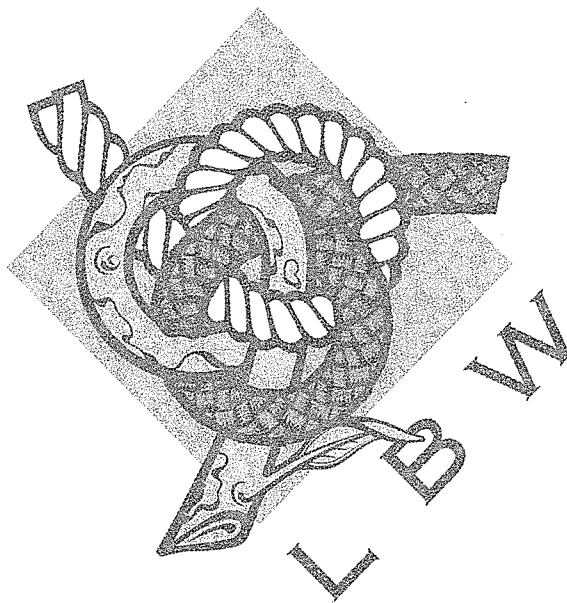


**NSW Therapeutic Advisory
Group Inc**

30 June 2017



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❖ **Financial Statements**

LBW & PARTNERS
Chartered Accountants & Business Advisers

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NSW Therapeutic Advisory Group Inc

ABN: 82 707 308 091

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Management Committee's Report For the Year Ended 30 June 2017

Your committee members submit the financial report of the Association for the financial year ended 30 June 2017.

1. Committee members

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

Professor Christopher Liddle	Chair
Professor Sarah Hilmer	Vice Chair
Professor Andrew McLachlan	Secretary
Ms Terry Melocco	Treasurer
Ms Rosemary Burke	
Professor Jo-anne Brien	
A/Professor Madlen Gazarian	

Principal activities

The principal activity of the Association during the financial year was to promote quality use of medicines by sharing unbiased evidence-based information about drug therapy.

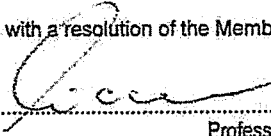
Significant changes


No significant change in the nature of the activity occurred during the year.

2. Operating result

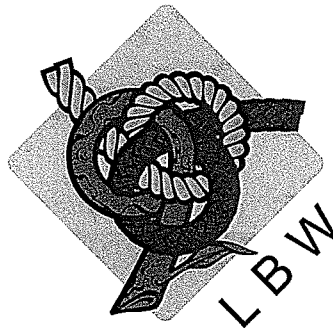
The surplus of the Association for the financial year amounted to \$ 45,193 (2016: \$ 3,067). The Association is exempt from income tax.

Signed in accordance with a resolution of the Members of the Management Committee:

Chair: 
Professor Christopher Liddle

Treasurer: 
Ms Terry Melocco

Dated this 16th day of October, 2017



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Chartered Accountants & Business Advisers
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Partners
Rupa Dharmasiri
Alan M Perrott
George P Rochios
Mark W Willock

NSW Therapeutic Advisory Group Inc

ABN: 82 707 308 091

Auditors Independence Declaration under the Australian Charities and Not-for-Profit Commission Act 2012 to the Management Committee of NSW Therapeutic Advisory Group Inc

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2017, there have been:

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

Rupaninga Dharmasiri

Partner

LBW & Partners

Level 3, 845 Pacific Highway

CHATSWOOD NSW 2067

Dated this 16th day of October 2017



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Statement of Profit or Loss

For the Year Ended 30 June 2017

		2017	2016
	Note	\$	\$
Income			
Operating grants	3	711,714	631,051
Interest received		5,140	8,103
Membership fees		1,375	1,375
		<u>718,229</u>	<u>640,529</u>
Expenditure			
Accounting fees		10,159	-
Auditors remuneration		5,500	6,200
Bank charges		60	76
Conference/Seminar costs		5,713	-
Consulting fees		25,000	114
Computer expenses		-	846
Depreciation expense		326	95
Equipment costs		-	1,409
Functions and Catering		251	557
Insurance		6,449	7,735
Internet/website		-	493
Leave pay provision		2,992	15,528
Legal expenses		-	1,200
Office expenses		1,476	371
Printing and stationery		1,851	2,958
Rent		30,440	33,208
Recruitment costs		570	649
Training expenses		2,009	12,492
Salaries		511,408	481,300
Storage costs		961	728
Sundry expenses		541	600
Superannuation contributions		48,181	45,724
Teleconferencing costs		2,602	3,204
Travelling expenses		14,975	20,124
Workers compensation		1,572	1,851
		<u>673,036</u>	<u>637,462</u>
Surplus before income taxes		45,193	3,067
Income tax expense	2(c)	-	-
Surplus after income tax		45,193	3,067
Retained profit at the beginning of the financial year		282,620	279,553
Retained profits at the end of the financial year		<u><u>327,813</u></u>	<u><u>282,620</u></u>

