

SpineCare Foundation  
ABN 98 003 427 272  
(A Company Limited by Guarantee)  
Annual financial report  
30 June 2014

**SpineCare Foundation**  
**Directors' report**  
**For the year ended 30 June 2014**

The directors present their report together with the financial report of SpineCare Foundation ("the Company") for the year ended 30 June 2014 and the auditor's report thereon.

**1. Directors**

The directors of the Company at any time during or since the end of the financial year are:

**Name and qualifications**

K Stubbs <i>BA (Hons), MA (Hons), Grad Cert Writing, MAICD</i>	Chairperson and director since 2008
A G Epps <i>MBBS, FRACP, FAFRM</i>	Director since 2006
A Gray <i>MB, BS, FRACS (Orth)</i>	Director since 2005
C Little <i>BSc, BVMS, MSc, PhD</i>	Director since 2004
P Serrao <i>BEd, Grad Dip of Public Admin</i>	Director since 2005
A Fisher <i>BSocWork, DipBus</i>	Director since 2008
L Carpenter <i>GCertBAdmin, ACMA, CPA, MBA</i>	Director since 2008
A Cree <i>MBBS(Hons) FAOrthA FRACS (Orth)</i>	Director since 2011

In accordance with the Company's constitution, one third of the Directors retire from the Board of Directors at the forthcoming Annual General Meeting of members and, being eligible, offer themselves for re-election.

**2. Company Secretary**

L Carpenter (ACMA, Grad Cert Bus Admin, CPA, MBA, MAICD) was appointed to the position of company secretary in July 2008.

**3. Directors' meetings**

The number of directors' meetings and number of meetings attended by each of the directors of the Company during the financial year are:

	Number of Meetings	
	Attended	Held*
K Stubbs	5	5
A G Epps	4	5
A Gray	4	5
A Fisher	5	5
C Little	5	5
P Serrao	3	5
L Carpenter	5	5
A Cree	1	5

\* Number of meetings held during the time the director held office during the period

**4. Principal activities, objectives and strategies**

The principal activity of the Company is to raise funds for research into spinal injuries, disorders and related activities and to dispense the funds raised by awarding scholarships and grants to appropriate individuals and organisations.

SpineCare Foundation  
Directors' report (continued)  
For the year ended 30 June 2014

**4. Principal activities, objectives and strategies (continued)**

**The Foundation's long term objectives:**

Education – To encourage, foster and develop the education of medical practitioners, health professionals and the public about the diagnosis, prevention and treatment of spinal conditions in children.

Research – To research the causes, diagnosis, prevention and treatment of spinal conditions in children whether or not by the engagement of medical practitioners, scientists, students or others.

Service Provision – The provision of multi-disciplinary outreach services to children affected by spinal conditions.

**In order to ensure the long term objectives are being met, the Foundation will:**

Education – Continue to develop the SpineCare website.

Research – Take an innovative approach to supporting research on a contractual basis by way of funding established researchers to pursue a particular objective or to answer a specific question.

Service Provision – Provision of project funding to the NSW Paediatric Spinal Outreach Service.

**The Foundation's short term objective:**

Increase the reach and profile of the Foundation.

**Company performance is constantly measured against the following KPI's:**

- Financial performance to budget
- Investment returns
- Maintenance of Capital base
- Measuring academic results of Scholarship recipients.

**5. Operating and financial review**

**Review and results of operations**

The surplus for the year amounted to \$57,906 (2013: \$173,050). The Company relies on revenue from donations and financial income to meet its operating expenses. The surplus is a result of financial investments making a positive return and exceeding the expenditure during the year.

**Significant changes in the state of affairs**

In the opinion of the directors, there were no significant changes in the state of affairs of the Company that occurred during the financial year under review.

**6. Events subsequent to reporting date**

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.

SpineCare Foundation  
Directors' report (continued)  
For the year ended 30 June 2014

**7. Likely developments**

The Company expects to maintain the present status and level of operations.

**8. Environmental regulation**

The Company's operations are not subject to any significant environmental regulations under Commonwealth and State legislation. The Board believes that the Company has adequate systems in place for the management of its environmental requirements and is not aware of any significant breaches of those environmental requirements as they apply to the Company.

