



Crowe Horwath™

NF AUSTRALIA

ABN 37 211 072 458

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

NF AUSTRALIA

ABN 37 211 072 458

Financial Report for the Year Ended 30 June 2011

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Directors' Report cont

Information on Directors

Hua Chu Chiu	Director until 04/12/2010 / Elected Chair 04/12/2010
Qualifications	
Experience	<p>13 years as Manufacturing, Supply & Operations Manager in an international engineering and sealing co. 13 years General Mgr in a seafood retail, wholesale & distribution co.</p> <ul style="list-style-type: none"> ▪ Elected President December 2010 ▪ Member strategic planning committee ▪ Member fund raising committee ▪ Member marketing & promotion committee ▪ Member of the Lisa Palmer Foundation
Bradley Dowling	Deputy Chair
Qualifications	
Experience	<p>Senior Community Educator for the Cerebral Palsy Alliance, formerly the Spastic Ctr, for 15 yrs. Has been involved in community based activities including coaching basketball for the Hornsby Ku-ring Gai Basketball Assoc.</p> <p>Strong involvement in promoting public awareness through television, radio, online and printed media.</p>
Rosa Pirreca	Secretary
Qualifications	
Experience	<p>Currently Personal Assistant to State Manager, Workcover</p> <p>16 years in a large organisation performing a variety of roles.</p> <p>Membership Committee, Fundraising Committee</p>
Catherine Strassberg	Treasurer and Public Officer
Qualifications	Qualified CPA
Experience	NFAA Committee Treasurer for 6 yrs. Presently Chair of Education Committee at Taronga Zoo, where she has been a member of various other committees
John Hughes	Director
Qualifications	B Commerce, UNSW. Fellow of the Australian Institute of Company Directors
Experience	Currently CEO and Managing Director of Thorn Group Ltd. Prior to that John was Managing Director of ASX listed Ruralco Holdings Limited until its merger with Tasmanian based Roberts Limited in 2006. Before this he was Managing Director of Thorn EMI Rentals Australasia. Prior to "Thorn" John was Managing Director of Dominos Pizza Australia and has over 25 yrs experience as a senior executive in a number of leading Australian and international companies including Sharp Corporation, Competitive Foods and Grace Bros.

Directors' Report cont

Maree Slater	Director: Appointed 04/12/2010
Qualifications	BA(Hons), MA,MBA, Dip Ind. Law & IR, Dip Ed
Experience	Maree is currently the Executive General Manager of Human Resources at Ausgrid. Maree has held senior executive roles in a range of public and private companies including Volvo Australia, Nine Network Australia and Tenix Pty Ltd. She is currently a Director on the Board of Bowel Cancer Australia.

Lorraine Bull	Director: Appointed 04/12/2010
Qualifications	
Experience	Lorraine is a retired Health Informationj Manager and has recently completed work as a Census Officer. She has been an active member of her local NF Support Group I n country Victoria for 15 yrs. She does voluntary work with U3A, a Nursing Home and Latrobe Valley Sustainability Group.

Geoff Bottom	Director: Appointed 04/12/2010
Qualifications	
Experience	Geoff has had a successful career in retail over the past 30 years and is currently Store Manager of Bernardi's Supa IGA in Blayney NSW. Geoff is actively involved with the Rotary Club of Australia and has received two of their highest awards, the Paul Harrison Award, and the Blue Sapphire Award for raising over \$10000.

Maria Foundas	Director: Resigned 01/11/2010
Qualifications	Advanced Certificate in Commerce & Certified Black Belt Sigma through JP Morgan
Experience	During her 18 years at JP Morgan Australia Maria served as Vice President, Business Planning Manager for Asia Pacific. Since her resignation from JP Morgan in 2008, Maria has undertaken a part time position at her husband's business, Robert Street Automotives, as bookkeeper. She also currently serves as a Procurement Consultant for Football Federation Australia, where she has been for almost 2 years. Maria has held the positions of Secretary and Treasurer for Patmos Brotherhood.

Michelle Jesberg	Director: Appointed 04/12/2010
Qualifications	
Experience	Michelle has an administrative background. Queensland based, Michelle has a special interest in promoting awareness of NF2

Directors' Report cont

Therese Kassab	Director: Appointed 04/12/2010
Qualifications	Registered Child Care Worker
Experience	Therese has been a child care worker through Family Day Care for the last 20 years. Therese is actively involved in promoting awareness of the rare condition NF2

Margaret Dingle	Chair until 04/12/10 Director: Resigned 27/06/11
Qualifications	
Experience	Margaret has an administrative background. Since her retirement from the full time workforce, Margaret has taken part in community based activities serving as Vice President and President.

