

INDIGO FOUNDATION INC

ABN 81 765 707 413

COMMITTEE'S REPORT

Your committee members submit the financial report of Indigo Foundation Inc for the financial year ended 30 June 2013.

Committee Members

The names of committee members throughout the year and at the date of this report are:

Sally Stevenson	Lucinda Wilson
Susan Engels	Ron Switzer
Cressida Hall	Alice Martin
Deborah Raphael	Ralph Rawlinson
Phillip Strickland	Moksha Watts

Principal Activities

The principal activities of the association during the financial year were providing relief to people in developing countries.

Significant Changes

No significant change in the nature of these activities occurred during the year.

Operating Result

The deficit for the 2013 financial year amounted to \$16,897.

Signed in accordance with a resolution of the members of the committee.



.....
Sally Stevenson (Chairperson)



.....
Ron Switzer (Treasurer)

Dated this 17th day of November 2013

INDIGO FOUNDATION INC

ABN 81 765 707 413

INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 \$	2012 \$
INCOME			
Contributions (members)		175.00	925.00
Administration Fees	4	90.50	635.00
Donations received	4	172,306.85	190,840.32
Fundraising activities		69,601.97	56,003.40
Interest		1,543.03	2,974.12
		<u>243,717.35</u>	<u>251,377.84</u>
EXPENDITURE			
Fundraising Costs		31,503.69	32,862.23
Community Development Support		153,838.37	136,875.98
Audit fees		3,595.45	-
Bank charges		737.53	867.69
Give Now Fees		332.89	413.32
University of Wollongong Prizes		500.00	500.00
Postage and mail box costs		1,595.01	1,108.72
Printing and stationery		2,124.83	2,670.25
Advertising and promotion		-	1,073.75
Administration expenses		5,486.98	4,096.74
Communications		1,145.06	864.47
Insurance		2,713.48	2,697.18
Consultants Fees		57,041.00	54,964.00
		<u>260,614.29</u>	<u>238,994.33</u>
Current year surplus / (deficit)		<u>(16,896.94)</u>	<u>12,383.51</u>
RETAINED SURPLUS AT THE BEGINNING OF THE FINANCIAL YEAR		104,476.80	92,093.29
RETAINED SURPLUS AT THE END OF THE FINANCIAL YEAR		<u>87,579.86</u>	<u>104,476.80</u>

The accompanying notes form part of these financial statements.

INDIGO FOUNDATION INC
 ABN 81 765 707 413
 BALANCE SHEET AS AT 30 JUNE 2013

	Note	2013 \$	2012 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	2	46,625.74	84,480.08
Accounts receivable and other debtors	3	59,373.50	20,011.12
Stock on hand		1,901.10	-
Deposits paid		1,020.00	-
Prepayments		150.00	-
TOTAL CURRENT ASSETS		<u>109,070.34</u>	<u>104,491.20</u>
TOTAL ASSETS		<u>109,070.34</u>	<u>104,491.20</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and other payables		21,490.48	14.40
TOTAL CURRENT LIABILITIES		<u>21,490.48</u>	<u>14.40</u>
TOTAL LIABILITIES		<u>21,490.48</u>	<u>14.40</u>
NET ASSETS		<u>87,579.86</u>	<u>104,476.80</u>
MEMBERS' FUNDS			
Retained surplus		87,579.86	104,476.80
TOTAL MEMBERS' FUNDS		<u>87,579.86</u>	<u>104,476.80</u>

The accompanying notes form part of these financial statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are special purpose financial statements prepared in order to satisfy the financial reporting requirements of the *Associations Incorporation Act 2009* (NSW). The committee has determined that the association is not a reporting entity.

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

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

a. Income Tax

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

The entity has been granted deductible gift recipient status in accordance with Division 30 *Income Tax Assessment Act 1997*.

b. Cash and Cash Equivalents

Cash on hand includes cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

c. Accounts Receivable and Other Debtors

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from donors. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

d. Revenue and Other Income

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

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

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

If conditions are attached to the grant that must be satisfied before the association is eligible to receive the contribution, recognition of the grant as revenue will be deferred until those conditions are satisfied.

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

e. 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 Taxation 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 assets and liabilities statement.

f. Accounts Payable and Other Payables

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the association during the reporting period that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

INDIGO FOUNDATION INC

ABN 81 765 707 413

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

	2013	2012
	\$	\$
NOTE 2: CASH AND CASH EQUIVALENTS		
Cash at bank – restricted	37,018.50	79,013.93
Cash at bank – unrestricted	9,607.24	5,466.15
Total cash and cash equivalents	<u>46,625.74</u>	<u>84,480.08</u>

The restricted cash at bank represents the Relief Funds held by the Foundation that must be applied for the organisation's purpose as part of the entity's Deductible Gift Recipient Status.

The unrestricted funds represent cash at bank derived from fundraising activities to which no tax deductible receipt has been issued.

