

**HEART KIDS SA INCORPORATED
ABN 24 323 071 359**

**FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2015**

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**HEART KIDS SA INCORPORATED
ABN 24 323 071 359**

BOARD'S REPORT

In accordance with Section 35(5) of the Association Act 1985, the Directors of Heart Kids SA Incorporated hereby states that during the financial year ended 30 June 2015;

- a)
1. no officer of the Association;
 2. no firm of which an officer is a member; and
 3. no body corporate in which an 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 corporate body and the Association.

- b) no officer of the Association has received directly or indirectly from the Association any payment or other benefit of a pecuniary value.

This report is made in accordance with a resolution of the Directors and is signed by at least two of the members of the Board.

Board Member:



Board Member:



Dated at Adelaide this 23rd day of October, 2015

HEART KIDS SA INCORPORATED
ABN 24 323 071 359

INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 \$	2014 \$
Revenue		756,196	700,162
Cost of sales		<u>(235,052)</u>	<u>(298,852)</u>
Gross profit		<u>521,144</u>	<u>401,310</u>
Other revenues		4,213	5,789
Unearned revenue		-	(6,000)
Depreciation of property, plant and equipment		(6,328)	(13,000)
Administration expenses		(195,187)	(180,240)
Other expenses		<u>(2,763)</u>	<u>(1,816)</u>
Profit for the year		<u>321,079</u>	<u>206,043</u>
Less Support Services		<u>(250,033)</u>	<u>(209,131)</u>
Net Surplus / (Deficit)		<u>71,046</u>	<u>(3,088)</u>

The accompanying notes form part of these financial statements.

HEART KIDS SA INCORPORATED
ABN 24 323 071 359

BALANCE SHEET
AS AT 30 JUNE 2015

	Note	2015 \$	2014 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	2	380,991	343,740
Trade and other receivables	3	<u>79,082</u>	<u>65,422</u>
TOTAL CURRENT ASSETS		<u>460,073</u>	<u>409,162</u>
NON-CURRENT ASSETS			
Property, plant and equipment	4	<u>13,686</u>	<u>16,820</u>
TOTAL NON-CURRENT ASSETS		<u>13,686</u>	<u>16,820</u>
TOTAL ASSETS		<u>473,760</u>	<u>425,982</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade Creditors	5	34,950	44,112
Employee benefits	6	6,949	16,310
Unearned revenue		-	6,000
Other current liabilities		<u>1,254</u>	<u>-</u>
TOTAL CURRENT LIABILITIES		<u>43,154</u>	<u>66,422</u>
TOTAL LIABILITIES		<u>43,154</u>	<u>66,422</u>
NET ASSETS		<u>430,606</u>	<u>359,560</u>
MEMBERS' FUNDS			
Retained earnings	7	<u>430,606</u>	<u>359,560</u>
TOTAL MEMBERS' FUNDS		<u>430,606</u>	<u>359,560</u>

The accompanying notes form part of these financial statements.

HEART KIDS SA INCORPORATED
ABN 24 323 071 359

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

1 Statement of Significant Accounting Policies

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Act SA. The Board has determined that the association is not a reporting entity.

The financial report has been prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

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

Property, Plant and Equipment (PPE)

Leasehold improvements and office equipment are carried at cost less, where applicable, any accumulated depreciation.

The depreciable amount of all PPE is depreciated over the useful lives of the assets to the association commencing from the time the asset is held ready for use.

Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Impairment of Assets

At the end of each reporting period, the association 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 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.

Financial Assets

Financial assets are brought to account at cost or valuation. They are subsequently measured at fair value which is equivalent to their market price at the end of the reporting period.

Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

HEART KIDS SA INCORPORATED
ABN 24 323 071 359

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

Provisions

Provisions are recognised when the association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Grant and donation income is recognised when the entity obtains control over the funds, which is generally at the time of receipt.

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

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 Tax 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 the expense. Receivables and payables in the assets and liabilities statement are shown inclusive of GST.

HEART KIDS SA INCORPORATED
ABN 24 323 071 359

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	\$	\$
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2 Cash and Cash Equivalents		
<p>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.</p> <p>Cash at the end of the year is made up as follows:</p>		
BankSA Accounts	349,253	337,606
NAB Accounts	5,178	5,852
Petty and other Cash on Hand	26,560	282
Total Cash & Cash Equivalents	380,991	343,740

3 Trade and Other Receivables

Current

Trade Debtors	73,154	64,186
GST Receivable	5,928	1,236
	79,082	65,422

The association does not hold any financial assets whose terms have been renegotiated, but which would otherwise be past due or impaired.