Meetings of Directors

During the financial year, 10 meetings of directors were held. Attendances by each director were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Winston Chiu	10	10
Bradley Dowling	10	10
Rosa Pirreca	10	8
Catherine Strassberg	10	9
John Hughes	5	5
Lorraine Bull	5	5
Geoff Bottom	5	4
Michelle Jesberg	5	-
Maree Slater	5	4
Therese Kassab	5	1
Margaret Dingle	10	7
Maria Foundas	4	2

Members Guarantee

The company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$100 each towards meeting any outstanding obligations of the entity. At 30 June 2011, the total amount that members of the company are liable to contribute if the company is wound up is \$1100

Significant changes

On the 17 January 2011 NF Australia changed its entity status from being an Association under the Associations Incorporations Act (NSW) 1984 to a company limited by guarantee. The business activities and the corporate governance activities have not changed.

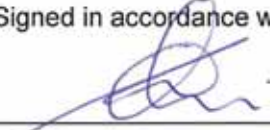
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Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2011 has been received and can be found on the following page.

Signed in accordance with a resolution of the Board of Directors.



HUA CHU CHIU (PRESIDENT)



JOHN HUGHES (DIRECTOR)

Dated this 25th day of October 2011

The Board of Directors
NF Australia
295 Pacific Highway
Lindfield NSW 2070

Dear Board Members

NF AUSTRALIA

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of NF Australia.

As lead audit principal for the audit of the financial statements of NF Australia for the financial year ended 30 June 2011, I declare that to the best of my knowledge and belief, that there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely



CROWE HORWATH SYDNEY



LEAH RUSSELL
Principal

Dated this 25th day of October 2011

NF AUSTRALIA

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Statement of Comprehensive Income for the year ended 30 June 2011

	NOTE	2011 \$	2010 \$
Revenue			
Donations		210,301	60,018
Gross proceeds from fundraising activities	2	210,301	60,018
Grants received – NSW Health Department	2	19,500	16,900
Activities – Camp	2	4,095	5,105
Membership subscriptions	2	5,170	4,735
Interest received	2	7,375	4,232
Miscellaneous Income	2	519	861
Total revenue		246,960	91,851
Expenditure			
Printing, postage and stationery	2	5,430	3,049
Depreciation	2	408	294
Insurance	2	6,360	5,456
Rent	2	1,143	1,254
Employment expenses	2	66,101	46,756
Camp for families	2	14,904	8,635
Publications	2	-	488
Promotion & Advertising	2	1,072	326
Subscription	2	245	195
Donations	2	1,175	812
Bank fees & interest	2	1,191	911
Telephone	2	2,637	2,258
Fundraising expenses	2	18,519	-
Computer expenses & Website	2	3,325	970
Sundry expenses	2	8,546	908
Bad debts expense	2	-	-
Total Expenditure	2	131,056	72,312

The accompanying notes form part of these financial statements

NF AUSTRALIA

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

	NOTE	2011 \$	2010 \$
Operating surplus/ (deficit) before income tax		115,904	19,539
Income tax expense	7	-	-
Surplus/(Deficit) for the year attributable to members of the entity		115,904	19,539
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		115,904	19,539
Total comprehensive income attributable to members of the entity		115,904	19,539

NF AUSTRALIA

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Statement of Financial Position as at 30 June 2011

	Note	2011 \$	2010 \$
Current Assets			
Cash & cash equivalents	8(a)	261,060	139,122
Prepayments	9	1,109	2,613
Trade and other receivables		1,183	2,470
Total current assets		<u>263,352</u>	<u>144,205</u>
Non current assets			
Plant and equipment	10	1,337	1,006
Total non current assets		<u>1,337</u>	<u>1,006</u>
Total assets		<u>264,689</u>	<u>145,211</u>
Current liabilities			
Trade and other payables	11	-	1,573
Provisions	12	9,840	4,693
Total current liabilities		<u>9,840</u>	<u>6,266</u>
Total Liabilities		<u>9,840</u>	<u>6,266</u>
Net assets		<u>254,849</u>	<u>138,945</u>
Accumulated Funds			
Balance brought forward from previous year		138,945	119,406
Surplus for the year		115,904	19,539
Total accumulated funds		<u>254,849</u>	<u>138,945</u>

