

Lung Foundation Australia

ABN: 36 051 131 901

Financial Report

For the year ended 30 June 2024

Lung Foundation Australia

ABN 36 051 131 901

Table of Contents

Directors' Report	2
Auditor's Independence Declaration	8
Statement of Profit or Loss and Other Comprehensive Income	9
Statement of Financial Position	10
Statement of Changes in Equity	11
Statement of Cash Flows	12
Notes to the Financial Statements	13
Directors' Declaration	33
Independent Auditor's Report	34

Lung Foundation Australia

ABN 36 051 131 901

Directors' Report

Your directors present their report on the Foundation, Lung Foundation Australia, for the twelve months ended 30 June 2024.

Directors

The following persons were directors of Lung Foundation Australia at any time during the year and up to the date of signing this report.

- Professor Lucy Morgan
- Mr Andrew Churchill
- Ms Angela Ratcliffe
- Professor Christine Jenkins AM
- Dr David Michail
- Ms Kathleen Cummings (Resigned on 15 December 2023)
- Professor Martin Phillips
- Ms Melissa Le Mesurier
- Professor Paul Reynolds
- Mr Robert Estcourt AM
- Professor Sarath Ranganathan

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Information on Directors

Professor Lucy Morgan

Qualifications

Experience

Special responsibilities

Chair (Non-Executive)

B.Med PhD, FRACP FThorSoc (2024)

Past-President of NSW TSANZ Branch (2017-2019)

Director of Research for Nepean Lung Cancer Group Previous member of the National Council

Board Member of Lung Foundation Australia since September 2019

Inaugural Chair of Australasian Bronchiectasis Consortium

Clinical lead for Australian Bronchiectasis Registry

Mr Andrew Churchill

Qualifications

Experience

Special responsibilities

Deputy Chair (Director)

FCA

Member and Treasurer of The Australian Lung Foundation Inc. National Council since March 2010

Founding Board Member of Lung Foundation Australia

Member of the Remuneration Sub-committee, Chair of the Finance, Audit, Risk Management Sub-committee

Member of the Investment Advisory Sub-committee

Lung Foundation Australia

ABN 36 051 131 901

Directors' Report (Continued)

Ms Angela Ratcliffe	Director
Qualifications	GAICD, B.Bus
Experience	Deep experience in Marketing, Sales and General Management, leading B2C and B2B Retail and Healthcare businesses in ANZ and Asia Experienced director in NFP and Commercial organisations Qualified and experienced Executive Leadership Coach Board Member of Lung Foundation Australia since December 2018
Special responsibilities	Chair of Digital Evolution Sub-committee Patient/Carer representative
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Professor Christine Jenkins AM	Director
Qualifications	AM, MB BS, FRACP, FThorSoc, FAAHMS
Experience	Member of The Australian Lung Foundation Inc. National Council since June 2011 Founding Board Member of Lung Foundation Australia Past President of Thoracic Society of Australia and New Zealand Director, Asbestos and Dust Diseases Research Institute
Special responsibilities	Chair of the Remuneration Sub-committee Member of the Finance, Audit, Risk Management Sub-committee Member of Investment Advisory Sub-committee
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Dr David Michail	Director
Qualifications	MB BS, FRACP, GAICD
Experience	Board Member of Lung Foundation Australia since March 2013
Special responsibilities	Member of the Finance, Audit, Risk Management Sub-committee Member of Investment Advisory Sub-committee
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Ms Kathleen Cummings	Director
Qualifications	Grad.Dip in Management (CSU), GAICD
Experience	Thirty years in banking and finance industry Past board member of Mortgage Finance Association of Australia Board member of Lung Foundation Australia since April 2014
Special responsibilities	Member of the Finance, Audit, Risk Management Sub-committee Patient/Carer representative
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Lung Foundation Australia

ABN 36 051 131 901

Directors' Report (Continued)