NOTE 3: ACCOUNTS RECEIVABLE AND OTHER DEBTORS

Donations receivable	21,020.55	19,692.94
GST refundable	1,257.39	-
Other debtors	37,095.56	318.18
	<u>59,373.50</u>	<u>20,011.12</u>

NOTE 4: THREE FOR ALL FOUNDATION UNINCORPORATED

Donations received – Three For All Foundation Unincorporated	1,719.50	12,065.00
Administration fees retained	90.50	635.00
	<u>1,810.00</u>	<u>12,700.00</u>

The Indigo Foundation Inc. entered into a memorandum of understanding with an unincorporated association known as the Three For All Foundation. Donations have been collected for this Foundation and will be applied for projects that meet the requirements of community development as per Indigo Foundation's constitution.

To date the Indigo Foundation has received donations totalling \$14,510 relating to the Three For All Foundation. These amounts have been recorded as donations in the financial statements when received as the donors have been issued with tax deductible receipts.

As per the memorandum of understanding the Indigo Foundation has retained 5% of the donations as an administration fee charged to the Three For All Foundation. The administration fee charged for 2013 was \$90.50 (2012: \$635.00).

On the 17th June 2013 the Three For All Foundation requested that funds be advanced from the donations received on their behalf totalling \$10,222 for international community development activities in Indonesia, Uganda and the Philippines. These funds were not advanced until the 8th July 2013.

INDIGO FOUNDATION INC
ABN 81 765 707 413
STATEMENT BY MEMBERS OF THE COMMITTEE
FOR THE YEAR ENDED 30 JUNE 2013

The committee has determined that the Indigo Foundation Inc is not a reporting entity and as such the Balance Sheet and Income and Expenditure Statement have been prepared in accordance with the accounting policies appropriate to meet the needs of the members of the Indigo Foundation Inc.

The financial report has been prepared on the basis of the financial reporting requirements of a Tier 2 association under Regulation 9 of the *Associations Incorporation Regulation 2010*.

In the opinion of the Committee the financial report:

1. Presents fairly the financial position of the Indigo Foundation Inc as at 30 June 2013 and its performance for the year ended on that date in accordance with the requirements of the Associations Incorporations Act (NSW) and other mandatory professional reporting requirements.
2. At the date of this statement, there are reasonable grounds to believe that the Indigo Foundation Inc will be able to its debts as and when they fall due.
3. The accounts give a true and fair view of all the income and expenditure with respect to fundraising appeals.
4. The Balance Sheet gives a true and fair view of the state of affairs with respect to fund raising appeals.
5. The Indigo Foundation Inc has no mortgages, charges and other securities affecting any property owned by the incorporated association.
6. The provisions of the *Charitable Fundraising Act 1991* and Regulations under the Act and the conditions attached to the fundraising authority have been complied with.
7. The internal controls exercised by the organisation are appropriate and effective in accounting for all income received and applied by the organisation from any of its fund raising appeals.
8. The surplus derived by the Foundation for the year from fundraising appeals has been retained as cash to be applied against ongoing and future projects of the Foundation.

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

Dated this 17th day of November 2013


.....

Sally Stevenson (Chairperson)


.....

Ron Switzer (Treasurer)



**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
INDIGO FOUNDATION INC
ABN 81 765 707 413**

Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report, of the Indigo Foundation Inc, which comprises the Balance Sheet as at 30 June 2013, the Income & Expenditure Statement, accompanying notes and the Statement by Members of the Committee.

The Responsibility of Committee for the Financial Report

The committee of the association are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies used are appropriate to meet the financial reporting requirements of the Indigo Foundation Inc's constitution and are appropriate to meet the needs of the members. The committee's responsibility also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used are appropriate to meet the needs of the members. 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 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 association's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee, as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution to members for the purpose of fulfilling the committee's financial reporting under the Indigo Foundation Inc's constitution. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

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 Australian professional accounting bodies.

Auditor's Opinion

In our opinion, the financial report gives a true and fair view, in all material respects, of the financial position of Indigo Foundation Inc as of 30 June 2013 and of its financial performance for the year then ended in accordance with the accounting policies adopted by the committee.

Other Matter

Without qualification to our opinion we draw attention to the fact that for organisations of this type, it is not practicable to maintain an effective system of internal control over donations, subscriptions and other fund raising activities until their initial entry in the accounting records. Accordingly, our audit in relation to fundraising activities was limited to amounts recorded.

Report on Other Legal and Regulatory Requirements

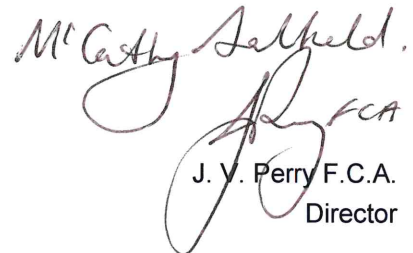
In accordance with the *Charitable Fundraising Act 1991* the Indigo Foundation Inc must meet the following requirements:

- The accounts and associated records must be properly kept in accordance with the Act and the regulations;
- Money received as a result of fundraising appeals conducted during the year must be properly accounted for and applied in accordance with this Act and the regulations; and
- The incorporated association must remain solvent.

In our opinion the committee of the Indigo Foundation Inc has satisfied their obligations as required under the *Charitable Fundraising Act 1991* and *Charitable Fundraising Regulation 2008*.

Dated in North Parramatta on 17th Day of November 2013

McCARTHY SALKELD
CHARTERED ACCOUNTANTS


J. V. Perry F.C.A.
Director

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North Parramatta NSW 2151