**9. Indemnification and insurance of officers and auditors**

**Indemnification**

Since the end of the previous financial year, the Company has not indemnified or made a relevant agreement for indemnifying against a liability any person who is or has been an officer or auditor of the Company.

**Insurance premiums**

Since the end of the previous financial year the controlling entity, The Northcott Society, paid insurance premiums in respect of Directors' and Officers' liability and legal expenses' insurance contracts for current and former Directors and Officers of SpineCare Foundation.

The insurance premiums relate to:

- Costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever their outcome; and
- Other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

Further details of the nature of the liabilities covered or the amount of premiums paid under these policies as such disclosure is prohibited under the terms of the contracts.

**10. Members Guarantee**

SpineCare Foundation is incorporated in New South Wales as a company limited by guarantee. In the event of the Company being wound up, each member undertakes to contribute a maximum of \$100 for payment of the Company's liabilities. At 30 June 2014 there were 5 members (2013: 5 members) and the amount of capital that could be called up in the event of the Company being wound up is \$500 (2013: \$500).

**11. Lead auditor's independence declaration**

The Lead auditor's independence declaration is set out on page 16 and forms part of the directors' report for the financial year 2014.

This report is made with a resolution of the directors:



Kerry Stubbs  
Director

SpineCare Foundation  
Statement of profit or loss and other comprehensive income  
For the year ended 30 June 2014

	<i>Note</i>	2014 \$	2013 \$
Revenue from donations		25,812	24,520
Other income		1,545	3,045
Administrative expenses		(161,119)	(41,496)
Scholarship expenses		<u>(17,500)</u>	<u>(20,000)</u>
<b>Deficit before financing expense</b>		<u>(151,262)</u>	<u>(33,931)</u>
Net financing income	4	<u>209,168</u>	<u>206,981</u>
<b>Surplus for the period</b>		<u>57,906</u>	<u>173,050</u>
Other comprehensive income		<u>-</u>	<u>-</u>
<b>Total comprehensive income for the year</b>		<u>57,906</u>	<u>173,050</u>

The statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to the financial statements set out on pages 8 to 13.

SpineCare Foundation  
Statement of changes in equity  
For the year ended 30 June 2014

	Retained Earnings/ (Accumulated losses) \$	Total Equity \$
<b>Balance at 1 July 2012</b>	2,274,330	2,274,330
<b>Total comprehensive income for the period</b>		
Surplus/ (Deficit) for the period	173,050	173,050
Other comprehensive income for the period	-	-
<b>Balance at 30 June 2013</b>	<u>2,447,380</u>	<u>2,447,380</u>
<b>Balance at 1 July 2013</b>	2,447,380	2,447,380
<b>Total comprehensive income for the period</b>		
Surplus/ (Deficit) for the period	57,906	57,906
Other comprehensive income for the period	-	-
<b>Balance at 30 June 2014</b>	<u>2,505,286</u>	<u>2,505,286</u>

The statement of changes in equity is to be read in conjunction with the notes to the financial statements set out on pages 8 to 13.

SpineCare Foundation  
Statement of financial position  
As at 30 June 2014

	<i>Note</i>	2014 \$	2013 \$
<b>Assets</b>			
Cash and cash equivalents	5	293,305	1,726,176
Trade and other receivables	6	9,788	4,557
Other financial assets	7	2,227,657	746,700
<b>Total current assets</b>		<u>2,530,750</u>	<u>2,477,433</u>
<b>Total non-current assets</b>		<u>-</u>	<u>-</u>
<b>Total assets</b>		<u>2,530,750</u>	<u>2,477,433</u>
<b>Liabilities</b>			
Trade and other payables	8	25,464	30,053
<b>Total current liabilities</b>		<u>25,464</u>	<u>30,053</u>
<b>Total liabilities</b>		<u>25,464</u>	<u>30,053</u>
<b>Net assets</b>		<u>2,505,286</u>	<u>2,447,380</u>
<b>Equity</b>			
General accumulated funds		2,505,286	2,447,380
<b>Net equity</b>		<u>2,505,286</u>	<u>2,447,380</u>

The statement of financial position is to be read in conjunction with the notes to the financial statements set out on pages 8 to 13.

