

**Inspire Foundation**  
**ABN 27 075 428 787**  
**Annual Financial Report**  
**30 June 2011**

## **Directors' Report for the year ended 30 June 2011**

The directors present their report together with the financial report of Inspire Foundation for the year ended 30 June 2011 and the auditor's report thereon.

### **Directors**

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

#### ***Mark Mentha – Chairman and Director – appointed 30 January 2004, resigned 30 June 2011***

Mark Mentha is Founder and Partner of KordaMentha and one of Australia's leading specialists in business recovery and structuring. Prior to founding KordaMentha in 2002, Mark enjoyed a 22-year career with Andersen. Mark has served as Chairman since November 2006.

#### ***John Doumani – Director – appointed 14 September 2005***

John Doumani is Managing Director of Fonterra Australasia and Former President of Campbell's/Arnott's International. Prior to this he was Managing Director of Meadow Lea Foods and was with Johnson & Johnson for 13 years, during which time he held many senior roles in Australia, UK, Italy and the US, culminating in the role of Managing Director of Johnson and Johnson Pacific.

#### ***Paul Gilding – Director – appointed 14 November 1996, resigned 7 June 2011***

Paul Gilding is Founding Partner of Ecos Corporation, CEO of Easy Being Green and former Global Head of Greenpeace International. Paul is a founding Director of the Inspire Foundation and served as Chairman from January 2003 and November 2006.

#### ***David Gold – Director – appointed 10 April 2000***

David Gold is Chairman of Simply Sold Pty Ltd and has been an active entrepreneur in the technology space working with or founding companies such as Looksmart, dstore and Azure Wireless.

#### ***Jack Heath – Director – appointed 14 November 1996***

Jack Heath is the Founder of the Inspire Foundation. Prior to this, Jack worked in Government, including as a speechwriter to Federal Ministers and a Senior Advisor to Prime Minister Keating. He was awarded a Centenary medal for 'services to the community' in 2003 and received the Equity Trustees National Non-Profit CEO Award for Innovation in 2004. He was a NSW Finalist in the Australian of the Year Awards in 2005, and was the 2007 Ernst & Young Eastern Region Social Entrepreneur of the Year.

## **Directors' Report (continued) for the year ended 30 June 2011**

### ***Jan Owen – Director – appointed 8 October 2003***

Jan Owen is the Chief Executive Officer of the Foundation for Young Australians (FYA). Prior to joining FYA she was Executive Director of Social Ventures Australia (SVA) and Founder and inaugural Chief Executive of the CREATE Foundation. She is the author of *Every Childhood Lasts a Lifetime* (1996). She also serves on the Board of Social Firm Australia and the International Board of Advisors of the Medical Knowledge Foundation.

### ***Marty Gauvin – Director – appointed 10 November 2008, appointed Chairman 30 June 2011***

Marty Gauvin is an entrepreneur who has founded a range of high technology companies. Between 1999 and 2009 he was the managing director of Hostworks, a provider of critical application management services to a range of large media and online clients. For the past nine years Marty has also been involved in the assessment and structure of a range of Commonwealth Government Innovation programs. In recent times this has included roles in the review of the National Innovation System and membership of the committee administering venture capital programs. This combination of working in and on innovation means that Marty can provide a unique perspective on ways to foster, develop and reinforce innovation. Since leaving Hostworks Marty is pursuing new ventures in Cloud Computing and Data Centre consulting.

### ***Matt O'Connor – Director – appointed 5 August 2009***

Matt O'Connor is a recent graduate of a Bachelor of Psychological Science and the youngest ever Director of the Inspire Foundation. Matt has been involved with Inspire for several years as a Youth Ambassador and has participated in a range of activities including a 3 week road trip to speak about Reach Out, presentations to schools, professionals and the public and interviews with both print and radio. He is extremely passionate about mental health promotion and the role of education as a preventative strategy for assisting young people's mental health and well-being.

### ***Elizabeth Shaw – Director – appointed 15 December 2009***

Elizabeth Shaw - After serving as the Chair of the City of Perth Youth Advisory Council and leading several other youth organisations, Beth was selected to be Australia's 2008 Youth Representative to the United Nations. Beth spent 5 months travelling around the country consulting with over 5,000 young people before presenting her findings at the UN General Assembly in New York. Beth currently works as a solicitor at the State Solicitor's Office in Perth and is the Chair of Young UNIFEM Australia's Perth Chapter, which is focused on engaging young people in gender and development issues.