Professor Martin Phillips	Director
Qualifications	BSc, MB BS, MRCP, FRACP
Experience	Member of The Australian Lung Foundation Inc. National Council since August 2001 Founding Board Member of Lung Foundation Australia
Special responsibilities	Nil
Ms Melissa Le Mesurier	Director
Qualifications	GAICD, B.Arts (Politics and Journalism)
Experience	Experience in Senior Corporate Affairs in the Consumer, Industrial and Healthcare sectors in Australia advising Boards on strategy, reputation, cultural change and communications Board Member of Lung Foundation Australia September 2019 Chair, Cancer Consumer Advisory Committee, VCCC Alliance
Special responsibilities	Member of Development Sub-committee Patient/Carer representative
Professor Paul Reynolds	Director
Qualifications	MB BS PhD, MD, FRACP, FThorSoc
Experience	Former Board member and President, Thoracic Society of Australia and New Zealand Member, Specialist Training Committee for Respiratory and Sleep Medicine, Royal Australasian College of Physicians Director, Lung Research Laboratory, University of Adelaide Medical Lead, Heart and Lung Program, Central Adelaide Local Health Network Director, Department of Thoracic Medicine, Royal Adelaide Hospital Life Member Asthma Foundation of SAI Board Member of Lung Foundation Australia since September 2019
Special responsibilities	Investigator - Centre of Excellence in Pulmonary Fibrosis
Mr Robert Estcourt AM	Director
Qualifications	MA Fin BA Econ (Hons) GAICD JP
Experience	Board Member of Lung Foundation Australia since April 2023
Special responsibilities	Member of the Finance, Audit, Risk Management Sub-committee
Professor Sarath Ranganathan	Director
Qualifications	MCChB, MRCP, FRCPCH, FRACP, PhD, FThorSoc, ATSF, FAHMS
Experience	Member of Lung Foundation Australia National Council since March 2014 Board member of Lung Foundation Australia since April 2014 Member of Finance, Audit, Risk Management Sub-committee
Special responsibilities	Member of the Digital Evolution Sub-committee

Lung Foundation Australia

ABN 36 051 131 901

Directors' Report (Continued)

Meetings of Directors

A summary of the meetings held and attendances of Board Members for the year is set out below:

	Number of Meetings Eligible to Attend	Number of Meetings Attended
Professor Lucy Morgan	8	8
Mr Andrew Churchill	8	8
Ms Angela Ratcliffe	8	8
Professor Christine Jenkins AM	8	7
Dr David Michail	8	7
Ms Kathleen Cummings (resigned December 2023)	5	2
Professor Martin Phillips	8	7
Ms Melissa Le Mesurier	8	7
Professor Paul Reynolds	8	7
Mr Robert Estcourt AM	8	7
Professor Sarath Ranganathan	8	6

Corporate Governance Statement

As a charitable institution and Company Limited by Guarantee, Lung Foundation Australia relies upon community and corporate goodwill to achieve its goals.

The Lung Foundation Australia Board consists of up to twelve directors who volunteer their expertise and time to help improve lung health and reduce the impact of lung disease for all Australians.

The Board's role is to ensure a range of strategies that support people impacted by lung disease are achieved. To undertake this role, the Board is responsible for the overall corporate governance of the organisation.

This includes:

- Formulating its strategic direction
- Approving and monitoring financial performance
- Setting executive remuneration
- Appointing, removing and creating policies
- Establishing and monitoring the achievement of organisational goals
- Ensuring the integrity of internal control and management information systems

The Board delegates responsibility for the operation and administration of the organisation to the Chief Executive Officer. Responsibilities are delineated by formal authority delegations.

Lung Foundation Australia

ABN 36 051 131 901

Directors' Report (Continued)

Board planning framework

The Board adopted a five-year Strategic Plan which concludes in June 2025. This outlines our mission, purpose, values, goals and strategies. These strategies are outcome-focused and are measured by clearly defined Key Performance Indicators (KPIs).

Our Strategic Plan includes:

- An annual business plan and budget relating to the Strategic Plan
- A reporting framework against KPIs
- Delegated authorities, recorded in a policy framework, from the Board to the CEO and staff, built around a performance culture measured by a performance appraisal process
- A risk management plan

Board of Directors education

Lung Foundation Australia has a formal process to induct and educate new and continuing Directors about the nature of the organisation, health and medical issues, the corporate strategy and the expectations concerning performance and conduct of Board Members.

