

**THE NEUROSURGICAL RESEARCH
FOUNDATION INCORPORATED**

**FINANCIAL REPORT
FOR THE YEAR ENDED
31st MARCH 2012**

THE NEUROSURGICAL RESEARCH FOUNDATION INCORPORATED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31st MARCH 2012

		2011	2012
		\$	\$
	NOTE		
INCOME			
Donations and Fundraising	2	608,277	383,758
Investment Income		75,878	60,295
TOTAL INCOME		<u>684,155</u>	<u>444,053</u>
LESS EXPENSES			
Administrative Expenses	3	(118,333)	(118,464)
SURPLUS/(DEFICIT) BEFORE GRANT EXPENDITURE		<u>565,822</u>	<u>325,589</u>
Research Grant Expenditure	4	(311,800)	(192,625)
TOTAL SURPLUS / (DEFICIT) FOR YEAR		<u><u>254,022</u></u>	<u><u>132,964</u></u>

The accompanying notes form part of these financial statements.

THE NEUROSURGICAL RESEARCH FOUNDATION INCORPORATED
STATEMENT OF FINANCIAL POSITION
AS AT 31st MARCH 2012

	2011	2012
	\$	\$
NOTE		
CURRENT ASSETS		
Cash and Cash Equivalents	17,959	10,001
Sundry Debtors	2,923	-
Inventories	3,964	2,715
Prepayments	2,578	2,636
Deposits	656,404	775,901
TOTAL CURRENT ASSETS	683,828	791,253
NON-CURRENT ASSETS		
Office Equipment and Computer Software	3,051	4,399
Managed Investment	1,058,596	1,076,701
TOTAL NON-CURRENT ASSETS	1,061,647	1,081,100
TOTAL ASSETS	1,745,475	1,872,353
CURRENT LIABILITIES		
Payables	(123,842)	(114,897)
Income in Advance	(8,124)	(-)
TOTAL CURRENT LIABILITIES	(131,966)	(114,897)
NON-CURRENT LIABILITIES		
Provisions	(-)	(10,983)
TOTAL LIABILITIES	(131,966)	(125,880)
NET ASSETS	1,613,509	1,746,473
TOTAL ACCUMULATED FUNDS	5	1,746,473

The accompanying notes form part of these financial statements.

THE NEUROSURGICAL RESEARCH FOUNDATION INCORPORATED
STATEMENT OF CHANGES IN ACCUMULATED FUNDS
FOR THE YEAR ENDED 31st MARCH 2012

		2011	2012
		\$	\$
	NOTE		
ACCUMULATED FUNDS – CORPUS		1,200,000	1,200,000
ACCUMULATED FUNDS – OTHER			
Opening Balance		159,487	413,509
Surplus / (Deficit) for the year		254,022	132,964
		<u>413,509</u>	<u>546,473</u>
TOTAL ACCUMULATED FUNDS	5	<u><u>1,613,509</u></u>	<u><u>1,746,473</u></u>

The accompanying notes form part of these financial statements.

THE NEUROSURGICAL RESEARCH FOUNDATION INCORPORATED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31st MARCH 2012

	2011	2012
	\$	\$
NOTE		
Cash Flows from Operating Activities		
Cash receipts from Donations and Fundraising	595,734	376,190
Cash Payments to Suppliers and Employees	(116,976)	(98,038)
Cash Payments for Research Grants	(319,800)	(203,977)
	158,958	74,175
Cash flows from Investing Activities		
Interest Received	32,229	42,189
Investment in Term Deposits	(651,405)	(119,497)
Acquisition Office Equipment & Computer Software	-	(4,825)
	(619,176)	(82,133)
Net Increase/(Decrease) in Cash and Cash Equivalents	(460,218)	(7,958)
	6	
Cash and Cash Equivalents at 1 April	478,177	174,959
Cash and Cash Equivalents at 31 March	17,959	10,001

The accompanying notes form part of these financial statements.

THE NEUROSURGICAL RESEARCH FOUNDATION INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 2012

NOTE 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 Incorporations Act 1985. The Council has determined that the Foundation is not a reporting entity.