Assets and liabilities statement

As At 30 June 2017

		2017	2016
	Note	\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	207,392	381,730
Trade and other receivables	5	186,102	79,824
Other financial assets	6	109,789	106,840
Prepayments		5,614	-
TOTAL CURRENT ASSETS		<u>508,897</u>	<u>568,394</u>
NON-CURRENT ASSETS			
Plant and equipment	7	6,872	872
Website		30,000	-
TOTAL NON-CURRENT ASSETS		<u>36,872</u>	<u>872</u>
TOTAL ASSETS		<u>545,769</u>	<u>569,266</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	14,406	42,963
Employee benefits	9	27,118	29,833
Deferred income		163,187	203,596
TOTAL CURRENT LIABILITIES		<u>204,711</u>	<u>276,392</u>
NON-CURRENT LIABILITIES			
Employee benefits	9	13,245	10,254
TOTAL NON-CURRENT LIABILITIES		<u>13,245</u>	<u>10,254</u>
TOTAL LIABILITIES		<u>217,956</u>	<u>286,646</u>
NET ASSETS		<u>327,813</u>	<u>282,620</u>
MEMBERS' FUNDS			
Retained profits		327,813	282,620
TOTAL MEMBERS' FUND		<u>327,813</u>	<u>282,620</u>

Statement of Cash Flows
For the Year Ended 30 June 2017

	2017	2016
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from grants and membership	566,402	588,046
Payments to suppliers and employees	(706,605)	(597,354)
Interest received	5,140	8,103
Net cash used in operating activities	12 <u>(135,063)</u>	<u>(1,205)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(6,326)	-
Website development costs	(30,000)	-
Purchase of financial assets	(2,949)	(3,126)
Net cash used in investing activities	<u>(39,275)</u>	<u>(3,126)</u>
Net decrease in cash and cash equivalents held	(174,338)	(4,331)
Cash and cash equivalents at beginning of year	381,730	386,061
Cash and cash equivalents at end of financial year	4 <u><u>207,392</u></u>	<u><u>381,730</u></u>

Notes to the Financial Statements

For the Year Ended 30 June 2017

The financial statements cover NSW Therapeutic Advisory Group Inc as an individual entity. NSW Therapeutic Advisory Group Inc is a not-for-profit Association incorporated in New South Wales under the *Associations Incorporation Act (NSW) 2009 and Associations Incorporation Regulation (NSW) 2010* ('the Act'). The Association is registered with the Australian Charities and Not-for-Profit Commission (ACNC) as a charity.

The principal activities of the Association for the year ended 30 June 2017 was to promote quality use of medicines by sharing unbiased evidence-based information about drug therapy.

The functional and presentation currency of NSW Therapeutic Advisory Group Inc is Australian dollars.

The financial report was authorised for issue by the Management Committee on 16 October 2017.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

In the opinion of the Committee of Management, the Association is not a reporting entity since there are unlikely to exist users of the financial statements who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs. These special purpose financial statements have been prepared to meet the reporting requirements of the Act. and the *Australian Charities and Not-for-Profit Commission Act 2012*.

The financial statements have been prepared on an accruals basis and are based on historical 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.

2 Summary of Significant Accounting Policies

(a) Economic dependence

NSW Therapeutic Advisory Group Inc derives a significant portion of its revenue from the NSW Health. During the year ended 30 June 2017, approximately 76% (2016: 80%) of the Association's grant revenue were sourced from the NSW Health. Committee members have no reason to believe that the NSW Health will not continue to provide funding to the Association.

(b) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Association and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

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

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating.

Interest is recognised using the effective interest method.

