

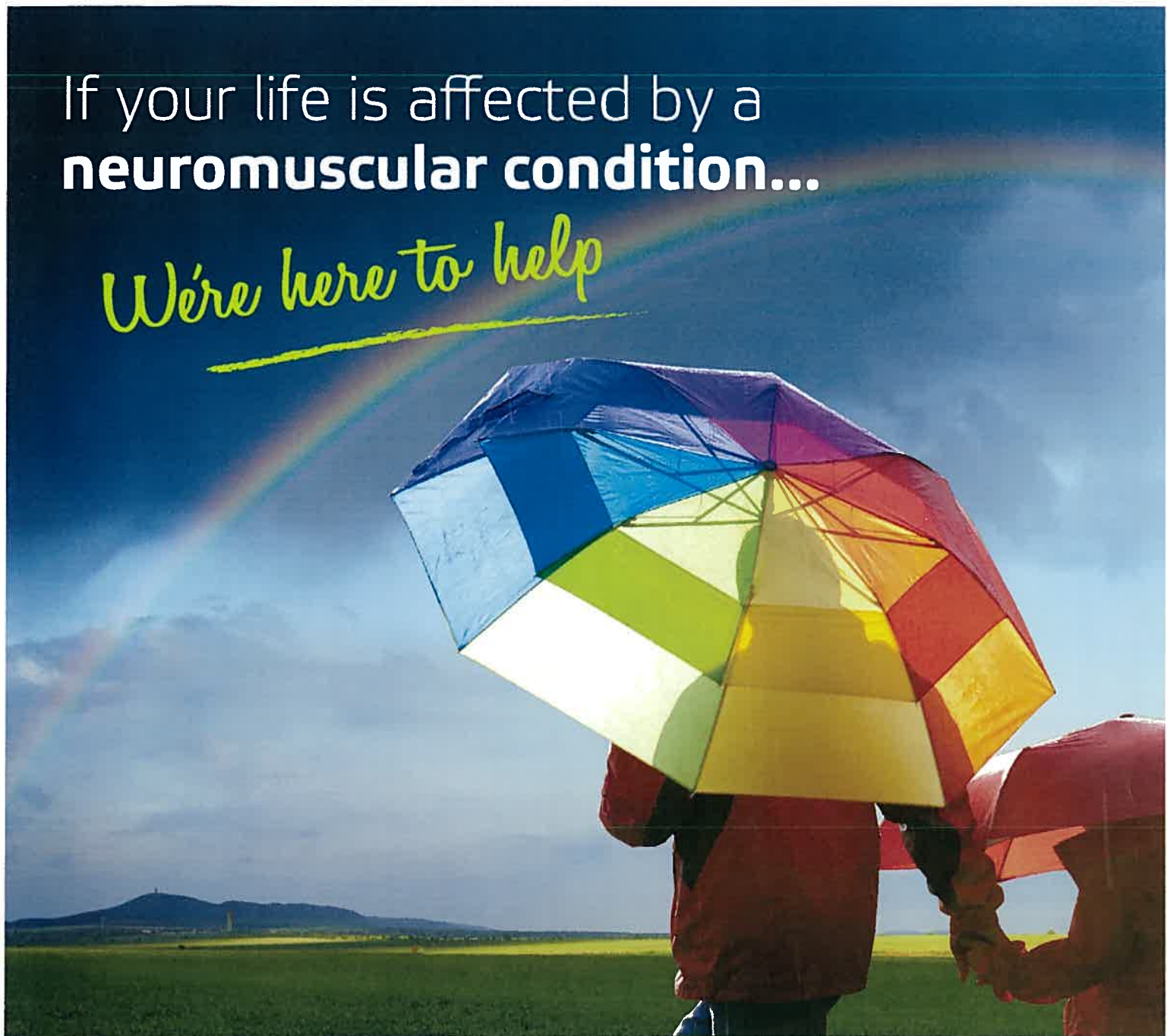
annual report

ANNUAL REPORT OF MUSCULAR DYSTROPHY NSW

JULY, 2011 – JUNE, 2012

If your life is affected by a
neuromuscular condition...

We're here to help



MUSCULAR DYSTROPHY
NEW SOUTH WALES

VISION

Improved quality of life for all people affected by a neuromuscular condition

VALUES

- Compassion and responsiveness
- Integrity and respect
- Partnerships and teamwork



OBJECTIVE

The objective of Muscular Dystrophy NSW is to provide support and services to our clients, all of whom have a neuromuscular condition, or are caring for someone with a neuromuscular condition. As a charity with a DGR (Deductible Gift Recipient) status Muscular Dystrophy NSW is committed to delivering quality services to its clients while keeping administrative overhead to a minimum.

Muscular Dystrophy NSW has a Board of Governance which provides strategic direction. The Board comprises health professionals, people with a neuromuscular condition, or who care for one who does, and people who have skills in areas such as finance, governance and strategic planning. The Board's direct link to the management of the organisation is through the CEO who is the conduit between the strategic direction and the operational delivery of services.

At an operational level, the organisation is split into four teams, each with specialised skills in their area. These teams work collaboratively and cohesively to ensure support and services are being delivered in response to the needs of clients. The teams are, Client Services, Fundraising, Finance and Operations.

OUR SERVICES

- Camp
- Event Programs
- Weekend Retreats
- Regional and Rural NSW
- Counselling Service
- Client Newsletter
- Advocacy
- Duke of Edinburgh's Program
- Support to Service Providers
- The Duke of Edinburgh's Program
- Boccia
- FlexiRest Respite Program
- Information and Referral Service
- Equipment Funding
- Medical and Information Seminars
- Clinic Support Program
- Research Funding
- Social Group Opportunities
- NEWS

BOARD

Peter Debnam
Robert Ferguson
Graeme Troy
Prof. Alastair Corbett
Percival Baptiste
Dr Heather Johnston
Ian Williams
Dr Kristi Jones
Martin Dalrymple
Annette Burke
Rick Arnheim
Shannon Finch

President and Chairperson of the Board
Vice President
Honorary Treasurer
Medical Director

HONORARY SOLICITOR

Simon Gates

HONORARY AUDITOR

Domenic Cutrupi

MUSCULAR DYSTROPHY NSW STAFF

Penelope Hodge
Victoria Berg
Maralyn McCann
Chaitali Desai
Gracia Selina
Loretta Downie
Jenny Smith
Kags (Katharyn) Garrard
Liz Neal
Maryanne Murray
Tracey Isles
Matthew Figgins
Melissa Steck
Kejanna (Katie) Taylor-King
Imogen Saxon

CEO
Client Services Manager
Office Manager
Finance Manager
Finance Assistant
Events Manager
Project Assistant
Fundraising Manager
Psychologist
Training Project Office
Child and Family Coordinator
Client Services Coordinator
Client Services Coordinator
Care for Carers Coordinator
Administration Assistant



President's Report

This has been another year of change for our Association with expanding services, adoption of a new strategic plan, multiple changes in directors and most importantly the appointment of a new Chief Executive Officer.