## Directors' Report (continued) for the year ended 30 June 2011

### Meetings of directors

During the financial year, 4 meetings of directors were held. The number of meetings attended by each of the directors in the year ended 30 June 2011 was:

Name of Director	Number eligible	Number attended
M Mentha	4	4
J Doumani	4	3
D Gold	4	3
P Gilding	4	2
J Heath	4	3
J Owen	4	4
M Gauvin	4	3
M O'Connor	4	3
E Shaw	4	4

### Principal activities

The principal activity of the company during the financial year was as a charitable company dedicated to the promotion of national healing with a specific brief on youth suicide prevention via the use of electronic media.

### Operating results

The operating surplus for the year amounted to \$73,159 (2010: \$98,081).

### Review of operations

Inspire continued to deliver on its mission of helping young people lead happier lives. In the previous twelve months we had a greater focus on our core service ReachOut.com, and through this, helped over 500,000 young people nationally. We also undertook a significant scoping study to identify how ReachOut.com could reach more young people not currently receiving help. This identified a need to further develop the ReachOut.com website, an activity we plan on undertaking in the coming year. Inspire led a successful bid to establish a Cooperative research centre in young people, technology and wellbeing that will be operational next year. Research emerging from this centre will enable us to develop new services in coming years that will help more young people. Our overall financial position improved. Through successful fundraising initiatives we were able to increase the investment in the organisation this financial year and raised funds that will enable us to increase investment in the coming year as well.

## **Directors' Report (continued) for the year ended 30 June 2011**

### **State of affairs**

The company was incorporated on 14 November 1996 as New Australia Foundation and changed its name to the Inspire Foundation effective 3 March 1998. The company has been granted the status of a charitable company and is licensed to collect money or goods for a charitable purpose.

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.

### **Environmental regulation**

The company's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation.

### **Events subsequent to balance 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 nature likely, in the opinion of the directors of Inspire Foundation, to affect significantly the operations of the company, the results of those operations, or the state of affairs of the company, in subsequent financial years.

### **Likely developments**

Inspire Foundation will continue to pursue its charitable goals in helping members of the community during the next financial year.

### **Indemnification**

During the financial year Inspire Foundation has paid premiums in respect of directors' and officers' liability and legal expenses insurance contracts for the year ended 30 June 2011. Such insurance contracts insure against certain liability (subject to specific exclusions) persons who are or have been directors or executive officers of the company. The directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of directors' and officers' liability and legal expenses' insurance contracts, as such disclosure is prohibited under the terms of the contract.

### **Director's emoluments**

During the year ended 30 June 2011, the company did not pay any emoluments to the directors. In 2010, one director, Mr Jack Heath, received \$163,250.

### **Directors' benefits**

Since the end of the previous financial year no director of the company has received or has become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by directors shown in the financial report, or the fixed salary of a full-time employee of the company or of a related body corporate) by reason of

**Directors' Report (continued)**  
**for the year ended 30 June 2011**

a contract made by the company or a related body corporate with a director or with a firm of which the director is a member, or with an entity in which the director has a substantial financial interest, except as disclosed in note 14 to the financial report.

**Audit independence**

The lead auditor's independence declaration is set out on page 5 and forms part of the Directors' report for the year ended 30 June 2011.

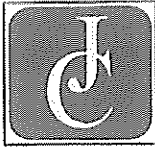
Dated at Sydney this 21st day of November 2011.

Signed in accordance with a resolution of directors:



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Marty Gauvin, Chairman and Director



JACOBY CAMERON & CO.  
CHARTERED ACCOUNTANTS

INSPIRE FOUNDATION  
A.B.N. 27 075 428 787

AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF INSPIRE FOUNDATION

*I declare that, to the best of my knowledge and belief, during the year ended 30 June 2011 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.*

