



# Edwards Marshall

The Don Dunstan Foundation

Financial Report  
For The Year Ended 30 June 2002

# THE DON DUNSTAN FOUNDATION

## TRUSTEES' REPORT

The Board of Trustees of The Don Dunstan Foundation (the "Foundation") has pleasure in submitting the statement of financial position of the Foundation at 30 June 2002, related statement of financial performance and statement of cash flows for the year then ended and report as follows.

### Trustees

The names of the Trustees in office at the date of this report are:

Hon Greg J Crafter (Chair)  
Professor Sue Richardson  
Hon Dr Jane D Lomax-Smith MLA  
Mr Thomas Dunstan (alternate for Andrew Dunstan)  
Mr Phillip A Adams AO  
Ms Robyn Archer AO  
Mr H David M Combe  
Mr Mark Cully (alternate for Professor Sue Richardson)  
Mr Andrew Dunstan (alternate Mr Tom Dunstan)  
Hon Barry O Jones AO  
Professor Michael Morley (alternate for Robyn Archer)  
Ms Carmel O'Loughlin  
Ms Leoine Ebert (alternate for Jane Lomax Smith)  
Mr Greg Mackie AM  
Professor James McWha (Vice Chancellor, Adelaide University, *ex officio* member)

### Principal Activities

The Foundation was established to perpetuate the memory of Don Dunstan and to reflect his life's work through the fostering of research and education on a broad range of issues concerning social development.

### Results


The net (loss) of the Foundation for the financial period was \$76,963 (2001: profit of \$89,427).

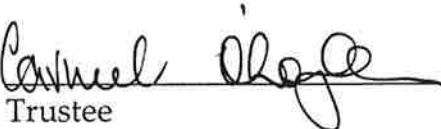
### Trustees' Benefits

During the financial period, no Trustee has received or become entitled to receive a benefit, other than benefits disclosed in the financial statements or the fixed salary of a full-time employee of the Foundation, by reason of a contract made by

the Foundation with the Trustee or with a firm of which the Trustee is a member, or with a company in which the Trustee has a substantial financial interest.

This report has been made in accordance with a resolution of the Trustees.

  
\_\_\_\_\_  
Trustee

  
\_\_\_\_\_  
Trustee

Adelaide  
Date: 9/1/03

# THE DON DUNSTAN FOUNDATION

## STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2002

	Notes	30th June 2002	30th June 2001
		\$	\$
Revenues from ordinary activities	2	272,456	332,991
Employee benefits expense		(9,956)	(14,087)
Office expense		(27,673)	(23,404)
Publicity and promotion expense		(10,571)	(11,399)
Funding expense		(105,698)	(28,557)
Functions expense		(16,944)	(14,085)
In-kind expense		(174,975)	(150,068)
Other expenses from ordinary activities		<u>(3,602)</u>	<u>(1,964)</u>
Net profit (loss) from ordinary activities	3	<u>(76,963)</u>	<u>89,427</u>
Net increase (decrease) in asset revaluation reserve		<u>0</u>	<u>0</u>
Total revenues, expenses and valuation adjustments attributable to beneficiaries of the trust recognised directly in equity		<u>0</u>	<u>0</u>
Total changes in equity		<u>(76,963)</u>	<u>89,427</u>

# THE DON DUNSTAN FOUNDATION

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2002

	Notes	30th June 2002	30th June 2001
		\$	\$
<b>CURRENT ASSETS</b>			
Cash assets	4	387,846	441,860
Receivables	5	1,797	1,461
Inventories	6	728	2182
<b>TOTAL CURRENT ASSETS</b>		<u>390,371</u>	<u>445,503</u>
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment		312	0
<b>TOTAL NON-CURRENT ASSETS</b>		<u>312</u>	<u>0</u>
<b>TOTAL ASSETS</b>		<u>390,683</u>	<u>445,503</u>
<b>CURRENT LIABILITIES</b>			
Payables	7	64,353	42,210
<b>TOTAL CURRENT LIABILITIES</b>		<u>64,353</u>	<u>42,210</u>
<b>TOTAL LIABILITIES</b>		<u>64,353</u>	<u>42,210</u>
<b>NET ASSETS</b>		<u>326,330</u>	<u>403,293</u>
<b>EQUITY</b>			
Retained profits	8	326,330	403,293
<b>TOTAL EQUITY</b>		<u>326,330</u>	<u>403,293</u>