It was a year of change for me as well. I joined the board in mid 2011 and then circumstances meant Rob Ferguson stepped up to take on the role of President of our national body, MDF, and as a consequence, I was asked to take on the role of NSW President. At the outset, I want to say I've been honoured to contribute in this way and have thoroughly enjoyed the chance to work with my fellow Directors and our new CEO Pene Hodge.

I believe your Association is well served by the high calibre people who have chosen to support MDNSW as Directors and also those who have accepted the challenge of working in our small team of professional staff. Thank you to all our staff for making the last twelve months resoundingly successful.

Leading our staff is of course Pene Hodge. Pene took over as CEO before our last AGM and quickly gained the confidence of our clients, staff and Board. It has been an absolute pleasure to work with Pene as she quietly and confidently took charge of an expanded staff to deliver greater services, managed a challenging budget and the demands of a new Strategic Plan and also skilfully managed the interface with Board Directors and a new President.

Thank you to Pene, our Treasurer Graeme Troy and Chaitali for the presentation of our Annual Accounts which show a profit of \$86,918 taking our Retained Earnings and Reserves up to a Total Equity of \$700,358. This was a good result in difficult circumstances and future years will be no less challenging. We are actively seeking to diversify our sources of income and with the appointment of our new Fundraising Manager Katharyn (Kags) Garrard, we are well on the way to growing additional revenue. It will however, be a never-ending challenge and to assist Pene and Kags in this regard, we have recently restructured our Board Sub-Committees and given greater emphasis to Fundraising and Marketing.

We have also given much greater emphasis to a new Client Services Committee. This Committee will guide us over the next few years as we reach out to more families while we also cope with dramatic external changes. There will be significant changes in funding for our sector with greater scrutiny and regulation but I believe we have the right people to deliver for our clients despite the more difficult operating environment.

As you know, MDNSW has been evolving for some years but the rate of change picked up this last twelve months. With a lot of hard work on the part of staff and Directors, we are well positioned for growth or consolidation over the next year, depending upon how the economy unfolds in the New Year.

Pene and your Board have begun implementing the new strategic direction and as you can see from Pene's CEO Report, the Plan sets quite a challenge for our Board and Management over the next five years.

President's Report (continued)

There was also considerable change on your Board this last year. Nettie Burke and I joined the Board in mid 2011 and were followed by Rick Arnheim and Shannon Finch earlier this year. And we were sad to see the resignation of Colin Gunn and Ross Parker as they moved on to other challenges after distinguished service on our Board.

In Colin's case, we were able to acknowledge his major contribution at his last Board meeting. But in Ross' case, circumstances meant that this evening is the first chance we have had to formally thank Ross for his contribution to MDNSW.

Although I was only on the Board with Ross for a short time, his years of experience as a Director of MDNSW were certainly evident to me in each meeting and I'm also extremely grateful to Ross for his advice in my other discussions with him. Over his years of service, Ross was not only an enthusiastic volunteer to our cause but as a Director was instrumental in encouraging his colleagues to launch MDNSW on a more ambitious trajectory. There is no doubt his HR and management expertise were fundamental to reassuring his colleagues that they should be courageous in setting the organisation's strategic direction.

On behalf of our Board and all at MDNSW, I'd like to ask everyone here to join me in sincerely thanking Ross for his service to our Association.

As part of our push to significantly raise our profile and assist fundraising, we have in recent months appointed a number of MDNSW Ambassadors to harness the goodwill of these very successful and high profile people who want to help us. We have been joined by Luke Jacobz, Dr Joanna McMillan, Vince Sorrenti, Major General Michael Jeffery, Fiona Simpson and David Speers. These high profile Australians joined us to make the point that people and families coping with neuromuscular conditions are not alone. MDNSW, our friends and supporters are here to help wherever and whenever we can. Our Ambassadors will help get that message out to more and more families across the state as well as help us with the ongoing need to fundraise to extend the reach of our services.

One of our very significant challenges is to acknowledge there are many people in New South Wales with neuromuscular conditions we are yet to reach. We must take every opportunity to reach out to those people and families and to do so in a way which maintains our professional standards. I am confident we have built a team of staff, Directors and supporters who will continue to reach more and more people who need our support. As I've said in Talking Point, it is an honour to be involved with such an inspirational bunch of people.

Finally, thank you to one and all in our Muscular Dystrophy NSW family.

Peter Debnam

President



CEO Report

The past year has continued to be a time of significant growth for Muscular Dystrophy NSW seeing a considerable increase in the level of service and support the organisation provides to people with a neuromuscular condition, their families and health professionals.

The financial year began with a change of CEO when David Jack left the state organisation to work as the full time CEO of our national organisation, the Muscular Dystrophy Foundation. I was honoured to accept the position having previously been the organisation's Manager of Operations and Client Services

As a result of the increase in staffing levels from six at the start of the previous financial year to twelve at the beginning of this financial year, the MDNSW offices successfully moved from number 7 to 5 Bay Drive, to accommodate current staffing levels and allow for future growth.

Following a period of review, the Board and management completed a five year Strategic Plan with the aim of positioning MDNSW as the leading whole of life provider of choice of specialised services and expert information for people affected by neuromuscular conditions and to be acknowledged as such by neuromuscular clinics, health providers and the Dept of Ageing, Disability and Home Care. Due to increased regulatory oversight and strong competitive pressure we will be required to be totally client needs' driven, cost effective and transparent.