*Jacob Cameron*  
JACOBY CAMERON & CO  
Chartered Accountants

*Grant Thomson*  
Grant Thomson

Date: 21<sup>st</sup> November 2011

Level 4  
255 Castlereagh Street  
SYDNEY NSW 2000

**Statement of Comprehensive Income  
for the year ended 30 June 2011**

	Note	2011 \$	2010 \$
Revenue	4	4,416,843	4,133,195
Employee expenses	5	(2,636,755)	(2,717,320)
Marketing and Fundraising expenses		(264,016)	(134,697)
Administration expenses		(233,752)	(216,466)
Travel expenses	5	(178,152)	(150,987)
Design & delivery of services	5	(857,960)	(657,427)
Premises expenses		(183,543)	(191,287)
Depreciation expenses	5	(44,657)	(53,664)
Total expenses		<u>(4,398,835)</u>	<u>(4,121,848)</u>
<b>Surplus / (Deficit) from operating activities</b>		<b>18,008</b>	<b>11,347</b>
Financial income	4	117,655	88,776
Interest expense and Foreign Exchange losses	22	(62,504)	(2,042)
<b>Total Comprehensive Income for the year</b>	<b>5</b>	<u><b>73,159</b></u>	<u><b>98,081</b></u>

The income statement is to be read in conjunction with the notes to the financial statements set out on pages 12 to 24.



**Statement of changes in Equity  
for the year ended 30 June 2011**

	Note	2011 \$	2010 \$
<b>Net income recognised directly in accumulated funds</b>		<b>1,104,625</b>	<b>1,006,839</b>
Operating surplus for the year	5	<u>73,159</u>	<u>98,081</u>
Prior year adjustment			
- Administration expenses		0	(170)
- Marketing and Fundraising expenses		<u>0</u>	<u>(125)</u>
Prior Year adjustment	13	<u>0</u>	<u>(295)</u>
<b>Total recognised income and expense for the year</b>	13	<u><b>1,177,784</b></u>	<u><b>1,104,625</b></u>

The operating surplus for the year is the only change in equity for the current year.

The income statement is to be read in conjunction with the notes to the financial statements set out on pages 12 to 24.

**Balance Sheet  
as at 30 June 2011**

		2011 \$	2010 \$
<b>Current assets</b>			
Cash and cash equivalents	7	2,389,407	2,780,695
Trade and other receivables	8	763,571	391,038
<b>Total current assets</b>		<u>3,152,978</u>	<u>3,171,733</u>
<b>Non-current assets</b>			
Plant and equipment	9	79,736	118,029
<b>Total non-current assets</b>		<u>79,736</u>	<u>118,029</u>
<b>Total assets</b>		<u>3,232,714</u>	<u>3,289,762</u>
<b>Current liabilities</b>			
Trade and other payables	10	348,994	174,456
Unspent project grants	20	1,463,923	1,794,554
Employee benefits	11	214,712	180,651
<b>Total current liabilities</b>		<u>2,027,629</u>	<u>2,149,661</u>
<b>Non current liabilities</b>			
Employee benefits	11	26,201	34,376
Provisions	12	1,100	1,100
<b>Total non-current liabilities</b>		<u>27,301</u>	<u>35,476</u>
<b>Total liabilities</b>		<u>2,054,930</u>	<u>2,185,137</u>
<b>Net assets</b>		<u>1,177,784</u>	<u>1,104,625</u>
<b>Accumulated funds</b>			
Accumulated surplus	13	1,177,784	1,104,625
<b>Total accumulated funds</b>		<u>1,177,784</u>	<u>1,104,625</u>

The income statement is to be read in conjunction with the notes to the financial statements set out on pages 12 to 24.

**Statement of Cash Flows  
for the year ended 30 June 2011**

	Note	2011 \$	2010 \$
<b>Cash flows from operating activities</b>			
Cash receipts from customers		4,093,774	4,230,497
Cash payments to suppliers and employees		(4,596,353)	(3,661,011)
Interest received		117,655	88,776
		<u>117,655</u>	<u>88,776</u>
<b>Net cash provided by operating activities</b>	16	<u>(384,924)</u>	<u>658,262</u>
<b>Cash flows from investing activities</b>			
Acquisition of plant and equipment		(6,364)	(28,432)
		<u>(6,364)</u>	<u>(28,432)</u>
<b>Net cash used in investing activities</b>		<u>(6,364)</u>	<u>(28,432)</u>
<b>Net increase in cash held</b>		<b>(391,288)</b>	<b>629,830</b>
<b>Cash at the beginning of the year</b>		<u>2,780,695</u>	<u>2,150,865</u>
<b>Cash at the end of the year</b>		<u>2,389,407</u>	<u>2,780,695</u>

The income statement is to be read in conjunction with the notes to the financial statements set out on pages 12 to 24.