# THE DON DUNSTAN FOUNDATION

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2002

	Notes	30th June 2002	30th June 2001
		\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts		84,523	168,114
Payments to suppliers and employees		(154,644)	(78,477)
Dividends received		0	0
GST returned by the ATO		5,827	4,438
Interest received		10,592	15,933
Borrowing costs		0	0
Net cash provided by operating activities	12b	<u>(53,702)</u>	<u>110,008</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for plant and equipment		(312)	0
Proceeds on sale of investments		0	0
Net cash used by investing activities		<u>(312)</u>	<u>0</u>
Net increase in cash held		(54,014)	110,008
Cash at beginning of year		441,860	331,852
Cash at end of year	12(a)	<u>387,846</u>	<u>441,860</u>

# THE DON DUNSTAN FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2002

### **Note 1: Statement of Significant Accounting Policies**

This financial report is a general-purpose financial report that has been prepared in accordance with the Australian Accounting Standards and Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the Foundation in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

#### **a) Income Tax**

The Foundation is exempt from income tax as it is a charitable institution for the purposes of Item 1.1 of Section 50-5 of the Income Tax Assessment Act 1997.

#### **b) Property, Plant and Equipment**

Minor assets acquired by the Foundation are expensed upon acquisition. Other property, plant and equipment used by the Foundation are assets of The University of Adelaide. (Refer to Note 1(e))

#### **c) Inventories**

Inventories are valued at the lower of cost and net realisable value. Inventory consists of books promotional merchandise (t-shirts, hats). Original inventory stock was received as a gift-in-kind from the University of Adelaide. Inventory has been sold and given away as promotional material during the financial period.

#### **d) Provision for Employee Entitlements**

No employee entitlements are provided for as the Adelaide University provides employees as in-kind gifts (refer to Note 1(e)). Provision for Employee Entitlements attributable to the University of Adelaide employees is borne by the University.

**e) Revenue**

Revenue is recognised when, and only when, all the following conditions have been satisfied:

- (a) the Foundation gains control of the contribution or the right to receive the contribution;
- (b) it is probable that the economic benefits comprising the contribution will flow to the Foundation; and
- (c) the amount of the contribution can be measured reliably.

The Foundation's sources of revenue include government grants, donations, gifts in-kind, bank interest, sale of merchandise and proceeds from ticket sales for fundraising events.

In accordance with the revenue recognition policy stated above, pledge donations (including government grants) are only recognised when a formal, legally enforceable agreement exists.

Gifts in-kind represent goods and services provided by donors in lieu of cash and include cost of rental of office and storage space and two full-time equivalent staffing positions paid by the University of Adelaide on behalf of the Foundation.

Gifts in-kind do not include services and use of assets provided by the University of Adelaide including furniture, access to photocopying facilities and telecommunications. Similarly, the personal library of Don Dunstan bequeathed to the Foundation, has not been recognised as revenue due to difficulties in reliably measuring the contribution.

Gifts in-kind are recorded as a revenue and expense in the financial statements with no impact on cash flow.

**f) Cash**

For the purposes of the Statement of Cash Flows, cash includes cash on hand and at banks including at call deposits with banks.

**g) Financial instruments included in assets**

Trade debtors are initially recorded at the amount of contracted sales proceeds.

Bank deposits are carried at cost. Interest revenue is recognised on an effective yield basis.

**h) 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. 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 statement of financial position are shown inclusive of GST.

**i) Comparative Figures**

Where necessary, comparative figures have been adjusted to conform with the presentation of the 2002 financial statements.

**Note 2: Revenue**

	Notes	30th June 2002	30th June 2001
		\$	\$
Operating activities			
--- Donation income		42,499	88,575
--- State Government grants		0	50,000
--- Other grants		7,000	96
--- Fundraising income		21,643	25,820
--- Bequests		9,000	0
--- Sales income		4,381	2,499
--- Bank interest income		10,592	15,933
--- Adelaide University in-kind income	17	174,975	141,088
--- In-kind income from other sources		2,366	8,980
Total revenue		272,456	332,991

**Note: 3 Net Profit/(Loss) from Ordinary Activities**

Net Profit/(Loss) from ordinary activities has been determined after significant expenses:

The following expense item is relevant in explaining the financial performance:

	30th June 2002	30th June 2001
	\$	\$
Funding expenditure - scholarships	105,698	28,557

The board of Trustees have reviewed their treatment of scholarships granted and have decided to expense the total scholarships granted when they have been

awarded. Accordingly, the expense for the year includes \$58,804 of unpaid scholarships as at 30<sup>th</sup> June 2002.