During this financial year, support has been provided directly to over 700 individuals and families through our Talking Point magazine, case coordination, FlexiRest, Child Family Care program, financial assistance, counselling, medical seminars, camps and retreats, The Duke of Edinburgh's Award, sporting programs and events. New Client Services promotional material was also developed with the key message being:

If you are affected by a neuromuscular condition ... We're here to help.

The continuation of and increase in services has been a result of the ongoing generosity of donations from supporters and sponsors, Foundations and Trusts and a significant increase in the level of funding from the Dept of Ageing, Disability and Home Care. This increased ADHC funding has enabled us to expand our annual camps and retreats program, employ two client services coordinators and following the completion of a successful world first pilot, implement and further develop The Duke of Edinburgh's Award for people with a neuromuscular condition. With a state Government focus on self directed funding and, in preparation for the National Disability Insurance Scheme, ADHC provided funding for the development of an online and face to face disability sector Training Program.

CEO Report (continued)

As a result of a changing society that places greater emphasis on technology and social media, we have increased focus on and updated our website, facebook and online giving. This must be continually monitored and updated to ensure we are both attractive and relevant to our clients and to current and potential donors.

This high level of service and support would not have been possible without the dedication of a competent, innovative, caring and hard working team. Thank you to our team of staff, volunteers and Board who continually give of their time and expertise well above all expectations. I would particularly like to acknowledge Rob Ferguson who had been President since 2007, stepped down to allow Peter Debnam to take up the role of President. The leadership and support of both have been invaluable. Thank you also to Ross Parker who retired following five years of wonderful service and to Rick Arnheim and Shannon Finch who recently joined the Board.

Finally to our members, those who have a neuromuscular condition, their families and carers, thank you for your support and for sharing your experiences, insights and knowledge. It has been a pleasure to provide services to you over the past twelve months.

Pene Hodge

Chief Executive Officer



THANK YOU TO OUR SPONSORS.....

GRANTS

- ANZ Foundation
- ANZ Trustees
- Artarmon Masonic Hall
- ASX Thomson Reuters
- Bankstown Sports Club
- City of Bankstown RSL Community Club
- Collegians Rugby League Football Club
- Departing of Ageing Disability
- Duke of Edinburgh
- Forster Club
- Little Heroes Foundation
- Shane Warne Foundation
- The Wales Family Foundation
- The Walter & Eliza Hall Trust

CORPORATE SUPPORT

- Batchen Pty Ltd
- CBA
- Concord Golf Club Ltd
- Culburra Senior Citizens' Line Dancing and Exercise group
- Dick Smith
- Dick Smith Investments Pty Ltd
- Genea
- Genzyme Australasia Pty Ltd
- Gooree Park Holdings Pty Ltd
- Harleys for Humanity Incorporated
- International Conveyor Products Pty Ltd
- Lioness of Camden
- Manly Warringah Master Builders Club
- Marbel Medical Pty Ltd
- Meriden School
- National Electric Wheelchair Sports
- NSW Doctors Orchestra
- NSW Harley Owners Group
- Rotary Club of Armidale North
- Rotary Club of Griffith
- Rotary Club of Moss Vale
- Rotary Club of Penrith
- Rotary Club of Rylstone - Kandos
- South Sydney Junior Rugby League Club
- Spotless Catering
- St Patrick's Catholic Primary School
- St. George Bank
- Subway, Merimbula
- Sucrogen
- Turramurra High School
- WESA
- Westpac Group
- Wests Ashfield League
- Mc Cabe & Co (Parkes) P/L

GIFTS OVER \$100

- Alex Purvis
- Alison Wason
- Andrew & Trudy Flaskas
- Andrew Hall
- Andrew Noble
- Angela Griffith
- Angelina Ierardo
- Angus Dorney
- Annabel Arnheim
- Annette Boyd
- Anthony Mansour
- Arthur Gates
- AS and LM Campbell
- B C Thompson
- Baptiste Family
- Barbara Allan
- Barbara Gunn
- Beryl Benbow
- Bronwyn Parker
- Bruce Vaughan
- Bruno Hostnik
- Calvary Ministries
- Charmaine Yu
- Chas Sheridan
- Christopher Kalowski
- Colin Coutts
- Colin Gunn
- Darren Robson
- David & Barbara Muir
- David and Loryn Fotheringham
- David Hooper
- David Reid
- Debra Gallaway
- Derek Johanson
- Donald J Couch
- Donald Sanders
- Doreen Best
- Ducman Allen Yip
- Gavin Harmon
- Geoff Peetz
- Geoffrey Graham
- Gordon Love
- Graham & Fj & DS Soertsz
- Graeme Troy
- Graham Morgan
- Graham Read
- Gregory Burton
- GTK Pty Ltd
- Harold Hourigan
- Harold Hunt
- Heather Johnston
- Helen Lethbridge
- Helen McKemey
- Hislop Family
- Hutton Family
- Ian Maitland
- Ian Mayerson
- Ian Williams
- Irene Caldwell - Ash
- James A Hislop
- James Batchen
- Janice M Davis
- Jennifer Robinson
- Jenny Roddy
- Joanna Fleming
- Joanne O'Brien
- John and Stanley Roth
- Joyce Cooper
- Joycelyn Morton
- Julie Piskorz
- Julie-Anne Lancaster
- Justin Reid
- Karen Franks
- Karyn Reynolds
- Kate Hely
- Katharyn Garrard'
- Katie Stone
- Keith Houghton
- Kim Foster
- Kristina Jaworski
- Lalaine Pineda
- L B Walker
- Le T Chung
- Leoney Toohey
- Liana Lorenzato
- Libby Fairfax
- Liz Jones
- Lorna G Higgs
- Lorraine C Symes
- Louise Corby
- Louise Suffield
- Malcom Tidman
- Margaret Rutledge
- Marilee Price
- Marina Shteyman
- Mario Mirabitur
- Matthew Baldacchino
- Megan Jackson
- Nancy Bennett
- Neville Zarafetas
- Noela Bell
- Olive Walker
- Patricia Irving
- Paul & Pam Scharrer
- Paul and Lynette Radovan
- Penelope Evans
- Peter & Sue Connor
- Peter Debnam
- Peter Donkin
- Peter Ryan
- Philip Stanton
- Phillips A Wells
- Prof. Bruce Warren
- Redentor Policarpio
- Robert Erhardt
- Robyn Small
- Rosemary Sprange
- Ross Parker
- Sabina Gangloff
- Sally Egan
- Serena Roberts
- Sharon Robson
- Sheryl Griffith
- Shirley M Griffiths
- Shirley Williams
- Singing Santas - Melissa Stewart
- Stephen Callanan
- Steve & Joan Stavrou
- Stewart Gamble
- Stuart Garton
- Suzan Burton
- Thomas Paul Wilson
- Trevor Daley
- Trudy Flaskas
- Vicki Sciulli
- Victor Molyneux
- Walter Hodges
- W B Kirkpatrick
- Wendy & Garth Dean
- William Bennett
- William Harding

.....WE COULDN'T DO IT WITHOUT YOU!!