SpineCare Foundation  
Statement of cash flows  
For the year ended 30 June 2014

	<i>Note</i>	2014 \$	2013 \$
<b>Cash flows from operating activities</b>			
Cash receipts from customers		22,126	477,969
Cash paid to suppliers and employees		(183,207)	(55,815)
Interest received		5,229	60,737
		<u>(155,852)</u>	<u>482,891</u>
<b>Net cash generated by operating activities</b>			
<b>Cash flows from investing activities</b>			
Proceeds from sale / (acquisition) of other financial assets		(1,277,019)	504,351
		<u>(1,277,019)</u>	<u>504,351</u>
<b>Net cash from investing activities</b>			
Net increase / (decrease) in cash and cash equivalents		(1,432,871)	987,242
Cash and cash equivalents at 1 July		1,726,176	738,934
		<u>293,305</u>	<u>1,726,176</u>
<b>Cash and cash equivalents at 30 June</b>	5		

The statement of cash flows is to be read in conjunction with the notes to the financial statements set out on pages 8 to 13



# SpineCare Foundation

## Notes to the financial statements

For the year ended 30 June 2014

### 1. Reporting Entity

SpineCare Foundation (the "Company") is a not-for-profit company limited by guarantee and domiciled in Australia. The principal activity of the Company is to raise funds for research into spinal injuries, disorders and related activities and to dispense the funds raised by awarding scholarships and grants to appropriate individuals and organisations.

### 2. Basis of preparation

#### (a) Statement of compliance

The financial report is a tier 2 general purpose financial report which has been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements (AASBs) (including Australian Accounting Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the *Australian Charities and Not-For-Profits Commission Act 2012*.

The Company has elected to adopt the Australian Accounting Standards – Reduced Disclosure Requirements (established by AASB 1053 *Application of Tiers of Australian Accounting Standards* and AASB 2010-2 *Amendments to Australian Standards arising from Reduced Disclosure Requirements*).

The statements were approved by the board of directors on the 11 September 2014.

#### (b) Basis of preparation

The financial statements have been prepared on the historical cost basis, except for other financial assets which are measured at Fair value.

The financial report is presented in Australian dollars.

#### (c) Use of estimates and judgements

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

### 3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, by the company.

#### (a) Financial instruments

##### (i) Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

Cash and cash equivalents comprise cash balances and call deposits.

Accounting for finance income and expense is discussed in note 3(d).

Other non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment losses.

# SpineCare Foundation

## Notes to the financial statements (continued)

For the year ended 30 June 2014

### 3. Significant accounting policies (continued)

#### (b) Impairment

##### (i) Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised.

##### (ii) Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### (c) Revenue

Revenues are recognised at fair value of the consideration received net of the amount of goods and services tax (GST) payable to the taxation authority. Exchanges of goods or services of the same nature and value without cash consideration are not recognised as revenues.

##### (i) Rendering of services

Revenue from rendering of services is recognised in the period in which the service is provided.

##### (ii) Interest income

Interest income is recognised as it accrues, taking into account the effective yield on the financial asset.

##### (iii) Donations

Donations are recognised as they are received or, where special terms and conditions attach to these, in accordance with these terms and conditions.

# SpineCare Foundation

## Notes to the financial statements (continued)

For the year ended 30 June 2014

### 3. Significant accounting policies (continued)

#### (c) Revenue (continued)

##### (iv) Estates and bequests

Estates and bequests received are recognised as income by the Company in accordance with the terms and conditions of the bequests. Where no specific terms and conditions exist, these are recognised as income as follows:

- Cash distributions from estates at the time of receipt; and
- Shares, real property and other securities at the estimated market value when the risks and benefits pass to the Company.

#### (d) Finance income and expense

Finance income comprises interest income on funds invested and unwinding of the discount on long-term receivables. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Finance expenses comprise interest expense on borrowings. All borrowing costs are recognised in profit or loss using the effective interest method.

#### (e) Income tax

In accordance with the provisions of the Income Tax Assessment Act 1997 (as amended), the Company is exempt from income tax.

#### (f) Segment reporting

A segment is a distinguishable component of the Company that is engaged in either providing goods or services (business segment) or in providing goods and services within a particular economic environment (geographical segment), which is subject to risk and rewards that are different from those of other segments.

#### (g) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as a current asset or liability in the Statement of Financial Position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the taxation authority are classified as operating cash flows.

