets</b>			
Cash and cash equivalents	4	258,383	1,152,786
Receivables	5	68,065	35,577
Other financial assets	6	749,399	-
<b>Total current assets</b>		<b>1,075,847</b>	<b>1,188,363</b>
<b>Non-current assets</b>			
Other financial assets	6	23,657	23,657
Plant and equipment	7	8,537	17,646
<b>Total non-current assets</b>		<b>32,194</b>	<b>41,303</b>
<b>Total assets</b>		<b>1,108,041</b>	<b>1,229,666</b>
<b>Current liabilities</b>			
Payables		54,399	78,364
Borrowings	8	301	2,072
Provisions	9	25,803	54,166
Deferred income		126,500	112,917
<b>Total current liabilities</b>		<b>207,003</b>	<b>247,519</b>
<b>Non-current liabilities</b>			
Provisions	9	2,557	5,870
<b>Total non-current liabilities</b>		<b>2,557</b>	<b>5,870</b>
<b>Total liabilities</b>		<b>209,560</b>	<b>253,389</b>
<b>Net assets</b>		<b>898,481</b>	<b>976,277</b>
<b>Members funds</b>			
Accumulated surplus		898,481	976,277
<b>Total members funds</b>		<b>898,481</b>	<b>976,277</b>

The accompanying notes form part of these financial statements.

**DOWN SYNDROME ASSOCIATION OF NSW**  
**ABN 39 032 586 389**

**STATEMENT OF CHANGES IN MEMBERS FUNDS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

	<b>Accumulated surplus \$</b>	<b>Total equity \$</b>
<b>Balance as at 1 July 2015</b>	962,866	962,866
Surplus for the year	13,411	13,411
<b>Balance as at 1 July 2016</b>	<b>976,277</b>	<b>976,277</b>
(Deficit) for the year	(77,796)	(77,796)
<b>Balance as at 30 June 2017</b>	<b>898,481</b>	<b>898,481</b>

The accompanying notes form part of these financial statements.

**DOWN SYNDROME ASSOCIATION OF NSW**  
**ABN 39 032 586 389**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

	Note	2017 \$	2016 \$
<b>Cash flow from operating activities</b>			
Cash receipts from customers		714,325	842,016
Cash paid to suppliers and employees		(864,451)	(1,200,600)
Interest received		6,728	29,780
<b>Net cash (used in) operating activities</b>		<b>(143,398)</b>	<b>(328,804)</b>
<b>Cash flow from investing activities</b>			
Payment for property, plant and equipment		-	(5,002)
Proceeds from sale of plant and equipment		165	-
Payment for term deposits		-	(23,657)
Payment for perpetual funds		(749,399)	-
<b>Net cash (used in) investing activities</b>		<b>(749,234)</b>	<b>(28,659)</b>
<b>Cash flow from financing activities</b>			
Repayment of borrowings		(1,771)	-
<b>Net cash (used in) financing activities</b>		<b>(1,771)</b>	<b>-</b>
<b>Reconciliation of cash</b>			
Cash at beginning of the financial year		1,152,786	1,510,249
Net (decrease) in cash held		(894,403)	(357,463)
<b>Cash at end of financial year</b>	4	<b>258,383</b>	<b>1,152,786</b>

The accompanying notes form part of these financial statements.

**DOWN SYNDROME ASSOCIATION OF NSW**  
**ABN 39 032 586 389**

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

Down Syndrome Association of NSW is an association domiciled in New South Wales and was established on 1 January 1980. The address of the Association's registered office is Level 6, 410 Church Street, Parramatta NSW 2150.

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

This financial report is a special purpose financial report prepared in order to satisfy the financial report preparation requirements of the *Associations Incorporation Act 2009* and the *Australian Charities and Not-for-profits Commission Act 2012*. The Board has determined that the association is not a reporting entity. Down Syndrome Association of NSW is a not-for-profit entity for the purpose of preparing the financial statements.

The financial report has been prepared in accordance with the requirements of the *Associations Incorporation Act 2009*, the *Australian Charities and Not-for-profits Commission Act 2012* and the following Accounting Standards:

AASB 101:	Presentation of Financial Statements
AASB 107:	Statement of Cash Flows
AASB 1048:	Interpretation and Application of Standards
AASB 1054:	Australian Additional Disclosures

The following specific accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this report:

**(a) Basis of preparation of the financial report**

*Historical Cost Convention*

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets and liabilities as described in the accounting policies.

**(b) New Standards and interpretations not yet adopted**

At the date of authorisation of the financial report, the following relevant Standards and Interpretations were issued but not yet effective:

- AASB 9 *Financial Instruments* was issued in December 2014 and addresses recognition and measurement requirements for financial assets and financial liabilities and impairment requirements that introduce an expected credit loss impairment model. This standard becomes mandatory for the Association's 30 June 2019 financial statements.
- AASB 15 *Revenue from Contracts with Customers* was issued in December 2014 and provides a single comprehensive model for revenue recognition based on the satisfaction of performance obligations and additional disclosures about revenue. It replaces AASB 118 *Revenue and related interpretations*. This standard will become mandatory for the Association's 30 June 2020 financial statements.