MUSCULAR DYSTROPHY ASSOCIATION OF
NEW SOUTH WALES
A.B.N. 11 774 587 436

FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2012



MUSCULAR DYSTROPHY
NEW SOUTH WALES

MUSCULAR DYSTROPHY ASSOCIATION OF NEW SOUTH WALES
A.B.N. 11 774 587 436

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MUSCULAR DYSTROPHY ASSOCIATION OF NEW SOUTH WALES

A.B.N. 11 774 587 436

DIRECTORS' REPORT

Your directors present their report on the company for the financial year ended 30 June 2012.

DIRECTORS

The names of the directors in office at any time during or since the end of the financial year are:

Mr. Robert James Ferguson	Mr. Martin Dalrymple	
Mr. Percival Alwyn Baptiste	Mr. Colin Gunn	(resigned 18 August 2011)
Dr. Alastair Corbett	Mr. Ross Parker	(resigned 19 May 2012)
Dr. Heather Johnston	Ms. Annette Burke	(appointed 21 July 2011)
Dr. Kristi Jones	Mr. Peter Debnam	(appointed 18 August 2011)
Mr. Ian Williams	Mr Richard Arnheim	(appointed 19 April 2012)
Mr. Graeme Troy	Ms Shannon Finch	(appointed 14 June 2012)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

PRINCIPAL ACTIVITIES

The principal activity of the company during the financial year was the provision of care and assistance to people with muscular dystrophy and the furtherance of research into muscular dystrophy.

The company's short-term objectives are to:

- Ensure all clients and carers have an individual assessment of need and work in collaboration to develop individualised plans, with mutually agreeable goals and objectives.
- Roll out the Duke of Edinburgh program for people with a physical disability to other state associations.
- Collaborate with other states and MDF to pool resources for a national research strategy.
- Implementation of the online training program.
- Implementation of a three tiered donor strategy.
- Seek opportunities for synergy and collaboration with related organisations.
- To continue to provide emotional support to people with a Neuromuscular Condition and their families through counselling, home visits, case coordination, events and support groups.
- Ensure HR, OH & S policies and procedures are simplified, relevant and compliant with relevant legislation.



The company's long-term objectives are to:

- Position MDNSW as the leading whole of life provider of choice of specialised services and expert information for people affected by neuromuscular conditions.
- Dramatically raise MDNSW profile across NSW including regionally, as the provider of choice.
- Ensure a strong governance culture.
- Attract and retain employees of high calibre in a safe and productive work environment.
- Fund a substantial increase in information, services, training and events.
- Fund research towards improving well being, treatment and a cure.

MUSCULAR DYSTROPHY ASSOCIATION OF NEW SOUTH WALES

A.B.N. 11 774 587 436

DIRECTORS' REPORT

To achieve these objectives, the entity has adopted the following strategies:

- Adoption of the 5 year Strategic Plan and annual Business Plan.
- Preparation of a fundraising and marketing strategy.
- Development of new marketing materials.
- Continually revamp, modernise the website.
- To focus on two or three major fundraising strategies per annum.
- Explore possible avenues of new funding and support in NSW regional areas.
- Increase profile through technology, social media and online mediums.

INFORMATION ON DIRECTORS

Name, qualifications and independence status

Experience, special responsibilities and other directorships

Mr. Peter Debnam MBA, MAICD
President

Director, Paddle NSW and Outcomes Australia - Soil of life project. Chairman, Big Kitchen Bondi. Politician, NSW Opposition.

Mr. Robert Ferguson BA
Vice President

Property Consultant. Director since May 2001.

Mr. Percival Baptiste JP

Retired. Director since November 2001.

Dr. Alastair Corbett MB ChB MD
FRACP

Head of Neurology, Concord Hospital. Director since December 2002.

Dr. Heather M. Johnston BSc MB
ChB DObst RCOG DCH FRACP
Medical Director

Head, Department of Neurology, Sydney Children's Hospital. Director since 1993.

Mr. Ian Williams BEc MBA

Finance Executive. Director since October 2005.

Dr. Kristi Jones MB BS PhD FRACP
DCH

Clinical Genetics Specialist. Director since April 2006.

Mr. Colin Gunn BA Hons

Retired. Director since November 2006. Resigned 18 August 2011.

Mr. Ross Parker BA NSW, Industrial
Relations, Political Science

Director since November 2007. Resigned 19 May 2012

Mr. Graeme Troy BComm MIPA
Treasurer

Director since November 2007.

Mr. Martin Dalrymple QPIB, MDNSW

Director, NSW Push and Power Sports, Australian Powerchair Football Association and NSW Power Football Association.

MUSCULAR DYSTROPHY ASSOCIATION OF NEW SOUTH WALES

A.B.N. 11 774 587 436

DIRECTORS' REPORT

Ms. Annette Burke BA UNSW

Director of Communication and Marketing, National Breast Cancer Foundation. General Manager, AdCorp Australia.

Ms. Shannon Finch BA (Hons),
LLB (Hons), MAICD

Corporate Partner, King & Wood Mallesons. Member of Corporations Committee of the Law Council of Australia.

Mr Richard Arnheim BCom

Member Institute of Chartered Accountants in Australia
Authorised Representative and principal advisor of Shadforth Financial Group.

In accordance with the company's articles of association one third of the Directors retire from the Board of Directors at the forthcoming Annual General Meeting of members. All retiring directors, being eligible, offer themselves for re-election.