#### (h) Share capital

SpineCare Foundation has no share capital, as it is a company limited by guarantee.

SpineCare Foundation  
Notes to the financial statements (continued)  
For the year ended 30 June 2014

	2014	2013
	\$	\$
<b>4. Net financing income</b>		
Interest income – other parties	5,229	-
Interest income – unwinding of discount on receivable	-	60,737
Managed fund income distribution	36,660	-
Gain from investments in managed funds held for trading	167,279	146,244
Net financing income	<u>209,168</u>	<u>206,981</u>
<b>5. Cash and cash equivalents</b>		
Cash at bank	<u>293,305</u>	<u>1,726,176</u>
Cash and cash equivalents in the statement of cash flows	<u>293,305</u>	<u>1,726,176</u>
<b>6. Trade and other receivables</b>		
<i>Current</i>		
Other debtors	<u>9,788</u>	<u>4,557</u>
<b>7. Other financial assets</b>		
<i>Current</i>		
Investments in managed funds held for trading at fair value	<u>2,227,657</u>	<u>746,700</u>
<b>8. Trade and other payables</b>		
<i>Current</i>		
Greg and Delores Farrell Fund	12,500	10,000
Owing to related party	2,964	9,808
Other creditors and accruals	10,000	10,245
	<u>25,464</u>	<u>30,053</u>

SpineCare Foundation  
Notes to the financial statements (continued)  
For the year ended 30 June 2014

**9. Key management personnel**

**Transactions with key management personnel**

No key management personnel of the Company received any remuneration in respect of the services provided to the Company or had any transactions with the Company during the year.

**10. Non key management personnel disclosures**

**Directors**

There were no transactions with the Directors of the Company or their Director related entities during the year.

**Identity of related parties**

The Company has a related party relationship with its parent entity and with its key management personnel.

The immediate and ultimate parent entity of SpineCare Foundation is The Northcott Society, a company incorporated in New South Wales.

**Other related party transactions**

During the year, management, administrative and personnel services were provided by the controlling entity, The Northcott Society, for which fees of \$50,537 (2013: \$27,380) were charged based on the cost to The Northcott Society.

**11. Segment reporting**

SpineCare Foundation is engaged in raising funds for research into spinal injuries, disorders and related activities and operates wholly within New South Wales.

**12. Subsequent events**

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.

SpineCare Foundation  
Notes to the financial statements (continued)  
For the year ended 30 June 2014

**13. Fundraising appeals conducted during the financial year**

Fundraising appeals conducted during the financial year included direct mail appeals.

	2014		2013	
	\$		\$	
<b>i) Results of fundraising appeals</b>				
Gross proceeds from fundraising appeals	25,812		24,520	
Less: Direct costs of fundraising appeals	-		-	
Net surplus obtained from fundraising appeals	<u>25,812</u>		<u>24,520</u>	
<b>ii) Application of net surplus obtained from fundraising appeals</b>				
Direct client services	17,500		20,000	
Recurrent administration expenses	<u>161,119</u>		<u>41,496</u>	
	<u>178,619</u>		<u>61,496</u>	
<b>iii) The difference between the surplus available from fundraising appeals and the total expenditure was provided from the following sources:</b>				
Investment income	209,168		206,981	
Other revenue	<u>1,545</u>		<u>3,045</u>	
	210,713		210,026	
Transfer (to)/ from general accumulated funds	<u>(57,906)</u>		<u>(173,050)</u>	
	<u>152,807</u>		<u>36,976</u>	
<b>iv) Comparisons of certain monetary figures and percentages</b>				
	2014	2014	2013	2013
	\$	%	\$	%
Total cost of fundraising	-	-	-	-
Gross proceeds from fundraising	<u>25,812</u>		<u>24,520</u>	
Net surplus from fundraising	25,812	100	24,520	100
Gross proceeds from fundraising	<u>25,812</u>		<u>24,520</u>	
Total costs of services	17,500	10	20,000	33
Total expenditure	<u>178,619</u>		<u>61,496</u>	
Total costs of services	17,500	7	20,000	9
Total income received	<u>236,526</u>		<u>234,546</u>	

SpineCare Foundation  
Directors' declaration in respect of the fundraising appeals

I, Kerry Stubbs, Director of SpineCare Foundation declare in my opinion:

- a) the financial report gives a true and fair view of all income and expenditure of SpineCare Foundation with respect to fundraising appeal activities for the financial year ended 30 June 2014;
- b) the Statement of Financial Position gives a true and fair view of the state of affairs of SpineCare Foundation with respect to fundraising appeal activities as at 30 June 2014;
- 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 2014; and
- d) the internal controls exercised by SpineCare Foundation are appropriate and effective in accounting for all income received and applied by SpineCare Foundation from any of its fundraising appeals.