## **Notes to the financial statements for the year ended 30 June 2011**

### **1 Reporting entity**

Inspire Foundation (the 'Foundation') is a company limited by guarantee and does not have share capital. The Foundation is domiciled in Australia and its registered office is 97 Church St, Camperdown NSW 2050. The Foundation is a charitable company dedicated to the promotion of national healing with a specific brief on youth suicide prevention via the use of electronic media.

### **2 Basis of preparation**

#### **(a) Statement of compliance**

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards ("AASBs") (including Australia Interpretations) adopted by the Australian Accounting Standards Board ("AASB") and the Corporations Act 2001. The financial report of the Company complies with the International Financial Reporting Standards (IFRSs) and interpretations adopted by the International Accounting Standards Board.

The financial statements were approved by the Board of Directors on 21<sup>st</sup> November 2011.

#### **(b) Basis of preparation**

The financial report is prepared on the historical cost basis.

#### **(c) Functional and presentation currency**

The financial report is presented in Australian dollars, which is the foundation's functional currency.

#### **(d) Use of estimates and judgements**

The preparation of a financial report requires management to make judgements, estimates and assumptions that affect the application of accounting 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. In particular we draw your attention to Note 20 – Operating Lease Commitments.

### **3 Significant accounting policies**

The accounting policies set out below have been consistently applied to all periods presented in the financial report.

#### **(a) Financial instruments**

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

## Notes to the financial statements for the year ended 30 June 2011

### 3 Significant accounting policies (continued)

#### (a) Financial instruments (continued)

These 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.

A financial instrument is recognised if the Foundation becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Foundation's contractual rights to the cash flows from the financial assets expire or if the Foundation transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date i.e., the date that the Foundation commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Foundation's obligations specified in the contract expire or are discharged or cancelled.

Cash and cash equivalents comprise cash balances and term deposits.

#### (b) Plant and equipment

##### *Owned assets*

Items of plant and equipment are stated at cost less accumulated depreciation and impairment losses (see accounting policy (c)). Cost includes expenditures that are directly attributable to the acquisition of the asset.

Where parts of an item of plant and equipment have different useful lives, they are accounted for as separate items of plant and equipment.

##### *Leased assets*

Leases in terms of which the company assumes substantially all the risks and rewards of ownership are classified as finance leases. Other leases are classified as operating leases. Lease payments are accounted for as described in accounting policy (e).

##### *Subsequent costs*

The company recognises in the carrying amount of an item of plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to the company and the cost of the item can be measured reliably. All other costs are recognised in the income statement as an expense as incurred.

## Notes to the financial statements for the year ended 30 June 2011

### 3 Significant accounting policies (continued)

#### (b) Plant and equipment (continued)

##### *Depreciation*

Plant and equipment are valued at cost, and are depreciated at a rate between 10% and 33% on a straight-line basis over their estimated useful lives. Purchased items under \$1,000 are written off in the year they are purchased.

Depreciation rates were reviewed during the year. All substantial furniture items and leasehold improvements have been allocated a useful life of 10 years to reflect the intended lease term (5 years plus 5 year option). Some smaller items have been allocated with a useful life of 1 year and depreciated fully in the first year. No material impact noted.

Depreciation rates:

	2011	2010
Plant and equipment	10- 33%	10 – 33%
Computer equipment	33%	33%

The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal.

The residual value, the useful life and the depreciation method applied to an asset are reassessed at least annually.

#### (c) Impairment

The carrying amounts of the company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the income statement.

#### (d) Employee entitlements

##### *Wages, salaries, annual leave and sick leave*

Liabilities for employee benefits for wages, salaries, annual leave and sick leave that are expected to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided to reporting date, are calculated at undiscounted amounts based on remuneration wage and salary rates that the company expects to pay as at reporting date including related on-costs, such as workers compensation insurance and payroll tax.