HEART KIDS SA INCORPORATED
ABN 24 323 071 359

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	\$	\$
4 Property, Plant and Equipment		
Plant & Equipment	49,376	46,182
Less: Accumulated Depreciation	<u>(43,409)</u>	<u>(39,793)</u>
	<u>5,967</u>	<u>6,389</u>
Motor Vehicles	19,045	19,045
Less: Accumulated Depreciation	<u>(11,326)</u>	<u>(8,614)</u>
	<u>7,719</u>	<u>10,431</u>
Total Property, Plant and Equipment	<u>13,686</u>	<u>16,820</u>
5 Trade and Other Payables		
Trade Payables	12,418	32,473
PAYG Withholding Payable	13,624	6,032
Superannuation Payable	7,333	5,607
Other Payables	<u>1,575</u>	<u>-</u>
	<u>34,950</u>	<u>44,112</u>
6 Employee Benefits		
Current		
Provision for Annual Leave	<u>6,949</u>	<u>16,310</u>
7 Retained Earnings		
Retained earnings at the beginning of the financial year	359,560	362,648
Net profit attributable to the association	321,079	206,043
Distributions provided for or paid	<u>(250,033)</u>	<u>(209,131)</u>
Retained earnings at the end of the financial year	<u>430,606</u>	<u>359,560</u>

The accompanying notes form part of these financial statements.

**HEART KIDS SA INCORPORATED
ABN 24 323 071 359**

STATEMENT BY THE BOARD

In the opinion of the members of the members of the Board of Heart Kids SA Incorporated and in compliance with Section 35(2)(c) of the Association Act, 1985:

1. The attached accounts present a true and fair view of the financial position of Heart Kids SA Incorporated as at 30 June 2015 and its performance for the year ended on that date in accordance with the accounting policies outlined in Note 1 to the financial statements.
2. At the date of this statement, there are reasonable grounds to believe that Heart Kids SA Incorporated will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Board of Management and is signed for and on behalf of the Board by:

Chairman: Scott Williams



Treasurer: Damien Scott Connor



Dated at Adelaide this 23rd day of October 2015

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67 Greenhill Rd
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HEART KIDS OF SOUTH AUSTRALIA

We have audited the accompanying financial report, being a special purpose financial report, of Heart Kids of South Australia (the "Association"), which comprises the statement of financial position as at 30 June 2015, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information to the financial report and the statement by the Committee of Management.

Responsibility of the Committee of Management for the financial report
The Committee of Management of the Association is responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies used and described in Note 1 to the financial report, which form part of the financial report, are appropriate to meet the requirements of the Associations Incorporation Act 1985 (SA) and the needs of the Members. This responsibility includes such internal controls as the Committee of Management determine are necessary to enable the preparation of the financial report to be 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 which require us to 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 Association'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 Association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Committee of Management, 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.

Electronic presentation of audited financial report

This auditor's report relates to the financial report of Heart Kids of South Australia for the year ended 30 June 2015 included on Heart Kids of South Australia's web site. The Committee of Management is responsible for the integrity of the Heart Kids of South Australia web site. We have not been engaged to report on the integrity of Heart Kids of South Australia's web site. The auditor's report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

Independence

In conducting our audit, we have complied with the applicable independence requirements of the Accounting Professional and Ethical Standards Board.

Basis for qualified auditor's opinion

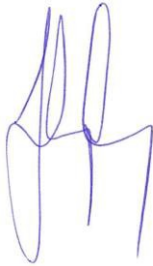
Charitable donations received from corporations and the general public are a significant source of revenue for the Association. The Association has determined that it is impracticable to establish control over the collection of donations from corporations and the public prior to entry into its financial records. Accordingly, as the evidence available to us regarding revenue from this source was limited, our audit procedures with respect to donations from corporations and the public had to be restricted to the amounts recorded in the financial records. We are therefore unable to express an opinion as to whether donations collected from corporations and the public by the Association are complete.

Qualified 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 of Heart Kids of South Australia Inc presents fairly, in all material respects, the Association's financial position as at 30 June 2015 and of its performance in accordance with the accounting policies described in Note 1.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Accountants



Partner - Audit & Assurance

Adelaide, 23 October 2015

HEART KIDS SA INCORPORATED
ABN 24 323 071 359

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	743,015	658,299
Payments to suppliers and employees	(706,782)	(661,412)
Interest received	4,213	5,789
Net cash provided by operating activities	40,446	2,676
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for plant and equipment	(3,195)	(2,625)
Net cash used in investing activities	(3,195)	(2,625)
Net increase (decrease) in cash held	37,251	51
Cash at beginning of financial year	343,740	343,689
Cash at end of financial year	380,991	343,740

The accompanying notes form part of these financial statements.

HEART KIDS SA INCORPORATED
ABN 24 323 071 359

PROFIT & LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	\$	\$
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Revenue		
Grants	106,858	117,568
Heatkids Australia Funding	17,550	19,700
Donations & Bequests	178,365	158,489
Fundraising	449,694	397,857
Other	15,686	6,337
Total Revenue	768,153	699,951
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Expenses		
Fundraising/Event	(220,465)	(269,877)
Marketing	(7,622)	(21,132)
Merchandising	(6,965)	(7,843)
Total Expenses	(235,052)	(298,852)
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Gross Surplus	533,101	401,099
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Administration Expenses	(212,022)	(195,056)
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Operating Surplus	321,079	206,043
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Support Services Provided		
General Support Services	(182,097)	(135,730)
FSC Services	(62,444)	(72,096)
Bereavement Support	(5,492)	(1,305)
Total Support Services Provided	(250,033)	(209,131)
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Surplus / (Deficit) for the year	71,046	(3,088)
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