In the previous financial year the funds required to be paid for future years was not expensed but disclosed as a contingent liability amounting to \$91,277.

#### Note 4: Cash Assets

	30th June 2002	30th June 2001
	\$	\$
Cash at bank and on hand	125,209	189,459
Deposits at call	262,637	252,401
	<u>387,846</u>	<u>441,860</u>

#### Note 5: Receivables

	30th June 2002	30th June 2001
	\$	\$
Sundry debtors	1,797	1,461
	<u>1,797</u>	<u>1,461</u>

#### Note 6: Inventory

	30th June 2002	30th June 2001
	\$	\$
Merchandise goods	728	2,182
	<u>728</u>	<u>2,182</u>

#### Note 7: Payables

	Notes	30th June 2002	30th June 2001
		\$	\$
Scholarships	3	58,804	0
Sundry creditors		3,349	38,010
Accruals	9	2,200	4,200
		<u>64,353</u>	<u>42,210</u>

## Note 8: Retained Profits

	30th June 2002	30th June 2001
	\$	\$
Retained profits at the beginning of the year	403,293	313,866
Net profits/(loss) attributable to the Foundation	(76,963)	89,427
Retained Profits at the end of the financial year	<u>326,330</u>	<u>403,293</u>

## Note 9: Remuneration of Auditors

	30th June 2002	30th June 2001
	\$	\$
The following total remuneration was received, or is due and receivable, by the auditor of the Foundation in respect of:		
Auditing the financial statements	<u>2,200</u>	<u>4,200</u>
Total remuneration received	<u>2,200</u>	<u>4,200</u>

## Note 10: Events Subsequent to Reporting Date

The contract for the Administration Officer paid by Adelaide University concluded on the 31st of May 2002 and since then the Foundation has engaged the services of an employment agency to cover that position. The contract for the Executive Officer paid by Adelaide University will conclude on the 29th November 2002. The Foundation is in continuing discussion with the Adelaide University and the State Government concerning office housing and the Foundation's staffing arrangements. The Trustees are confident that one or other of the alternative arrangements being considered will ensure that the operations of the Foundation and the state of affairs of the Foundation in subsequent financial years will not be significantly affected.

## Note 11: Related Party Transactions

The following persons held the position of trustee during the entire financial period, unless otherwise stated:

Hon Greg J Crafter (Chair)  
Professor Mary J O'Kane (resigned 22 August 2001)

Hon Dr Jane D Lomax-Smith MLA  
 Professor Hugh Stretton (alternate for Phillip Adams, David Combe and Barry Jones)  
 Mr Thomas Dunstan (alternate for Andrew Dunstan)  
 Mr Phillip A Adams AO  
 Ms Robyn Archer AO  
 Mr H David M Combe  
 Mr Andrew Dunstan  
 Hon Barry O Jones AO  
 Professor Judith Brine (resigned Jan 2002 was alternate for Jane Lomax-Smith)  
 Professor Michael Morley (alternate for Robyn Archer)  
 Ms Carmel O'Loughlin  
 Professor Sue Richardson  
 Professor Cliff Blake (Vice Chancellor, ex officio. Resigned 2<sup>nd</sup> August 2002)  
 Mr Mark Cully (alternate for Sue Richardson)

There were no Trustees of the Foundation who received, or were due to receive, remuneration (including brokerage, commissions, bonuses, retirement payments, and salaries) directly or indirectly from the Foundation or any related body corporate.

## Note 12: Cash Flow Information

### a) Reconciliation of Cash

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the statement of financial position as follows:

	30th June 2002	30th June 2001
	\$	\$
Cash at Bank and on hand	125,209	189,459
At Call Deposits with Banks	262,637	252,401
	<u>387,846</u>	<u>441,860</u>

### b) Reconciliation of (Loss)/Profit from Ordinary Activities to Net Cash provided by Operating Activities

	30th June 2002	30th June 2001
	\$	\$
(Loss)/Profit from ordinary activities after income tax	(76,963)	89,427
Changes in assets and liabilities:		
Increase in receivables	(336)	(1,461)
Decrease in inventory	1,454	1,012
Increase in payables	22,143	21,030
	<u>(53,702)</u>	<u>110,008</u>
Net cash provided by operating activities	<u>(53,702)</u>	<u>110,008</u>

### Note 13: Pledged Donations

In accordance with the revenue recognition policy in Note 1, the Foundation has not brought to account pledged donations as the Foundation is not considered to have gained control of the donation or the right to receive the donation. As at 30 June 2002, the Foundation had the following pledged donations, which it has not brought to account:

	Within 1 year	After 1 year	Total
	\$	\$	\$
Pledged donations	20,225	12,685	32,910

### Note 14: Segment Reporting

The Foundation operates predominantly in one geographical area, being Australia and operates as a public benevolent institution.