## Notes to the financial statements for the year ended 30 June 2011

### 3 Significant accounting policies (continued)

#### (d) Employee entitlements (continued)

##### *Defined contribution superannuation funds*

Obligations for contributions to defined contribution superannuation funds are recognised as an expense in the income statement as incurred.

##### *Long-term service benefits*

The company's net obligation in respect of long-term service benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates, and is discounted using the rates attached to the Commonwealth Government bonds at the balance sheet date which have maturity dates approximating to the terms of the company's obligations.

#### (e) Revenue

Revenues are recognised at the fair value of the consideration received or receivable, net of the amount of goods and services tax (GST).

##### *Grant income*

Government and corporate grants are recorded as revenue when specific project goals are met and the grant is earned. Income from donations and appeals is recorded on a receipts basis.

##### *Donations in kind*

The company receives various pro-bono services and donations in kind. Revenue has not been brought to account in the financial statements for services as management are unable to reasonably estimate the value of these donations and services. Revenue has been brought to account in the financial statements for contributed assets as management are able to reasonably estimate the fair value of these assets.

##### *Unspent project grants*

The company receives grants and funding for specific projects in advance of expenditure. The company records specific project expenditure against these grants and recognises any unspent portion as a liability.

##### *Net financing income*

Net financing income is comprised of interest receivable on funds invested. Interest income is recognised in the income statement as it accrues, using the effective interest method.

## Notes to the financial statements for the year ended 30 June 2011

### 3 Significant accounting policies (continued)

#### (f) Expenses

##### *Operating lease payments*

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern of the benefit. Lease incentives received are recognised in the income statement as an integral part of the total lease expense and spread over the lease term.

#### (g) Income tax

The company is a registered charity and is exempt from income tax in accordance with section 50.5 of the Income Tax Assessment Act 1997. It is also exempt from fringe benefits, sales and capital gains taxes and state payroll tax.

#### (h) Goods and services tax

Receipts, 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 Australian Taxation Office (ATO). 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 are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO 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.

GST amount receivable or payable to ATO are classified as operating cash flows

### 4 Revenue from ordinary activities

Revenue derived from donations was increased through the successful application for funds from several new Trusts and Foundations, and the engagement of philanthropic major donors in our strategic push to tackle the high rates of suicide and mental illness amongst young men. A re-classification of what constitutes revenue derived from "Sponsorships" also led to the allocation of some corporate donations under "Donations".

Revenue derived from Consulting was reduced in line with a reduction in staff time spent on Consulting activities.

Additional revenue was derived from an additional one-off Government Grant made by DoHA.



**Notes to the financial statements  
for the year ended 30 June 2011**

	2011 \$	2010 \$
<b>4 Revenue from ordinary activities</b>		
Donations	2,148,412	1,684,409
Government Grants	2,067,001	1,706,022
Consulting	86,983	486,340
Sponsorships	0	29,959
Fundraising Events	51,053	177,875
Merchandising	16,236	1,523
Sundry Income	47,158	47,067
	<u>4,416,843</u>	<u>4,133,195</u>
Net financial income	<u>117,655</u>	<u>88,776</u>
<b>Total revenue from ordinary activities</b>	<u><b>4,534,497</b></u>	<u><b>4,221,971</b></u>
<b>5 Total Comprehensive income from ordinary activities</b>		
<i>(a) Operating surplus from ordinary activities has been arrived at after charging the following items:</i>		
Design & delivery of services	857,960	657,427
Operating lease rental expense	150,371	155,500
Depreciation of plant and equipment	44,657	53,664
Donated assets by Inspire to community centres	-	-
Amounts set aside to provision for employee entitlements	(28,952)	4,297

This information is presented in accordance with the Charitable Fundraising Act 1991 and Regulations.