**DOWN SYNDROME ASSOCIATION OF NSW**  
**ABN 39 032 586 389**

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(b) New Standards and interpretations not yet adopted (continued)**

- AASB 1058 *Income of Not-for-Profit Entities* was issued in December 2016. The standard clarifies and simplifies income recognition requirements that apply to not-for-profit entities, in conjunction with AASB 15 above. It replaces AASB 1004 *Contributions*. This standard will become mandatory for the Association's 30 June 2020 financial statements.
- AASB 16 *Leases* was issued in February 2016 and introduced changes to lessee accounting. It requires a lessee to recognise a right-of-use asset representing its rights to use the underlying lease asset and a lease liability representing its obligations to make lease payments other than short-term leases or leases of low-value assets on statement of financial position. This will replace the operating/finance lease distinction and accounting requirements prescribed in AASB 117 *Leases*. This standard will become mandatory for the Association's 30 June 2020 financial statements.

AASB 9, AASB 15, AASB 1058 and AASB 16 are available for early adoption but have not been applied by the Association in this financial report.

The impact on the financial statements of the Association on adoption of the above standards is currently being assessed.

**(c) Revenue**

Revenue from sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Risks and rewards of ownership are considered passed to the buyer at the time of delivery of the goods to the customer.

Membership fees are recognised as revenue when no significant uncertainty as to its collectability exists, if the fee relates only to membership and all other services or products are paid for separately, or if there is a separate annual subscription. Membership fees are recognised on a basis that reflects the timing, nature and value of the benefit provided if the fee entitles the member to services or publications to be provided during the membership period, or to purchase goods or services at prices lower than those charged to non-members.

Revenue from organising and hosting events is recognised in the period in which the events are held.

Interest revenue is recognised when it becomes receivable on a proportional basis taking in to account the interest rates applicable to the financial assets.

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



**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(d) Contributions - Government Grants and Donations**

A non-reciprocal contribution or grant is recognised when the entity obtains control of the contribution or grant and it is probable that the economic benefits will flow to the entity, and the amount of the contribution or grant can be measured reliably.

If conditions attached to the contribution or grant that must be satisfied before the entity is eligible to receive the contribution, recognition of contribution or income is deferred until those conditions are met.

A non-reciprocal donation is recognised when the right to receive a donation has been established and received.

**(e) Income tax**

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*.

**(f) Cash and cash equivalents**

Cash and cash equivalents include cash on hand and at banks, short-term deposits with an original maturity of three months or less held at call with financial institutions, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

**(g) Plant and equipment**

Each class of plant and equipment is carried at cost less, where applicable, any accumulated depreciation and any accumulated impairment losses.

*Plant and equipment*

Plant and equipment is measured on the cost basis.

*Depreciation*

The depreciable amount of all plant and equipment is depreciated over their estimated useful lives commencing from the time the asset is held ready for use.

**(h) Leases**

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

**DOWN SYNDROME ASSOCIATION OF NSW**  
**ABN 39 032 586 389**

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(h) Leases (continued)**

*Operating leases*

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

Lease incentives received under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

**(i) Employee benefits**

*(i) Short-term employee benefit obligations*

Liabilities arising in respect of wages and salaries, annual leave, accumulated sick leave and any other employee benefits (other than termination benefits) expected to be settled wholly before twelve months after the end of the annual reporting period are measured at the (undiscounted) amounts based on remuneration rates which are expected to be paid when the liability is settled. The expected cost of short-term employee benefits in the form of compensated absences such as annual leave and accumulated sick leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables in the statement of financial position.

*(ii) Long-term employee benefit obligations*

The provision for other long-term employee benefits, including obligations for long service leave and annual leave, which are not expected to be settled wholly before twelve months after the end of the reporting period, are measured at the present value of the estimated future cash outflow to be made in respect of the services provided by employees up to the reporting date. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee turnover, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the change occurs.

Other long-term employee benefit obligations are presented as current liabilities in the statement of financial position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur. All other long-term employee benefit obligations are presented as non-current liabilities in the statement of financial position.

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**(j) Financial Instruments**

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the association has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. The association has no derivative financial assets or liabilities.

***Non-derivate financial liabilities***

The association initially recognises financial liabilities on the date at which it becomes a party to the contractual provisions of the instrument. The association derecognises financial liability when its contractual obligations are discharged or cancelled or expire. The association has the following non-derivative financial liabilities: trade and other payables. These financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest rate method.

***Non-derivate financial assets***

The association initially recognises financial assets on the date at which the association becomes a party to the contractual provisions of the instrument.