The financial report has been prepared in accordance with the requirements of the Associations Incorporations Act 1985 and the recognition and measurement aspects of all applicable Australian Accounting Standards, adopted by Australian Accounting Standards Board (AASB) and other authoritative pronouncements of the AASB that have a material effect. The financial report does not include the disclosure requirements of the following pronouncements;

AASB 7	Financial Instruments: Disclosures
AASB 8	Operating Segments
AASB 102	Inventories
AASB 112	Income Taxes
AASB 116	Property, Plant and Equipment
AASB 124	Related Party Disclosures
AASB 132	Financial Instruments: Presentations
AASB 137	Provisions, Contingent Liabilities and Contingent Assets

The following accounting policies have been adopted in the preparation on the financial statements:

a) Basis of Accounting:

Dividend income and donations are recorded when received. Interest income is accounted for on an accruals basis. Expenses are accounted for net of GST when paid with input credits being refundable.

b) Income Tax:

The Foundation has been endorsed as an Income Tax Exempt Charity (ITEC) and a Deductible Gift Recipient (DGR).

c) Investments:

Investments in Managed Investments are valued at fair value at balance date being the market value of the portfolio held.

Unrealised gains and losses arising from changes in the fair value of investments are recognized in the Statement of Comprehensive Income.

d) Employee Benefits:

Provisions is made for the Foundation's liability for employee benefit arising from services rendered by employees to the end of the reporting period.

NEUROSURGICAL RESEARCH FOUNDATION INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012

	2011	2012
	\$	\$
NOTE 2 DONATIONS AND FUNDRAISING		
<u>General</u>		
Donations	137,488	81,773
Membership	1,082	1,082
Fundraising	170,910	92,896
Less: Fundraising Costs	(5,226)	(9734)
	304,259	166,017
	304,259	166,017
<u>Paediatric</u>		
<u>Donations</u>	281,955	208,056
Fundraising	62,471	11,896
Less Fundraising Costs	(40,349)	(2,211)
	304,023	217,741
	608,277	383,758
NOTE 3 ADMINISTRATION EXPENSES		
Depreciation and Amortisation	2,177	3,477
Office Expenses	9,724	12,304
Printing	11,217	12,141
Promotion and Development	20,720	3,028
Staff	66,180	77,668
Other	8,315	9,846
	118,333	118,464
	118,333	118,464
NOTE 4 RESEARCH GRANTS		
NRF Chair of NeurSurgical Research	79,800	(30,200)
Brain Tumour Research	212,000	80,000
Stroke Research	20,000	-
Paediatric Research	-	142,825
	311,800	192,625
	311,800	192,625

NEUROSURGICAL RESEARCH FOUNDATION INCORPORATED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012

NOTE 5 ACCUMULATED FUNDS

	Corpus	General Funds	Paediatric Fund	Total
Balance 31/03/2010	1,200,000	79,614	79,873	1,359,487
Transfer	-	(50,000)	50,000	-
Donations & Fundraising	-	304,254	304,023	608,277
Investment Income	-	60,326	15,552	75,878
Administrative Expenses	-	(59,167)	(59,166)	118,333
Research Grant Expenditure	-	(311,800)	-	(311,800)
Balance 31/03/2011	1,200,000	23,227	390,282	1,613,509
Balance 31/03/2011	1,200,000	79,614	79,873	1,359,487
Transfer	-	-	-	-
Donations & Fundraising	-	166,017	217,741	383,758
Investment Income	-	60,295	-	60,295
Administrative Expenses	-	(59,232)	(59,232)	(118,464)
Research Grant Expenditure	-	(49,800)	(142,825)	(192,625)
Balance 31/03/2012	1,200,000	140,507	405,966	1,746,473

NOTE 6 RECONCILIATION OF CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES

Cash Flows from Operating and Investment Activities	2011	2010
	\$	\$
Surplus/(Deficit) for the period	254,022	132,964
Adjustments for:		
Unrealised Gain – Managed Investment	(43,649)	(18,105)
Depreciation & Amortisation	2,177	3,477
Change in Assets & Liabilities:		
Decrease/(Increase) in Current Assets	(649,798)	(115,383)
Decrease/(Increase) in Office Equipment	-	(4,825)
(Decrease)/Increase in Current Liabilities	(22,970)	(17,069)
(Decrease)/Increase in Non Current Liabilities	-	10,983
Cash flows (used in)/provided by Operating and Investment Activities	(460,218)	(7,958)