**Notes to the financial statements  
for the year ended 30 June 2011**

	2011 \$	2010 \$
<b>5 Total Comprehensive income from ordinary activities (continued)</b>		
<i>(b) Results of fundraising appeals</i>		
Gross donations from fundraising appeals	2,199,465	1,892,243
Less: direct costs of fundraising appeals	<u>(171,367)</u>	<u>(21,532)</u>
<b>Net surplus obtained from fundraising appeals</b>	<b>2,028,098</b>	<b>1,870,711</b>
Application of net surplus obtained from fundraising appeals		
Communication costs	-	-
Employee costs (excluding consulting)	(2,636,754)	(2,717,320)
Design & delivery of services (excl. Consulting)	(312,082)	(163,497)
Marketing & Awareness	(69,269)	(83,433)
Consulting	(492,262)	(493,875)
Travel	(178,152)	(150,987)
Youth Activities	(89,556)	(37,905)
Other administration expenses	<u>(511,897)</u>	<u>(455,341)</u>
	<u>(4,289,972)</u>	<u>(4,102,359)</u>
<b>Net (deficit)/surplus</b>	<b>(2,261,874)</b>	<b>(2,231,648)</b>
The net surplus of \$73,159 (2010: \$98,081) between the net surplus obtained from fundraising appeals and total expenditure was funded from the following sources		
Consultancies	86,983	486,340
Government grants	2,067,001	1,706,022
Interest received	117,655	88,776
Merchandise	16,236	1,523
Sundry income	<u>47,158</u>	<u>47,068</u>
	<u>2,335,033</u>	<u>2,329,729</u>
<b>Operating surplus</b>	<b>73,159</b>	<b>98,081</b>

Total expenses of \$4,461,339 for 2011 include direct costs of fundraising of \$171,367 and other costs of \$4,289,972 (2010: \$21,532 and \$4,102,359).

**Notes to the financial statements  
for the year ended 30 June 2011**

	2011 \$	2011 %	2010 \$	2010 %
<i>(c) Comparisons of certain monetary figures and percentages</i>				
Direct cost of fundraising / Gross income from fundraising (excluding government grants)	86,344 2,199,465	3.93	23,371 1,892,243	1.24
Net surplus obtained from fundraising/ Gross income from fundraising (excluding government grants)	2,113,121 2,199,465	96.07	1,868,872 1,892,243	98.76
Total cost of services provided (including employee costs)/ Total expenditure	4,374,995 4,461,339	98.06	4,102,359 4,123,891	99.48
Total cost of services provided (including employee costs)/ Total income received	4,374,995 4,534,498	96.48	4,102,359 4,221,972	97.17

**6 Fundraising activities conducted during the year**

Various fundraising activities were conducted during the year as well as generally receiving unsolicited donations.

**7 Cash and cash equivalents**

Cash at bank	950,610	1,239,247
Term deposits	<u>1,438,797</u>	<u>1,541,448</u>
	<u>2,389,407</u>	<u>2,780,695</u>

**Notes to the financial statements  
for the year ended 30 June 2011**

	2011 \$	2010 \$
<b>8 Trade and other receivables</b>		
a) Trade and other receivables		
Receivables	751,071	276,685
Prepayments	12,500	114,353
	<u>763,571</u>	<u>391,038</u>
b) Past due but not impaired		
30 to 60 days	1,000	116,288
61 to 90 days	15,000	-
Over 90 days	15,000	31,760
Total past due but not impaired trade debtors	<u>31,000</u>	<u>148,048</u>

Trade receivables are non-interest bearing and are generally on 30 day terms. An allowance for doubtful debts is made when there is no objective evidence that a trade receivable is impaired.

**9 Plant and equipment**

Plant and equipment – at cost	309,156	306,763
Donated plant & equipment – at fair value	212,158	212,158
Less: accumulated depreciation	(441,578)	(400,892)
	<u>79,736</u>	<u>118,029</u>

***Reconciliation – Plant and equipment***

*Cost and fair value*

Balance at 1 July	518,921	501,444
Acquisitions	6,364	29,130
Disposals	(3,971)	(11,653)
Balance at 30 June	<u>521,314</u>	<u>518,921</u>

*Depreciation*

Balance at 1 July	(400,892)	(358,871)
Current year depreciation	(44,657)	(52,976)
Impairment loss	-	-
Less: Disposals	3,971	10,955
Balance at 30 June	<u>(441,578)</u>	<u>(400,892)</u>