The accompanying notes form part of these financial statements

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Statement of Changes in Equity for the year ended 30 June 2011

	Note	Retained earnings \$	Total \$
Balance at 1 July 2009		119,406	119,406
Profit attributable to members		19,539	19,539
Total other comprehensive income for the year		-	-
Balance at 30 June 2010		<u>138,945</u>	<u>138,945</u>
Profit attributable to members		115,904	115,904
Total other comprehensive income for the year		-	-
Balance at 30 June 2011		<u>254,849</u>	<u>254,849</u>

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Statement of Cash Flows for the year ended 30 June 2011

	NOTE	2011 \$	2010 \$
Cash Flows From Operating Activities			
Membership subscriptions		5,170	4,735
Donations and grants received		56,812	34,336
Interest received		7,816	3,123
Fundraising		178,449	47,701
Administration and other expenses paid		(125,569)	(78,351)
Net cash provided/ (used) by operating activities	8 (b)	122,678	11,544
Cash Flows from Investing Activities			
Payment for plant and equipment		(740)	(1,300)
Net cash used in investing activities		(740)	(1,300)
Net increase/ (decrease) in cash held		121,938	10,244
Cash at the beginning of the reporting period		139,122	128,878
Cash at the end of the reporting period	8(a)	261,060	139,122

Notes to the Financial Statements
for the year ended 30 June 2011

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The directors have prepared the financial statements on the basis that the company is a non-reporting entity because there are no users who are dependent on its general purpose financial statements. These financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the Corporations Act 2001.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the Corporations Act 2001 and the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with those of previous periods unless stated otherwise.

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The accounting policies that have been adopted in the preparation of the statements are as follows:

The financial statements were authorised for issue on 18 October 2011 by the directors of the company.

Accounting Policies

(a) Revenue

Grant revenue is recognised in the statement of comprehensive income when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised as it accrues using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

Membership income is recognised on an accrual basis in the financial period.

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

(b) Property, Plant & Equipment

Each class of property plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and any impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and any impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of replacement cost and subsequent disposal.

Plant and equipment that have been contributed at no cost, or for nominal cost, are valued and recognised at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT

(b) Property, Plant & Equipment continued

Depreciation cont

The depreciation rates used for each class of depreciable assets are:

Plant and equipment	33.33%
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The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised immediately in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(c) Impairment of Assets

At the end of each reporting period, the entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and depreciated replacement cost, is compared to the asset's carrying value.

Any excess of the asset's carrying value over its recoverable amount is recognised immediately in the statement of comprehensive income.

Where an impairment loss on a revalued asset is identified, this is debited against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

(d) Employee Benefits

Provision is made for the company'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 settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the entity to an employee superannuation fund and are charged as expenses when incurred.

(e) Cash and Cash Equivalents

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

(f) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised inclusive of the amount of goods and services tax as the entity is not required to be registered for GST.

(g) Income Tax

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT

(h) Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(i) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

(j) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (ie trade date accounting is adopted). Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period. (All other loans and receivables are classified as non-current assets.)

(ii) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying value of the financial liability, which is extinguished or transferred to another party, and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT

(k) Comparative Figures

Where required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

When an entity applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period must be disclosed.

(l) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available information. Estimates assume a reasonable expectation of future events.

Key estimates

Impairment

The company assesses impairment at the end of each reporting period by evaluating conditions and events specific to the company that may be indicative of impairment triggers.

(m) Change in Status

On the 17 January 2011 NF Australia changed its entity status from being an Association under the Associations Incorporations Act (NSW) 1984 to a company limited by guarantee.

(n) New Accounting Standards for Application in Future Periods

The Australian Accounting Standards Board has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods and which the company has decided not to early adopt. The company does not expect these requirements to have any material effect on the Company's financial statements.