### Note 15: Financial Instruments

#### a) Interest Rate Risk

The Foundation's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities is as follows:

	Weighted Average Effective Interest Rate		Floating Interest Rate	
	2002	2001	2002	2001
	%	%	\$	\$
Financial Assets:				
Cash	0.29%	1.00%	125,209	189,459
Deposits at call	4.06%	5.50%	262,637	252,401
Total Financial Assets			387,846	441,860
Financial Liabilities:				
Payables	0.00%	0.00%	0	0

#### b) Credit Risk

The maximum exposure to credit risk at reporting date to recognised financial assets is the carrying amount of those assets, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to the financial statements.

The Foundation does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Foundation.

**c) Net Fair Values**

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements

**Note 16: Trust Details**

The principal place of business of the Foundation is 230 North Terrace, Adelaide University, 5005 and its principal activities is to perpetuate the memory of Don Dunstan and to reflect his life's work through the fostering of research and education on a broad range of issues concerning social development.

**Note 17: Economic Dependency**

Adelaide University incurs rental and staffing costs on behalf of the Foundation. An Executive Officer and an Administrative Officer carry out the work for the Foundation. If it were not for these gifts in-kind the Foundation would find it difficult to maintain its current level of financial performance.

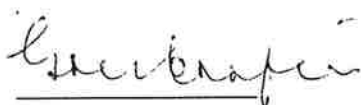
# THE DON DUNSTAN FOUNDATION

## DECLARATION BY THE TRUSTEE

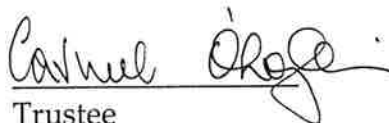
The Trustees declare:

- (a) that the financial statements and associated notes comply with the Accounting Standards and Urgent Issues Group Consensus Views;
- (b) that the financial statements and notes give a true and fair view of the financial position as at 30 June 2002 and the performance of the Foundation for the year then ended;
- (c) in the Trustees' opinion;
  - (i) there are reasonable grounds to believe that the Foundation will be able to pay its debts as and when they become due and payable; and
  - (ii) the financial statements and notes are in accordance with the Trust Deed.

Made in accordance with a resolution of the Trustees.



Trustee



Trustee

Date: 16/12/02

Date: 16/12/02



Edwards Marshall

Angas House, 4 - 8 Angas Street  
Kent Town, South Australia 5067  
GPO Box 2163 Adelaide SA 5001  
DX 240 Adelaide  
Telephone 08 8139 1111  
Facsimile 08 8139 1100  
info@edwardsmarshall.com.au  
edwardsmarshall.com.au

## INDEPENDENT AUDIT REPORT

### TO THE TRUSTEES OF THE DON DUNSTAN FOUNDATION

#### SCOPE

We have audited the financial report of The Don Dunstan Foundation for the year ended 30 June 2002 as set out on pages 3 to 13. The Trustee's are responsible for the financial report. We have conducted an independent audit of the financial report in order to express an opinion on it to the Trustees of The Don Dunstan Foundation.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia so as to present a view which is consistent with our understanding of The Don Dunstan Foundation's financial position, the financial performance and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

#### AUDIT OPINION

In our opinion, the financial report presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia the financial position of The Don Dunstan Foundation as at 30 June 2002 and the financial performance and its cash flows for the year then ended.

Edwards Marshall  
Chartered Accountants

Partner

Adelaide  
South Australia

Dated 1<sup>st</sup> June 2003

#### Partners

Brenton W Ellery FCA  
Brian T Morris FCA  
Hugh L McPharlin FCA  
Jonathon W Sando FCA  
Trevor J Spratt FCA  
Steven M Wild FCA  
Noel W Clifford FCA  
Jamie T Dreckow CA  
Geoffrey R Kay CA  
Benjamin L T Miels CA  
Angelo R Piantadosi FCA  
Grantley W Stevens CA

#### Senior Employees

Paul A Dutton CA  
Belinda C Goedecke CA  
Stephen A Hunter CA  
Nicholas K Wilkins CA