*Written down value*

At 1 July	118,029	142,573
At 30 June	<u>79,736</u>	<u>118,029</u>

**Notes to the financial statements  
for the year ended 30 June 2011**

	2011	2010
<b>10 Trade and other payables</b>		
GST	37,630	9,194
PAYGW	45,003	89,649
Trade creditors	191,517	30,155
Accruals	46,484	18,214
Other creditors	28,360	27,244
	<u>348,994</u>	<u>174,456</u>
<b>11 Employee benefits</b>		
<i>Current</i>		
Annual Leave	100,851	128,207
Fringe Benefits	-	977
Long Service Leave	58,046	51,467
Superannuation	55,815	-
<i>Total provisions – Current</i>	<u>214,712</u>	<u>180,651</u>
<i>Non-Current</i>		
Long service leave	26,201	34,376
<i>Total provisions – Non-Current</i>	<u>26,201</u>	<u>34,376</u>
<b>12 Site Restoration</b>		
Make Good (Premises)	1,100	1,100
<b>13 Accumulated surplus</b>		
Accumulated surplus at beginning of the year	1,104,625	1,006,839
Prior year adjustment		-
- Administration expenses		(170)
- Marketing and fundraising expenses		(125)
Total Prior year adjustment	<u>-</u>	<u>(295)</u>
Total Comprehensive income for the year	<u>73,159</u>	<u>98,081</u>
Accumulated surplus at end of the year	<u>1,177,784</u>	<u>1,104,625</u>

## Notes to the financial statements for the year ended 30 June 2011

### 14 Related party information

#### *Key management personnel remuneration*

The key management personnel compensation included in personnel expenses are as follows:

	2011	2010
\$		
Fixed compensation	168,595	297,833
Short term	-	-
Long term	-	-
	<u>168,595</u>	<u>297,833</u>

There are no bonus payments.

Income of key management personnel comprises amounts paid or payable to directors and executive officers domiciled in Australia, directly or indirectly by the Foundation or any related party in connection with the management of the affairs of the company whether as key management personnel or otherwise.

### 15 Financial instruments

The company's financial assets and liabilities included in current assets and liabilities in the balance sheet are carried at amounts that approximate fair values. These include cash, receivables and creditors and accrued expenses.

The main risks arising from the company's financial instruments are market risk (in the form of interest rate risk) and credit risk.

#### **(a) Interest rate risk**

The company's only exposure to interest rate risk is on cash with an average interest rate of 5.73% (2010: 4.65%). Risk is mitigated through using fixed rate term deposits for all cash not needed for operating. All other financial assets and liabilities are not interest bearing.

#### **(b) Credit risk exposure**

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted. The only source of credit risk is found in the trade receivables balance. Refer to Note 8 for details on trade receivables that are past due but not impaired.

**Notes to the financial statements  
for the year ended 30 June 2011**

<b>16 Reconciliation of Cash Flows</b>	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
<i>Reconciliation of cash flows from operating activities</i>		
<b>Operating surplus</b>	<b>73,159</b>	<b>98,081</b>
Adjustments for:		
Depreciation	44,657	52,976
	<hr/>	<hr/>
<b>Operating surplus before changes in assets / liabilities</b>	<b>117,816</b>	<b>151,057</b>
	<hr/>	<hr/>
(Increase)/Decrease in trade and other receivables	(372,532)	(9,700)
Increase/(Decrease) in trade and other creditors	174,537	14,274
Increase/(Decrease) in unspent project grants	(330,631)	499,039
Increase/(Decrease) employee benefits	25,886	3,592
<b>Net cash provided by operating activities</b>	<b>(384,924)</b>	<b>658,262</b>
	<hr/>	<hr/>

*Financing facilities*

The company does not have any financing facilities.

**17 Members' guarantee**

The company is limited by guarantee. If the company is wound up, the Articles of Association state that each member is required to contribute a maximum of \$10 each towards the meeting of any outstanding obligations of the company. At 30 June 2011, the number of members was 5 (2010: 5).

**18 Auditors' remuneration**

Jacoby Cameron & Co, the auditors of the company, charged a fee of \$13,000 (2010: \$11,000) during the period. Jacoby Cameron & Co fees are rendered on a significantly discounted basis.

**19 Financial reporting by segments**

The company operates predominantly in one industry in Australia being the provision of charitable services to the community.

**20 Unspent Project Grants**

During the course of each financial year donations and grants are made to fund activities that will be executed over the course of two or more financial years. In instances where these funds are tied to the activities of future years, they are listed under 'Unspent project grants'.

**Notes to the financial statements  
for the year ended 30 June 2011**

**21 Operating lease commitments**

Operating leases include premises and telephone system.