Role of Board of Directors

The Board is skills-based and is broadly representative of the lung health and disease stakeholders including people with lived experience.

Review of operations

The year in review has seen increasing investments by the Commonwealth Government in lung disease and lung cancer programs aimed at improving early detection and increased symptom awareness.

Key achievements for the year include:

- Year one investment of a three-year Digital Evolution Program which includes new website, new patient journey automation, the introduction of AI to our services and increasing investment in our database, CRM and data governance and warehouse capabilities. This project will provide next generation capabilities to grow the Foundation's reach and program impact.
- Increasing our organisational impact and footprint with increased Commonwealth, State and Territory Government funding for lung cancer screening, Specialist Lung Cancer Nurses, and Respiratory Nurses.
- Completion of the 'Lived Experience Research Project' a national qualitative and quantitative research project to identify the opportunities and barriers of people living with lung disease and lung cancer
- Contribution to significant policy reform, in partnership with Thoracic Society of Australia & New Zealand, in the areas of occupational lung health and the banning of artificial stone benchtops, reform of e- cigarette and vaping legislation to reduce access to young people of these harmful products, and secured funding for the National Lung Cancer Screening Program which is anticipated to save 12,000 lives over the next decade.

Lung Foundation Australia

ABN 36 051 131 901

Directors' Report (Continued)

Looking forward, the Lung Foundation will face a number of opportunities and challenges in the year ahead including:

- Partnering with Government, health services and the community to promote the importance of lung health
- Keeping health professionals aware of and utilising all Lung Foundation resources to enhance patient care, education and self-management;
- Expanding and securing greater investment in lung disease and Specialist Lung Cancer Nurses and aligning these to areas and communities of highest need
- Transitioning to phase two of the Foundation's Reconciliation Action Plan
- Continuing to implement our People and Culture Strategy to maintain our high performing culture whilst embedding digital innovation across the Foundation and our services to connect with and support more people with lung disease;
- Increasing our revenue base in fundraising and government investment to support our mission.

The Board thanks the patients, families, donors and corporate partners, health care professionals and researchers for their support which enables the Foundation to provide the very best information and support, and advocate for equitable access to treatment, care and support for every Australian impacted by lung disease or lung cancer.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2024 has been received and can be found on page 8 of the financial report.

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

The image shows two handwritten signatures in black ink. The signature on the left is for Professor Lucy Morgan, and the signature on the right is for Andrew Churchill. A long, thin horizontal line connects the two signatures.

Professor Lucy Morgan
Director

Andrew Churchill
Director

13 December 2024
Brisbane, Queensland



**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 60-40 OF THE AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION
ACT 2012
TO THE DIRECTORS OF LUNG FOUNDATION AUSTRALIA**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2024, there have been no contraventions of:

- (a) the auditor independence requirements of the *Australian Charities and Not-for-profit Commission Act 2012* in relation to the audit; and
- (b) any applicable code of professional conduct in relation to the audit.

HLB Mann Judd

**HLB Mann Judd
Chartered Accountants**

Brisbane, Queensland
13 December 2024

hlb.com.au

HLB Mann Judd (SE Qld Partnership)

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Lung Foundation Australia

ABN 36 051 131 901

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2024

	Note	2024 \$	2023 \$
Revenue			
Grant - Government		6,206,670	3,477,871
Grant - Other sources		318,205	109,052
Sponsorships		1,398,141	1,762,897
Donations		2,598,465	2,466,855
Bequests		1,104,627	1,634,961
Fair value gains on financial assets		688,444	591,587
Other income	2	599,188	1,011,141
Total Revenue		12,913,740	11,054,364
Expenses			
Research expenses		(1,764,186)	(2,692,313)
Programs and services expenses		(2,738,937)	(1,651,113)
Employee benefits expenses		(5,864,281)	(4,771,416)
Fundraising expenses		(356,913)	(349,476)
Marketing expenses		(1,083,891)	(645,840)
Other expenses	3	(1,501,166)	(898,747)
Total expenses		(13,309,374)	(11,008,905)
(Deficit)/surplus for the year		(395,634)	45,459
Other comprehensive income for the year		-	-
Total comprehensive income for the year		(395,634)	45,459

The accompanying notes form part of these financial statements.