Financial assets are initially measured at fair value. The association subsequently measures financial assets at either fair value or amortised cost.

The association derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the association is recognised as a separate asset or liability.

On initial recognition, the association classifies its financial assets as subsequently measured at either amortised cost or fair value, depending on its business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

***Financial assets subsequently measured at amortised cost***

A financial asset is subsequently measured at amortised cost using the effective interest method and net of any impairment loss, if:

- the asset is held within a business model with an objective to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest.

Financial assets subsequently measured at amortised cost comprise cash and cash equivalents, held-to-maturity investments, and trade and other receivables. All changes in value are recognised in surplus or deficit.

**DOWN SYNDROME ASSOCIATION OF NSW**  
**ABN 39 032 586 389**

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(j) Financial Instruments (continued)**

*Financial assets subsequently measured at fair value through surplus or deficit*

Financial assets subsequently measured at fair value through surplus or deficit include financial assets that are either classified as held for trading or that meet certain conditions and are designated at fair value through surplus or deficit upon initial recognition.

Assets in this category are measured at fair value with gains or losses recognised in surplus or deficit. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

In the remainder of the notes, assets in this category is referred to as “financial assets as fair value or surplus or deficit”.

**(k) Comparatives**

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

**DOWN SYNDROME ASSOCIATION OF NSW**  
**ABN 39 032 586 389**

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 2: REVENUE</b>		
<b>Sales revenue</b>		
Sale of goods	8,930	10,818
<b>Other revenue</b>		
Interest income	6,728	29,780
Donations, bequests and fundraising	331,425	547,374
Gain on perpetual investments	43,233	-
Grants	429,009	657,368
	<b>810,395</b>	<b>1,234,522</b>
<b>NOTE 3: OPERATING SURPLUS</b>		
(Deficit)/ Surplus has been determined after:		
<b>Depreciation</b>		
- office furniture and equipment	8,540	13,636
<b>Bad debts</b>		
- Doubtful debts (reversal)/ provision	(12,000)	12,000
- Bad debts write-off	6,664	-
<b>Foreign currency translation losses</b>	11	46
<b>Employee benefits:</b>		
- Wages and salaries	432,424	633,762
- Other employee benefits	34,347	63,646
	<b>466,771</b>	<b>697,408</b>
Remuneration of auditors for:		
Audit and assurance services		
- Audit or review of the financial report	5,000	8,727
<b>NOTE 4: CASH AND CASH EQUIVALENTS</b>		
Cash at bank	258,343	1,142,586
Cash on deposit	-	10,000
Other cash	40	200
	<b>258,383</b>	<b>1,152,786</b>

**DOWN SYNDROME ASSOCIATION OF NSW**  
**ABN 39 032 586 389**

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 5: RECEIVABLES</b>		
<b>CURRENT</b>		
Trade debtors	2,575	38,336
Impairment loss	-	(12,000)
	2,575	26,336
Other receivables	65,490	1,741
Amounts receivables from:		
- Down Syndrome Australia	-	7,500
	68,065	35,577

**NOTE 6: OTHER FINANCIAL ASSETS**

Other Financial Assets include the following investments:

**CURRENT**

Investments – Perpetual fund	749,399	-
------------------------------	---------	---

**NON CURRENT**

<i>Held-to-maturity investment</i>		
Term deposit with financial institution	23,657	23,657

The term deposit is security for the lease of a rental property.

**DOWN SYNDROME ASSOCIATION OF NSW**  
**ABN 39 032 586 389**

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 7: PLANT AND EQUIPMENT</b>		
<b>Plant and equipment</b>		
Office equipment at cost	37,777	38,754
Accumulated depreciation	(32,566)	(29,926)
	5,211	8,828
Computer equipment at cost	31,345	32,889
Accumulated depreciation	(28,019)	(24,071)
	3,326	8,818
Total plant and equipment	8,537	17,646
<b>NOTE 8: BORROWINGS</b>		
<b>CURRENT</b>		
<i>Secured liabilities</i>		
Bank overdraft	301	2,072
<b>NOTE 9: PROVISIONS</b>		
<b>CURRENT</b>		
Employee benefits	(a) 25,803	54,166
<b>NON CURRENT</b>		
Employee benefits	(a) 2,557	5,870
<b>(a) Aggregate employee benefits liability</b>	<b>28,360</b>	<b>60,036</b>
<b>NOTE 10: CHARITABLE FUNDRAISING ACT DISCLOSURES</b>		
<b>Details of Aggregate Gross Income and Expenditure of Fundraising Appeals</b>		
Donations, bequests and fundraising income	331,425	547,374
Total expenditure for fundraising events	(61,399)	(73,275)
Wages	(31,768)	(26,900)
	238,258	447,199

**NOTE 11: SUBSEQUENT EVENTS**

There have been no events subsequent to the statement of financial position date, which would have a material effect on the Association's financial statements at 30 June 2017.