MEETINGS OF DIRECTORS

During the financial year, 8 meetings of directors were held. Attendances by each director during the year were as follows:

	Number eligible to attend	Number attended
Mr. Robert James Ferguson	8	8
Mr. Percival Alwyn Baptiste	8	7
Dr. Alastair Corbett	8	5
Dr. Heather Johnston	8	6
Mr. Ian Williams	8	6
Dr. Kristi Jones	8	6
Mr. Colin Gunn	2	2
Mr. Ross Parker	7	5
Mr. Graeme Troy	8	8
Mr. Martin Dalrymple	8	6
Mr. Peter Debnam	7	6
Ms. Nettie Burke	7	5
Mr. Rick Arnheim	1	0
Ms Shannon Finch	0	0

MUSCULAR DYSTROPHY ASSOCIATION OF NEW SOUTH WALES
A.B.N. 11 774 587 436

DIRECTORS' REPORT

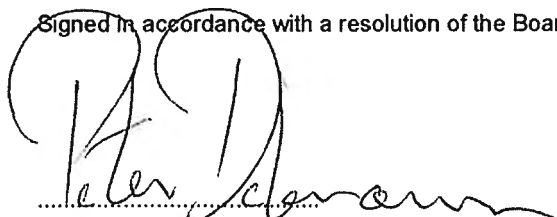
COMPANY LIMITED BY GUARANTEE

The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the Constitution states that each member is required to contribute a maximum of \$20 towards meeting any outstanding obligations of the company. At 30 June 2012, the total amount that members of the company are liable to contribute if the company wound up is \$19,860.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on the following page.

Signed in accordance with a resolution of the Board of Directors.



.....
PETER DEBNAM
Director

Dated: 29/10/12

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

TO THE DIRECTORS OF

MUSCULAR DYSTROPHY ASSOCIATION OF NEW SOUTH WALES
A.B.N. 11 774 587 436

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2012 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

CBC Partners
Chartered Accountants



Domenic A. Cutrupi
Partner

Sydney

Dated: 29 OCTOBER 2012



MUSCULAR DYSTROPHY ASSOCIATION OF NEW SOUTH WALES
A.B.N. 11 774 587 436

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2012

	Note	2012 \$	2011 \$
Revenue from donations and special events	2	772,631	754,718
Other income	2	727,769	352,671
Appeal and special event expenses		(174,176)	(166,703)
Client service provision expenses		(1,077,385)	(849,081)
Administration expenses		(195,993)	(195,756)
Depreciation expenses	3	(25,178)	(22,513)
Other expenses	3	(398)	(279)
Profit (loss) before financing income (cost) and income tax		27,270	(126,943)
Financial income		80,311	114,175
Financial costs		(20,663)	-
Net financing income (cost)	4	59,648	114,175
Income tax expense		-	-
Profit (loss) for the year		86,918	(12,768)
Other comprehensive income after income tax		-	-
Total other comprehensive income for the year		-	-
Total comprehensive income for the year		86,918	(12,768)
Profit (loss) attributable to: Members of the company		86,918	(12,768)
Total comprehensive income attributable to: Members of the company		86,918	(12,768)

The accompanying notes form part of these financial statements.

MUSCULAR DYSTROPHY ASSOCIATION OF NEW SOUTH WALES
A.B.N. 11 774 587 436

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2012

	Note	2012 \$	2011 \$
CURRENT ASSETS			
Cash and cash equivalents	5	1,464,725	1,208,438
Trade and other receivables	6	3,181	36,096
Financial assets	7	541,924	553,146
Other assets	8	70,213	40,026
TOTAL CURRENT ASSETS		<u>2,080,043</u>	<u>1,837,706</u>
NON-CURRENT ASSETS			
Property, plant and equipment	9	95,450	85,793
TOTAL NON-CURRENT ASSETS		<u>95,450</u>	<u>85,793</u>
TOTAL ASSETS		<u>2,175,493</u>	<u>1,923,499</u>
CURRENT LIABILITIES			
Trade and other payables	10	74,819	61,813
Short-term provisions	11	33,174	34,284
Other liabilities	12	783,564	603,595
TOTAL CURRENT LIABILITIES		<u>891,557</u>	<u>699,692</u>
NON-CURRENT LIABILITIES			
Other liabilities	12	583,578	610,367
TOTAL NON-CURRENT LIABILITIES		<u>583,578</u>	<u>610,367</u>
TOTAL LIABILITIES		<u>1,475,135</u>	<u>1,310,059</u>
NET ASSETS		<u>700,358</u>	<u>613,440</u>
EQUITY			
Retained earnings		601,821	570,121
Reserves		98,537	43,319
TOTAL EQUITY		<u>700,358</u>	<u>613,440</u>

The accompanying notes form part of these financial statements.

MUSCULAR DYSTROPHY ASSOCIATION OF NEW SOUTH WALES
A.B.N. 11 774 587 436

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2012

	Capital Funds Reserve	Retained Earnings \$	Total \$
Balance as at 1 July 2010	86,525	539,683	626,208
Profit attributable to members of the company	-	(12,768)	(12,768)
Transfer of Allocated Capital Funds	(43,206)	43,206	-
Total other comprehensive income	-	-	-
Balance as at 30 June 2011	<u>43,319</u>	<u>570,121</u>	<u>613,440</u>
Profit attributable to members of the company	-	86,918	86,918
Transfer of Allocated Capital Funds	55,218	(55,218)	-
Total other comprehensive income	-	-	-
Balance as at 30 June 2012	<u><u>98,537</u></u>	<u><u>601,821</u></u>	<u><u>700,358</u></u>

a. Capital Funds reserve

The capital funds reserve represents funds allocated for specific expenditure in future years.

The accompanying notes form part of these financial statements.