	<b>2011</b>	<b>2010</b>
	\$	\$
Less than one year	98,820	150,000
Between one and five years	327,040	37,500
More than five years	-	--
	<u>          </u>	<u>          </u>
		<b>187,500</b>

In September 2011 Inspire signed a new lease for three years plus an option for three years.

**22 Interest Expense and Foreign Exchange Losses**

**Interest Expense**

During the year ended 30 June 2011 Inspire incurred interest charges totalling \$4,786 on the ANZ corporate credit card accounts.

A further interest charge of \$2,779 was paid to the Australian Taxation Office for the late payment of a number of BAS and PAYG statements. The charges for the 2009-10 year were \$2,042.

**Foreign Exchange Losses**

In the 2011 financial year Inspire closed the Euro currency bank account. The account held a balance of Euro 124,512.24 which was valued at AUD\$216,794.42 in the accounts of Inspire. In December 2010 when the bank account was closed the Euro to Australian Dollar exchange rate had deteriorated considerably and the balance of the account was converted to only AUD\$161,851.35, providing an exchange loss of AUD\$54,934.83.

A minor foreign exchange loss of AUD\$4.67 was made on the payment of a Trade Receivable.

	<b>2011</b>	<b>2010</b>
	\$	\$
Interest on corporate credit cards	(4,786)	-
Interest to ATO	(2,779)	(2,042)
Exchange loss on closure of Euro account	(54,939)	-
	<u>          </u>	<u>          </u>
	<b>(62,504)</b>	<b>(2,042)</b>



## Directors' declaration

In the opinion of the directors of the company:

- 1 The financial statements and notes, set out on pages 6 to 22 are in accordance with the Corporations Act 2001, including:
  - a. giving a true and fair view of the financial position of the company as at 30 June 2011 and of the performance, as represented by the results of its operations and its cash flows, for the year ended on that date; and
  - b. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;
- 2 There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.
- 3 The financial report gives a true and fair view of all income and expenditure of Inspire Foundation with respect to fundraising appeal activities for the financial year ended 30 June 2011.
- 4 The balance sheet gives a true and fair view of the state of affairs with respect to fundraising appeal activities as at 30 June 2011.
- 5 The provisions of the NSW Charitable Fundraising Act 1991 and Regulations and the conditions attached to the authority/licence have been complied with for the financial year ended 30 June 2011; and
- 6 The internal controls exercised by Inspire Foundation are appropriate and effective in accounting for all income received and applied from any fundraising appeals.

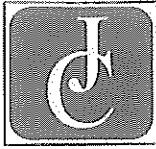
Dated at Sydney this 21st day of November 2011.

Signed in accordance with a resolution of the directors.



Marty Gauvin

*Director*



# JACOBY CAMERON & CO.

CHARTERED ACCOUNTANTS

## **Independent Auditor's Report To the members of Inspire Foundation**

We have audited the accompanying financial report of Inspire Foundation, which comprises the balance sheet as at 30 June 2011, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

### **Directors' Responsibility for the Financial Report**

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls 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. 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 accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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 accounting records and data relied upon for reporting on fundraising appeal activities are not continuously audited nor necessarily reflect after the event accounting adjustments and normal year end financial adjustments for such matters as accruals, prepayments, provisions 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.

**Auditor's Opinions**  
**Opinion Pursuant to the Corporations Act 2001**

In our opinion the financial report of Inspire Foundation is in accordance with the Corporations Act 2001, including:

- a) giving a true and fair view of the company's financial position as at 30 June 2011 and of its performance for the year ended on that date; and
- b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

The financial report also complies with International Financial Reporting Standards as disclosed in Note 2

**Opinion Pursuant to the Charitable Fundraising (NSW) Act 1991**

In our opinion:

- 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 2011
- b) The financial report has been properly drawn up, and the associated records have been properly kept for the period from 1 July 2009 to 30 June 2011, 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 from 1 July 2010 to 30 June 2011 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 Inspire Foundation will be able to pay its debts as and when they fall due.

  
**JACOBY CAMERON & CO**

  
**Grant Thomson (Partner)**

Dated 21<sup>st</sup> November 2011

**255 CASTLEREAGH STREET**  
**SYDNEY NSW 2000**