**THE NEUROSURGICAL RESEARCH FOUNDATION INCORPORATED
STATEMENT BY MEMBERS OF THE BOARD**

The Board of the Neurosurgical Research Foundation Incorporated has determined that it is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements. In the opinion of the Board the financial report:

1. Presents fairly the results of the operations of the Foundation for the financial year ended 31 March 2012 and the state of affairs of the Foundation as at the end of that financial year; and
2. The Council has reasonable grounds to believe that the Foundation will be able to pay its debts as and when they fall due.

This statement has been made in accordance with a resolution of the Board.

Dated this 20th day of June 2012.



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President – J B North



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Honorary Treasurer – M K Zerner

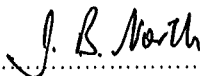
REPORT OF THE BOARD

In accordance with Section 35(5) of the Associations Incorporation Act 1985 (as amended), the Board of the Neurosurgical Research Foundation Incorporated hereby states that during the financial year ended 31 March 2012 other than salaries due to officers of the Foundation:

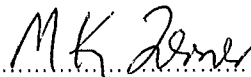
- (a)
 - (i) no officer of the Foundation;
 - (ii) no firm of which an officer is a member; and
 - (iii) no body corporate in which an officer has a substantial financial interest, has received or become entitled to receive a benefit as a result of a contract between the officer, firm or body corporate and the Foundation.
- (b) No officer of the Foundation has received directly or indirectly from the Foundation any payment or other benefit of a pecuniary value.

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

Dated this 20th day of June 2010.



.....
President – J B North



.....
Honorary Treasurer – M K Zerner



Independent auditor's report to the members of Neurosurgical Research Foundation Incorporated

We have audited the accompanying financial report, being a special purpose financial report, of Neurosurgical Research Foundation Incorporated (the Foundation), which comprises the statement of financial position as at 31 March 2012, and the statement of comprehensive income, statement of changes in accumulated funds and statement of cash flows for the year ended on that date, notes 1 to 6 comprising a summary of significant accounting policies and other explanatory information.

Board's responsibility for the financial report

The Board of the Foundation are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in the Note 1 to the financial statements, which form part of the financial report, are appropriate to meet the requirements of the *Associations Incorporation Act 1985* (as amended) and are appropriate to meet the needs of the members. The Board's responsibility also includes such internal control as the Board determine necessary to enable the preparation of a financial report that is presented fairly and 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. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Board, as well as evaluating the overall presentation of the financial report.

These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with the basis of accounting described in Note 1 to the financial statements so as to present a view which is consistent with our understanding of the Foundation's financial position, and of its performance.

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

The Foundation has determined that it is not practical to establish controls over monies received from donations and fundraising activities prior to its entry in the financial records. Accordingly, as the evidence available regarding revenue from these sources is limited, audit procedures with respect to monies received from donations and fundraising activities had to be restricted to the amounts recorded in the financial records. We therefore, are unable to express an opinion whether the revenue from donations and fundraising activities in the financial records is complete.

Qualified auditor's opinion

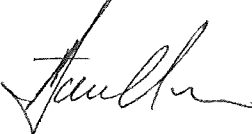
In our opinion, except for the effects on the financial report of such adjustments, if any, as might have been required had the limitation on our audit procedures referred to in the qualification paragraph not existed,

- a) the financial report presents fairly, in accordance with the accounting policies described in Note 1 to the financial statements, the financial position of Neurosurgical Research Foundation Incorporated as at 31 March 2012 and of its financial performance for the year then ended; and
- b) the financial report is also in accordance with the *Associations Incorporation Act 1985* (as amended).

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist Neurosurgical Research Foundation Incorporated to meet the requirements of *Associations Incorporation Act 1985*. As a result, the financial report may not be suitable for another purpose.


KPMG


N.T Faulkner
Partner

Adelaide
7 August 2012