MUSCULAR DYSTROPHY ASSOCIATION OF NEW SOUTH WALES
A.B.N. 11 774 587 436

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2012

	Note	2012 \$	2011 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from donations, subscriptions and government agencies		1,686,495	1,131,984
Payments to suppliers and employees		(1,464,399)	(1,246,214)
Interest received		69,026	67,472
Distributions received		11,285	26,005
Net cash generated from operating activities		<u>302,407</u>	<u>(20,753)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant & equipment		(34,835)	(97,231)
Purchase of Investments		(11,285)	-
Net cash used in investing activities		<u>(46,120)</u>	<u>(97,231)</u>
Net increase in cash held		256,287	(117,984)
Cash at beginning of financial year		1,208,438	1,326,422
Cash at end of financial year	5	<u><u>1,464,725</u></u>	<u><u>1,208,438</u></u>

The accompanying notes form part of these financial statements.

MUSCULAR DYSTROPHY ASSOCIATION OF NEW SOUTH WALES
A.B.N. 11 774 587 436

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

Muscular Dystrophy Association of New South Wales has elected to early adopt the pronouncements AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board and the *Corporations Act 2001*. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements, except for the cashflow statement, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Accounting Policies

(a) Income Tax

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

(b) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair values as indicated, less, where applicable, accumulated depreciation and impairment losses.

Plant and Equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

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

Plant and equipment that have been contributed at no cost, or for nominal cost are valued and recognised at the fair value of the asset at the date it is acquired.

MUSCULAR DYSTROPHY ASSOCIATION OF NEW SOUTH WALES
A.B.N. 11 774 587 436

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Plant and Equipment (continued)

Depreciation

The depreciable amount of all fixed assets including buildings are depreciated on a straight line basis over their useful lives to the company commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of fixed asset	Depreciation rate
Plant and equipment	10 - 33.33%
Motor vehicles	12.5 - 15%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Each asset class's carrying amount is written down immediately to its recoverable amount if the class's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(c) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

MUSCULAR DYSTROPHY ASSOCIATION OF NEW SOUTH WALES
A.B.N. 11 774 587 436

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial Instruments (continued)

Amortised cost is calculated as: (i) the amount at which the financial asset or financial liability is measured at initial recognition; (ii) less principal repayments; (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and (iv) less any reduction for impairment.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

(i) Financial assets at fair value through profit and loss

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short term profit taking, derivatives not held for hedging purposes, or when they are 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. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(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.

(iii) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At the end of each reporting period, the company assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the profit and loss.

MUSCULAR DYSTROPHY ASSOCIATION OF NEW SOUTH WALES
A.B.N. 11 774 587 436

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial Instruments (continued)

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity 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.

(d) Employee Benefits

Provision is made for the company'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, plus related on-costs. 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.

(e) Provisions

Provisions are recognised when the company 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 reporting date.

(f) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, 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 on the statement of financial position.

(g) 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 Tax Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

MUSCULAR DYSTROPHY ASSOCIATION OF NEW SOUTH WALES
A.B.N. 11 774 587 436

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Revenue

Membership subscriptions revenue comprises revenue from membership fees received and relating to the financial year.

Donations are recognised as revenue when received.

General bequests are recognised as income equally over five financial years commencing with the financial year of initial receipt of funds. This policy allows for financial planning and budgeting of expenditures for on-going programs. The timing of receipt and amounts of bequests is highly irregular and appropriately are expended over a five year period providing significant security over the medium term.

Specific or tagged bequests are recognised as income over five financial years commencing when the appropriate program or research commences.

Revenue for fundraising events is recognised in the year in which the event is held.

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

Revenue from the rendering of a service is recognised upon delivery of the service to the customers.

Other revenue is recognised when the right to receive the revenue has been established.

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

(i) Finance Costs

Finance costs are recognised as an expense in the period in which they are incurred.

(j) Training and Development

Training and development costs are expensed as they are incurred.

(k) Prepaid Membership Subscriptions

Membership subscriptions commence 1st of the next month for a period of 12 months.

(l) Comparative Figures

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

(m) Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgments incorporated into the financial statement 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 company.

MUSCULAR DYSTROPHY ASSOCIATION OF NEW SOUTH WALES
A.B.N. 11 774 587 436

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

	2012 \$	2011 \$
NOTE 2: REVENUE		
Revenue		
Special events	58,091	180,487
Donations and bequests	714,540	574,231
Total revenue	<u>772,631</u>	<u>754,718</u>
Other Income		
Membership fees	4,280	5,980
Grants received		
NSW Department of Health	-	86,500
Department of Ageing, Disability & Home Care	664,310	255,000
Little Heroes Foundation	45,000	-
Other	10,000	-
Other income	4,179	5,191
Total other income	<u>727,769</u>	<u>352,671</u>
Total revenue and other income	<u>1,500,400</u>	<u>1,107,389</u>
(a) Effective 1 July 2011, the NGO Carers Grant transferred from being funded by the NSW Department of Health to the Department of Ageing, Disability & Home Care division.		
NOTE 3: PROFIT FOR THE YEAR		
Expenses		
Depreciation		
Plant & equipment	16,112	15,653
Motor vehicles	9,066	6,860
	<u>25,178</u>	<u>22,513</u>
Other expenses		
Annual reporting	398	279
Research grants	-	-
	<u>398</u>	<u>279</u>
Auditor's Remuneration		
Audit services	5,000	5,000
Other services	-	-
	<u>5,000</u>	<u>5,000</u>

MUSCULAR DYSTROPHY ASSOCIATION OF NEW SOUTH WALES
A.B.N. 11 774 587 436

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

	2012 \$	2011 \$
NOTE 4: NET FINANCING INCOME		
Financial income		
Interest income	69,026	67,472
Distributions - managed funds	11,285	26,005
Changes in fair value - managed funds	-	20,698
	<u>80,311</u>	<u>114,175</u>
Financial costs		
Changes in fair value - managed funds	<u>(20,663)</u>	-
	<u>(20,663)</u>	-
Net financing income / (cost)	<u>59,648</u>	<u>114,175</u>

NOTE 5: CASH AND CASH EQUIVALENTS

CURRENT		
Cash at bank	388,260	337,783
Cash on deposit	1,076,465	870,655
	<u>1,464,725</u>	<u>1,208,438</u>

NOTE 6: TRADE AND OTHER RECEIVABLES

CURRENT		
Trade receivables	1,337	28,013
Other receivables	1,844	8,083
	<u>3,181</u>	<u>36,096</u>

NOTE 7: FINANCIAL ASSETS

CURRENT			
Financial assets at fair value through profit or loss	7(a)	541,924	553,146
		<u>541,924</u>	<u>553,146</u>
(a) Financial assets at fair value through profit or loss			
Held-for-trading Australian managed fund units		<u>541,924</u>	<u>553,146</u>

Securities in managed funds held for trading purposes to generate income through the receipt of distributions and capital gains.