Notes to the Financial Statements
for the year ended 30 June 2011

NOTE 2 STATEMENT SHOWING HOW FUNDS RAISED WERE APPLIED TO CHARITABLE PURPOSES

	2011	2010
	\$	\$

Gross income from fundraising	210,301	60,018
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This was then applied to the charitable purposes in the following manner:

Printing, postage and stationery	5,430	3,049
Depreciation	408	294
Insurance	6,360	5,456
Rent	1,143	1,254
Employment expenses	66,101	46,756
Camp for families	14,904	8,635
Publications	-	488
Promotion & Advertising	1,072	326
Subscription	245	195
Donations	1,175	812
Bank fees & interest	1,191	911
Telephone/ Internet	2,637	2,258
Fundraising expenses	18,519	-
Computer expenses & Website	3,325	970
Sundry expenses	8,546	908
Bad debts expense	-	-
Total Expenditure	131,056	72,312

The shortfall in the prior year between fundraising appeals and total expenditure was provided from the following sources:

Government Grant (NB: allowed to be applied at the company's discretion)	19,500	16,900
Activities – Camp	4,095	5,105
Membership fees	5,170	4,735
Interest received	7,375	4,232
Other Income	519	861
Total income from other sources	36,659	31,833

Notes to the Financial Statements
for the year ended 30 June 2011

NOTE 3 FUNDRAISING APPEALS CONDUCTED DURING THE PERIOD

A fundraising event was held at the Sydney Fish-markets, a fundraising dinner was held, a Kiama fun run fundraising event was held and fundraising events were held on behalf of Radio Rentals and Victoria Racing.

NOTE 4 INFORMATION AND DECLARATIONS TO BE FURNISHED UNDER THE CHARITABLE FUNDRAISING ACT 1991

(a) Direct costs

The main form of fundraising revenue was from camping activities, fish-market campaign, treadmill marathon and a fundraising dinner. There were some direct costs in relation to these activities undertaken during the year. The company supports its members through providing information both over the phone and in newsletters.

NOTE 5 COMPARISON BY CERTAIN MONETARY FIGURES AND PERCENTAGES

Comparisons	2011	2011	2010
	\$	%	%
Total cost of fundraising / gross income from fundraising	33,423 /177,820	19%	20%
Net surplus from fundraising / gross income from fundraising	144,396 /177,820	81%	80%
Total cost of services net of fundraising activities / total expenditure	97,633 /131,056	74%	88%
Total costs of services net of Fundraising expenses / total income received	97,633 /246,960	40%	70%

NOTE 6 KEY MANAGEMENT PERSONNEL REMUNERATION

During the year, no amounts were paid by way of remuneration to key management personnel. The key management personnel were the directors of NF Australia.

NOTE 7 INCOME TAX

The Company has been granted exemption from income tax as it is a Public Benevolent Institution.

Notes to the Financial Statements
for the year ended 30 June 2011

NOTE 8 NOTES TO THE STATEMENT OF CASH FLOWS

	2011	2010
	\$	\$

(a) Reconciliation of Cash

For the purposes of the statement of cash flows, cash at the end of the reporting period as shown in the statement of cash flows is reconciled to the related items in the financial statements as follows:

Cash at Bank	156,363	44,131
Term deposits	104,597	94,891
Cash on hand	100	100
	<u>261,060</u>	<u>139,122</u>

(b) Reconciliation of net cash flow from operating activities to operating surplus

Operating (deficit) surplus	115,904	19,539
Depreciation	408	294
(Decrease)/increase in payables	(1,573)	499
(Decrease)/increase in provisions	5,148	(6,243)
Decrease/(increase) in prepayments	1,504	(590)
Decrease/(increase) in debtors	1,287	(1,955)
	<u>122,678</u>	<u>11,544</u>

NOTE 9 PREPAYMENTS

	2011	2010
	\$	\$
Deposit – Annual Camp	200	1,200
Insurance prepayments	909	1,413
	<u>1,109</u>	<u>2,613</u>

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Notes to the Financial Statements for the year ended 30 June 2011

NOTE 10 PLANT AND EQUIPMENT

	2011	2010
	\$	\$
Office furniture, computer and other equipment	9,528	8,788
Less: Accumulated depreciation	(8,191)	(7,782)
	<u>1,337</u>	<u>1,006</u>

NOTE 11 TRADE & OTHER PAYABLES

	2011	2010
	\$	\$
Superannuation payables	-	130
Salaries payable	-	1,443
	<u>-</u>	<u>1,573</u>

NOTE 12 PROVISIONS

	2011	2010
	\$	\$
Annual leave	8,785	4,417
Research grant	1,055	276
	<u>9,840</u>	<u>4,693</u>

NOTE 13 EVENTS SUBSEQUENT TO REPORTING DATE

There are no material post balance date events or transactions which would affect the financial position and performance of the company.

NOTE 14 TRUST LIABILITIES AND RIGHT OF INDEMNITY

The Company acts as trustee of Lisa Palmer Foundation Trust. No liabilities have been incurred on behalf of that trust in the company's capacity as corporate trustee.