Other income is recognised on an accruals basis when the Association is entitled to it.

(c) Income tax

The Association is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(d) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Notes to the Financial Statements

For the Year Ended 30 June 2017

2 Summary of Significant Accounting Policies

(e) Trade and other receivables

Trade and other receivables include amounts due from members and third parties. 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.

For trade and other receivables a separate allowance account is used to reduce the carrying amount of receivables impaired by credit loss. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired receivables is reduced directly if no impairment amount was previously recognised in the allowance account.

(f) Website costs

The website costs have a finite life and is carried at cost until development is complete. Once development is complete it is carried at cost less any accumulated amortisation and impairment losses. It has an estimated useful life of three years.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of the website costs, from the date that they are available for use.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(g) Employee benefits

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. Changes in the measurement of the liability are recognised in profit or loss.

(h) Deferred income

The Association receives grants to fund projects either for contracted periods of time or for specific projects irrespective of the period of time required to complete those projects. It is the policy of the Association to treat grants as unexpended grants in the balance sheet where the Association is contractually obliged to provide the services in a subsequent financial period to when the grants are received or in the case of specific project grants where the projects have not been completed.

(i) Goods and Services Tax (GST)

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 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 payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

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

Notes to the Financial Statements

For the Year Ended 30 June 2017

2 Summary of Significant Accounting Policies

(j) Leases

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred. The lease is not recognised in the statement of financial position.

3 Revenue

	2017	2016
	\$	\$
Operating grants		
NSW Health Funding		
- Core funding	259,043	325,081
- eMM project funding	283,476	179,072
Total NSW Health Funding	<u>542,519</u>	<u>504,153</u>
- DUE consultancy	71,924	19,671
- NPS CATAG	97,271	107,227
Total operating grant income	<u><u>711,714</u></u>	<u><u>631,051</u></u>

4 Cash and Cash Equivalents

	2017	2016
	\$	\$
Cash at bank and in hand	<u><u>207,392</u></u>	<u><u>381,730</u></u>

Reconciliation of cash

Cash and Cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:

Cash and cash equivalents	<u><u>207,392</u></u>	<u><u>381,730</u></u>
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Notes to the Financial Statements

For the Year Ended 30 June 2017

5 Trade and Other Receivables

	2017	2016
	\$	\$
CURRENT		
Trade receivables	185,702	79,424
Provision for impairment of receivables	-	-
Total trade receivables	<u>185,702</u>	<u>79,424</u>
Other receivables	400	400
Total current trade and other receivables	<u><u>186,102</u></u>	<u><u>79,824</u></u>

6 Other Financial Assets

	2017	2016
	\$	\$
Term deposit	109,789	106,840
	<u><u>109,789</u></u>	<u><u>106,840</u></u>

7 Property, Plant and Equipment

	2017	2016
	\$	\$
Furniture, fixtures and fittings		
At cost	6,820	6,820
Accumulated depreciation	(6,820)	(6,820)
Total furniture, fixtures and fittings	<u>-</u>	<u>-</u>
Office equipment		
At cost	8,689	6,545
Accumulated depreciation	(5,999)	(5,673)
Total office equipment	<u>2,690</u>	<u>872</u>
Computer equipment		
At cost	20,555	16,373
Accumulated depreciation	(16,373)	(16,373)
Total computer equipment	<u>4,182</u>	<u>-</u>
Total property, plant and equipment	<u><u>6,872</u></u>	<u><u>872</u></u>

Notes to the Financial Statements

For the Year Ended 30 June 2017

8 Trade and Other Payables

	2017	2016
	\$	\$
CURRENT		
Unsecured liabilities		
Trade payables	-	12,791
GST payable	9,410	4,329
Other payable	4,996	25,843
	<u>14,406</u>	<u>42,963</u>

9 Employee Benefits

	2017	2016
	\$	\$
CURRENT		
Provision for annual leave	<u>27,118</u>	<u>29,833</u>
NON-CURRENT		
Provision for long service leave	<u>13,245</u>	<u>10,254</u>

10 Capital and Leasing Commitments

(a) Operating leases

Non-cancelable operating leases contracted for but not capitalised in the financial statements.