MUSCULAR DYSTROPHY ASSOCIATION OF NEW SOUTH WALES
A.B.N. 11 774 587 436

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

	Note	2012 \$	2011 \$
NOTE 8: OTHER ASSETS			
CURRENT			
Security deposits		27,191	14,625
Prepayments		19,174	10,080
Accrued income		23,848	15,321
		<u>70,213</u>	<u>40,026</u>
NOTE 9: PROPERTY, PLANT AND EQUIPMENT			
Plant and equipment - at cost		139,749	120,424
Less: Accumulated depreciation		(103,243)	(87,132)
		<u>36,506</u>	<u>33,292</u>
Total plant and equipment		<u>36,506</u>	<u>33,292</u>
Motor vehicles - at cost		74,869	59,360
Less: Accumulated depreciation		(15,925)	(6,859)
		<u>58,944</u>	<u>52,501</u>
Total motor vehicles		<u>58,944</u>	<u>52,501</u>
Total property, plant & equipment		<u>95,450</u>	<u>85,793</u>

Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year

	Plant and equipment	Motor Vehicles	Total \$
<u>2012</u>			
Balance at the beginning of year	33,292	52,501	85,793
Additions at cost	19,325	15,510	34,835
Depreciation expense	(16,112)	(9,066)	(25,178)
Carrying amount at the end of year	<u>36,505</u>	<u>58,945</u>	<u>95,450</u>

MUSCULAR DYSTROPHY ASSOCIATION OF NEW SOUTH WALES
A.B.N. 11 774 587 436

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

	Note	2012 \$	2011 \$
NOTE 10: TRADE AND OTHER PAYABLES			
CURRENT			
Trade payables		54,365	879
Accrued expenses		5,765	27,867
Other payables		9,819	26,565
Superannuation liability		4,870	6,502
		<u>74,819</u>	<u>61,813</u>
NOTE 11: PROVISIONS			
CURRENT			
Annual leave liability		33,174	34,284
		<u>33,174</u>	<u>34,284</u>
NOTE 12: OTHER LIABILITIES			
CURRENT			
Grant and Retreat income in advance		179,040	283,951
Bequest income received in advance		356,789	286,789
Other income in advance		247,735	32,855
		<u>783,564</u>	<u>603,595</u>
NON-CURRENT			
Bequest income received in advance		583,578	610,367
		<u>583,578</u>	<u>610,367</u>
NOTE 13: CAPITAL AND LEASING COMMITMENTS			
Operating Lease Commitments			
Non-cancellable operating lease rentals are payable as follows:			
Less than one year		77,325	57,650
Between one and five years		140,833	19,408
		<u>218,158</u>	<u>77,058</u>

MUSCULAR DYSTROPHY ASSOCIATION OF NEW SOUTH WALES
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

NOTE 14: EVENTS AFTER THE BALANCE SHEET DATE

In the opinion of the directors, no matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

NOTE 15: KEY MANAGEMENT PERSONNEL COMPENSATION

	2012 \$	2011 \$
<u>Short-term benefits</u>		
Salary & wages	149,852	326,431
Superannuation	13,409	29,009
Non-cash benefits	-	30,000
	<u>163,261</u>	<u>385,440</u>
<u>Long-term benefits</u>		
Employee benefits	3,165	10,976
Total compensation	<u>166,426</u>	<u>396,416</u>

NOTE 16: FINANCIAL RISK MANAGEMENT

The company's financial instruments consist mainly of cash and cash equivalents, short-term investments, trade and other receivables, trade and other payables and borrowings.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2012 \$	2011 \$
Financial Assets			
Cash and cash equivalents	5	1,464,725	1,208,438
Financial assets at fair value through profit or loss			
- Held for trading	7, (a)	541,924	553,146
Trade and other receivables	6	3,181	36,097
		<u>2,009,830</u>	<u>1,797,681</u>
Financial Liabilities			
Financial liabilities at amortised cost			
- Trade and other payables	10	74,819	61,813
		<u>74,819</u>	<u>61,813</u>

Net Fair Values

- (a) For listed available-for-sale financial assets and financial assets at fair value through profit or loss, the fair values have been based on closing quoted bid prices at the end of the reporting period. In determining the fair values of the unlisted available-for-sale financial assets, the directors have used inputs that are observable either directly (as process) or indirectly (derived from prices).

MUSCULAR DYSTROPHY ASSOCIATION OF NEW SOUTH WALES
A.B.N. 11 774 587 436

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

NOTE 17: FUNDRAISING APPEALS CONDUCTED

Fundraising appeals conducted during the financial year included mail appeals, raffles and various other sundry fundraising projects and general receiving of indirectly solicited donations and bequests.

	2012 \$	2011 \$		
i) Results of Fundraising Appeals				
Gross proceeds from fundraising appeals	772,631	694,718		
Less: Direct costs of fundraising appeals	(174,176)	(166,703)		
Net Surplus obtained from fundraising appeals	<u>598,455</u>	<u>528,015</u>		
ii) Application of net Surplus obtained from Fundraising Appeals				
Distributions (expenditure on direct services)	1,077,385	849,080		
Administration expenses	195,993	195,755		
	<u>1,273,378</u>	<u>1,044,835</u>		
iii) The deficit of \$674,923 (2011: Deficit of \$516,280) of the \$598,455 (2011: \$528,015) surplus available from fundraising appeals conducted over total expenditure of \$1,273,378 (2011: \$1,044,835) was made as follows:				
Transfers to retained profits	<u>(674,923)</u>	<u>(516,820)</u>		
iv) Comparisons of certain monetary figures and percentages				
	2012 \$	2012 %	2011 \$	2011 %
Total cost of fundraising	174,176	22.54	166,703	24.00
Gross proceeds from fundraising	772,631		694,718	
Net Surplus from fundraising	598,455	77.46	528,015	76.00
Gross proceeds from fundraising	772,631		694,718	
Total costs of services	1,077,385	73.14	849,080	68.79
Total expenditure	1,473,130		1,234,332	
Total costs of services	1,077,385	71.81	849,080	76.67
Total income received	1,500,400		1,107,389	