Dated at Sydney this 11 September 2014.



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Kerry Stubbs  
Director

## SpineCare Foundation Directors' declaration

In the opinion of the directors of SpineCare Foundation ("the Company"):

- (a) the Company is not publicly accountable;
- (b) the financial statements and notes set out on pages 4 to 13 are in accordance with the Australian Charities and Not-For-Profits Commission Act 2012, including:
  - (i) giving a true and fair view of the financial position of the Company as at 30 June 2014 and of its performance, as represented by the results of its operations and its cash flows for the financial year ended on that date; and
  - (ii) complying with the Australian Accounting Standards – Reduced Disclosure Requirements and the Australian Charities and Not-For-Profits Commission Act 2012; and
- (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Dated at Sydney this 11 September 2014.



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Kerry Stubbs  
*Director*





**Auditor's Independence Declaration under subdivision 60-C section 60-40 of Australian Charities and Not-for-profits Commission Act 2012**

To: the directors of SpineCare Foundation

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2014 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Tony Nimac  
*Partner*

Sydney

11 September 2014



## **Independent auditor's report to the members of SpineCare Foundation**

### **Report on the financial report**

We have audited the accompanying financial report of SpineCare Foundation ("the Company"), which comprises the statement of financial position as at 30 June 2014, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, notes 1 to 13 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Company.

This audit report has also been prepared for the members of the Company in pursuant to *Australian Charities and Not-for-profits Commission Act 2012* and the *Australian Charities and Not-for-profits Commission Regulation 2013* (ACNC) and Section 24(2) of the Charitable Fundraising (NSW) Act 1991 and Regulations.

#### *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, the ACNC, the Act and Regulations. The Directors' responsibility also includes such internal control as the Directors determine necessary to enable the preparation of the financial report that gives a true and fair view 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 Company's preparation of the financial report that gives 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 Company'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 performed the procedures to assess whether in all material respects the financial report gives a true and fair view, in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, and the ACNC, a true and fair view which is consistent with our understanding of the Company's financial position and of its performance.

In addition, our audit report has also been prepared for the members of the Company to meet the requirements of the Act and Regulations. Accordingly, we have performed additional work beyond that which is performed in our capacity as auditors pursuant to the ACNC. 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 Act 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, prepayments, 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.

## Independent auditor's report to the members of SpineCare Foundation (continued)

### *Independence*

In conducting our audit, we have complied with the independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012*. We confirm that the independence declaration required by the *Australian Charities and Not-for-profits Commission Act 2012*, which has been given to the directors of SpineCare Foundation on 11 September 2014, would be in the same terms if given to the directors as at the time of this auditor's report.

### *Auditor's opinion*

In our opinion, the financial report of SpineCare Foundation is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Regulation 2013*.

## NSW – Reporting under Charitable Fundraising (NSW) Act 1991

### *Audit opinion pursuant to the Charitable Fundraising Act (NSW) 1991*

In our opinion:

- (a) the financial report gives a true and fair view of the SpineCare Foundation's result of fundraising appeal activities for the financial year ended 30 June 2014;
- (b) the financial report has been properly drawn up, and the associated records have been properly kept for the period from 1 July 2013 to 30 June 2014, in accordance with the *Charitable Fundraising Act (NSW) 1991* and Regulations;
- (c) money received as a result of fundraising appeal activities conducted during the period from 1 July 2013 to 30 June 2014 has been properly accounted for and applied in accordance with the *Charitable Fundraising Act (NSW) 1991* and Regulations; and
- (d) there are reasonable grounds to believe that SpineCare Foundation will be able to pay its debts as and when they fall due.



KPMG



Tony Nimac  
Partner  
Sydney  
16 September 2014