	2017	2016
	\$	\$
Minimum lease payments under non-cancelable operating leases:		
- not later than one year	33,207	-
- between one year and five years	16,604	-
	<u>49,811</u>	<u>-</u>

Operating leases for premises at 26 Leichhardt Street Darlinghurst NSW expires on 31 December 2019

11 Contingencies

In the opinion of the Management Committee, the Association did not have any contingencies at 30 June 2017 (30 June 2016:None).

Notes to the Financial Statements

For the Year Ended 30 June 2017

12 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

	2017	2016
	\$	\$
Net surplus/(deficit) for the year	45,193	3,067
Cash flows excluded from surplus/(deficit) attributable to operating activities		
Non-cash flows in profit:		
- depreciation	326	95
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(106,278)	2,988
- (increase)/decrease in other assets	(5,614)	5,503
- increase/(decrease) in income in advance	(40,409)	(44,653)
- increase/(decrease) in trade and other payables	(28,557)	18,982
- increase/(decrease) in employee benefits	276	12,813
Cashflow from operations	<u>(135,063)</u>	<u>(1,205)</u>

13 Association Details

The registered office and place of business of the Association is:
 NSW Therapeutic Advisory Group Inc
 26 Leichhardt St
 DARLINGHURST NSW 2010

NSW Therapeutic Advisory Group Inc

ABN: 82 707 308 091

Statement by Members of the Management Committee

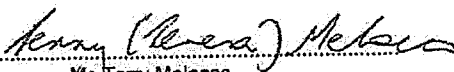
The committee has determined that the Association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 2 to the financial statements, Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* the *Associations Incorporation Act (NSW) 2009* and *Associations Incorporation Regulation (NSW) 2010*

In the opinion of the committee the financial report as set out on pages 3 to 11:

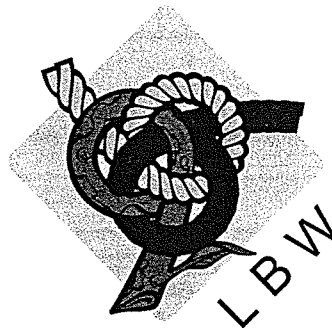
1. Presents fairly the financial position of NSW Therapeutic Advisory Group Inc as at 30 June 2017 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that NSW Therapeutic Advisory Group Inc will be able to pay its debts as and when they fall due.

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

Chair.....
Professor Christopher Liddle

Treasurer.....
Ms Terry Melocco

Dated this 14th day of October 2017

**LBW & Partners**

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Rupa Dharmasiri

Alan M Perrott

George P Rochios

Mark W Willock

NSW Therapeutic Advisory Group Inc

ABN: 82 707 308 091

Independent Audit Report to the members of NSW Therapeutic Advisory Group Inc**Report on the Audit of the Financial Report****Opinion**

We have audited the accompanying financial report, being a special purpose financial report of NSW Therapeutic Advisory Group Inc (the Association), which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and statement by members of the management committee.

In our opinion, the accompanying financial report of the Association for the year ended 30 June 2017 is prepared, in all material respects, in accordance with *Australian Charities and Not-for-profits Commission Act 2012*, the *Associations Incorporation Act (NSW) 2009* and *Associations Incorporation Regulation (NSW) 2010*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Association in accordance with the auditor independence requirements of the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 of the financial report, which describes the basis of accounting. The financial report is prepared to assist the Association in *Australian Charities and Not-for-profits Commission Act 2012*, the *Associations Incorporation Act (NSW) 2009* and *Associations Incorporation Regulation (NSW) 2010*. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the Association and should not be distributed to or used by parties other than the Association. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation and fair presentation of the financial report in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, *Associations Incorporation Act (NSW) 2009* and *Associations Incorporation Regulation (NSW) 2010*, and for such internal control as management determines is necessary to enable the preparation of the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

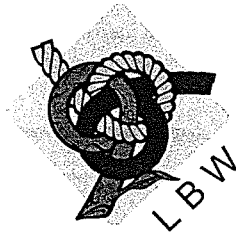
Those charged with governance are responsible for overseeing the Association's financial reporting process.



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Analysis
Interpretation
Planning



NSW Therapeutic Advisory Group Inc

ABN: 82 707 308 091

Independent Audit Report to the members of NSW Therapeutic Advisory Group Inc

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report

Rupaninga Dharmasiri

Partner LBW & Partners

Level 3, 845 Pacific Highway

CHATSWOOD NSW 2067

Dated this 17th day of October 2017