MUSCULAR DYSTROPHY ASSOCIATION OF NEW SOUTH WALES
A.B.N. 11 774 587 436

DECLARATION BY COMPANY SECRETARY IN RESPECT OF FUNDRAISING APPEALS

I, Penelope Hodge, Secretary of Muscular Dystrophy Association of New South Wales, declare in my opinion:

- (a) the financial report gives a true and fair view of all income and expenditure of the company with respect to fundraising appeal activities for the financial year ended 30 June 2012;
- (b) the statement of financial position sheet gives a true and fair view of the state of affairs with respect to fundraising appeal activities as at 30 June 2012;
- (c) the provisions of the Charitable Fundraising (NSW) Act 1991 and Regulations under the Act and the conditions attached to the authority have been complied with during the year ended 30 June 2012; and
- (d) the internal controls exercised by the company are appropriate and effective in accounting for all income received and applied by the company from any of its fundraising appeals.

 29/10/12
PENELOPE HODGE
SECRETARY

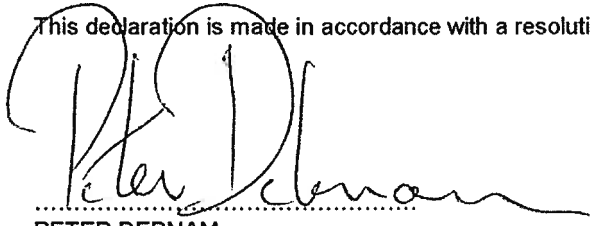
MUSCULAR DYSTROPHY ASSOCIATION OF NEW SOUTH WALES
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DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Muscular Dystrophy Association of New South Wales, the directors of the entity declare that:

1. The financial statements and notes, as set out on pages 6 to 21, are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Australian Accounting Standards, except in relation to the policy of recognition of bequest income as detailed in Note 1 of the financial statements; and
 - (b) give a true and fair view of the financial position as at 30 June 2012 and of the performance for the year ended on that date of the company.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors .



PETER DEBNAM
DIRECTOR

Dated: 29/10/12

MUSCULAR DYSTROPHY ASSOCIATION OF NEW SOUTH WALES
A.B.N. 11 774 587 436

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
MUSCULAR DYSTROPHY ASSOCIATION OF NEW SOUTH WALES

Report on the Financial Report

We have audited the accompanying financial report of Muscular Dystrophy Association of New South Wales, which comprises the statement of financial position as at 30 June 2012, 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, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the 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 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 judgment, 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 of the financial report to give a true and fair view 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 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 complied with the independence requirements of the *Corporations Act 2001*.

MUSCULAR DYSTROPHY ASSOCIATION OF NEW SOUTH WALES
A.B.N. 11 774 587 436

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
MUSCULAR DYSTROPHY ASSOCIATION OF NEW SOUTH WALES

In addition, our audit report has also been prepared for the members of the company in accordance with Section 24(2) of the Charitable Fundraising (NSW) Act 1991. Accordingly, we have performed additional work beyond that which is performed in our capacity as auditors pursuant to the *Corporations Act 2001*. These additional procedures included obtaining an understanding of the internal control structure for fundraising appeal activities and examination, on a test basis, of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the Charitable Fundraising (NSW) Act 1991 and Regulations.

It should be noted that the accounting records and data relied upon for reporting on fundraising appeal activities are not continuously audited and do not necessarily reflect after the event accounting adjustments and the normal year end financial adjustments for such matters as accruals, provisioning and valuations necessary for year end financial report preparation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Auditor's Opinion

- (i) Donations and fundraising income amounting to \$772,631 are a significant source of revenue for the company. It is not always possible for the company to establish controls over the collection of all sources of fundraising and donation income 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 fundraising and donation income had to be restricted to amounts recorded in the financial records. We are therefore unable to express an opinion whether the donation and fundraising income of the Muscular Dystrophy Association of New South Wales is complete.
- (ii) As disclosed in Note 1 to the financial statements, revenue received in the form of Bequests are recognised as income equally over five financial years commencing either, with the financial year of initial receipt of funds, or the commencement of a specific program or research. This practice, in our opinion, is not in accordance with Australian Accounting Standards.

The revenue disclosed for Donations and Bequests should be \$757,751 (2011: \$474,111). Accordingly, current liabilities should be reduced by \$356,789 (2011 reduced by \$286,789), non-current liabilities should be reduced by \$583,578 (2011 reduced by \$610,367), profit for the year should be increased by \$43,211 (2011 decreased by \$102,845).

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 referred to in the qualified paragraphs not existed, the financial report presents fairly, in all material respects, the financial position of Muscular Dystrophy Association of New South Wales as of 30 June 2012, and its financial performance and cash flows for the year then ended in accordance with the *Corporations Act 2001* and the Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Regulations 2001*.

MUSCULAR DYSTROPHY ASSOCIATION OF NEW SOUTH WALES
A.B.N. 11 774 587 436

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
MUSCULAR DYSTROPHY ASSOCIATION OF NEW SOUTH WALES

Qualified audit opinion pursuant to the Charitable Fundraising (NSW) Act 1991

In our opinion, except for the effects on the financial report of such adjustments, if any, as might have been required had the limitation referred to in the qualified paragraph not existed:

- (a) the financial report gives a true and fair view of the financial result of fundraising appeal activities for the financial year ended 30 June 2012;
- (b) the financial report has been properly drawn up, and the associated records have been properly kept for the period 1 July 2011 to 30 June 2012, in accordance with the Charitable Fundraising (NSW) Act 1991 and Regulations;
- (c) money received as a result of fundraising appeal activities conducted during the period 1 July 2011 to 30 June 2012 has been properly accounted for and applied in accordance with the Charitable Fundraising (NSW) Act 1991 and Regulations; and
- (d) there are reasonable grounds to believe that Muscular Dystrophy Association of New South Wales will be able to pay its debts as and when they fall due.

CBC Partners
Chartered Accountants



Domenic A. Cutrupi
Partner

Sydney

Dated: 31 OCTOBER 2012