Liabilities incurred on behalf of the trust are not recognised in the financial report when it is not probable that the company will have to meet any of those trust liabilities from its own resources. When it is probable that the Company will have to meet some trust liabilities, the offsetting right of indemnity and deficiency in the indemnity are disclosed by way of note to the financial statements.

The assets of the trust, which lie behind the right of indemnity, are not directly available to meet any liabilities of the company acting in its own right. The assets of the trust were sufficient to discharge all liabilities of the trust at 30 June 2011.

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**Notes to the Financial Statements
for the year ended 30 June 2011**

NOTE 15 COMPANY DETAILS

The Principal place of business and registered office of the Company is:

NF Australia

Suite 2, Level 1

84 Victoria Road

Drummoyne NSW 2047

NF AUSTRALIA

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Declaration by Directors

We directors of NF Australia declare that in our opinion:

- (a) The financial statements give a true and fair view of all income and expenditure of NF Australia with respect to fundraising appeals for the financial year ended 30 June 2011.
- (b) The Statement of Financial Position gives a true and fair view of the state of affairs with respect to fundraising appeal activities as at 30 June 2011.
- (c) The provisions of the Charitable Fundraising Act 1991 and the Regulations under that Act and the conditions attached to the authority to fundraise have been complied with during the year ended 30 June 2011.
- (d) As is common for associations of this type, it is not practicable to maintain an effective system of internal controls over donations, subscriptions and other fund raising activities until their initial entry in the accounting records.

This statement is made in accordance with a resolution of the Board of Directors and is signed on behalf of the directors by:



HUA CHU CHIU (PRESIDENT)



JOHN HUGHES (DIRECTOR)

Dated this 25th day of October 2011

NF AUSTRALIA

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Directors' Declaration

The directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The directors of the company declare that:

1. The financial statements and notes, as set out on pages *7 to 21*, are in accordance with the Corporations Act 2001 and:
 - a. comply with Accounting Standards; and
 - b. give a true and fair view of the financial position as at 30 June 2011 and of the performance for the year ended on that date in accordance with the accounting policies described in Note 1 of the financial statements.
2. In the directors' opinion 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 accounts give a true and fair view of all income and expenditure with respect to fundraising appeals.

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



HUA CHU CHIU (PRESIDENT)



JOHN HUGHES (DIRECTOR)

Dated this *25th* day of *October* 2011

Independent Auditor's Report to the members of NF Australia

We have audited the accompanying financial report, being a special purpose financial report of NF Australia, which comprises the statement of financial position as at 30 June 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the the Australian Accounting Standards and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that 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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 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 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.

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 the Corporations Act 2001.

Qualification

As is common for organisations of this type, it is not practicable for NF Australia to maintain an effective system of internal control over donations and other fund raising activities until their initial entry in the accounting records. Accordingly, our audit in relation to fund-raising was limited to the amounts recorded.

Opinion

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the limitation discussed in the qualification paragraph not existed, the financial report of NF Australia 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 to the extent described in Note 1 and the Corporations Regulations 2001.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the Corporations Act 2001. As a result, the financial report may not be suitable for another purpose.

Yours sincerely

CROWE HORWATH SYDNEY

Crowe Horwath Sydney
Leah Russell

LEAH RUSSELL

Principal

Dated this *25th* day of *October* 2011

Audit Opinion Pursuant to the Charitable Fundraising Act 1991

In our opinion:

- (a) the financial statements give a true and fair view of the financial result of fundraising appeal activities for the financial year ended 30 June 2011;
- (b) the financial statements have been properly drawn up and the associated records have been properly kept for the year ended 30 June 2011, in accordance with the Charitable Fundraising Act 1991 and Regulations;
- (c) money received by NF Australia as a result of fundraising appeal activities conducted during the year ended 30 June 2011 has been properly accounted for and applied in accordance with the Charitable Fundraising Act 1991 and Regulations;
- (d) money received by NF Australia for a specific purpose has been applied for the purpose that they have been raised;
- (e) money received and sent overseas has been properly accounted for and those funds were used in meeting the society's charitable objective; and
- (f) there are reasonable grounds to believe that NF Australia will be able to pay its debts as and when they fall due.

Yours sincerely

CROWE HORWATH SYDNEY

Crowe Horwath Sydney
L Russell

LEAH RUSSELL

Principal

Dated this *25th* day of *October* 2011