Lung Foundation Australia

ABN 36 051 131 901

Statement of Financial Position

As at 30 June 2024

	Note	2024 \$	2023 \$
Assets			
Current assets			
Cash and cash equivalents	4	349,994	285,303
Trade and other receivables	5	428,251	276,508
Other current assets		140,870	237,147
Financial assets	6	10,235,007	10,071,500
Total current assets		11,154,122	10,870,458
Non-current assets			
Plant and equipment	7	291,484	165,986
Right-of-use assets	12	2,319,694	181,258
Total non-current assets		2,611,178	347,244
Total assets		13,765,300	11,217,702
Liabilities			
Current liabilities			
Trade and other payables	8	1,234,414	1,396,123
Revenue received in advance	9	3,287,138	2,460,390
Contract liabilities	10	574,425	629,425
Employee provisions	11	343,342	256,169
Lease liabilities	12	346,301	141,011
Total current liabilities		5,785,620	4,883,118
Non-current liabilities			
Employee provisions	11	90,814	89,410
Lease liabilities	12	2,096,978	57,652
Total non-current liabilities		2,187,792	147,062
Total liabilities		7,973,412	5,030,180
Net assets		5,791,888	6,187,522
Equity			
Accumulated surplus		5,791,888	6,187,522
Total equity		5,791,888	6,187,522

The accompanying notes form part of these financial statements.

Lung Foundation Australia

ABN 36 051 131 901

Statement of Changes in Equity

For the year ended 30 June 2024

	Accumulated surplus \$	Total \$
Balance at 1 July 2022	6,142,063	6,142,063
Surplus for the year	45,459	45,459
Other comprehensive income for the year	-	-
Balance at 30 June 2023	6,187,522	6,187,522

	Accumulated surplus \$	Total \$
Balance at 1 July 2023	6,187,522	6,187,522
Deficit for the year	(395,634)	(395,634)
Other comprehensive income for the year	-	-
Balance at 30 June 2024	5,791,888	5,791,888

The accompanying notes form part of these financial statements.

Lung Foundation Australia

ABN 36 051 131 901

Statement of Cash Flows

For the year ended 30 June 2024

	2024	2023
	\$	\$
Cash flows from operating activities:		
Receipts from government	7,484,416	3,586,922
Receipt from customers	5,950,203	7,006,823
Payments to suppliers and employees	(13,425,767)	(10,077,798)
Dividends received	318,815	404,323
Interest received	23,861	12,224
Net cash flows from operating activities	351,528	932,494
Cash flows from investing activities:		
Proceeds from sale of investment	688,444	-
Purchase of property, plant and equipment	(256,614)	(93,271)
Purchase of financial assets	(163,507)	(1,056,927)
Net cash provided by/(used in) investing activities	268,323	(1,150,198)
Cash flows from financing activities:		
Repayment of lease liabilities	(555,160)	(268,578)
Cash used in financing activities	(555,160)	(268,578)
Net increase/(decrease) in cash and cash equivalents held	64,691	(486,281)
Cash and cash equivalents at beginning of financial year	285,303	771,584
Cash and cash equivalents at end of financial year	349,994	285,303

The accompanying notes form part of these financial statements.

Lung Foundation Australia

ABN 36 051 131 901

Notes to the Financial Statements

For the year ended 30 June 2024

1. Statement of material accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The financial statements cover Lung Foundation Australia ("the Foundation"), a company limited by guarantee under the *Corporations Act 2001* during the financial year ended 30 June 2024. The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures issued by the Australian Accounting Standards Board (AASB) and the *Australian Charities and Not-for-profits Commission Act 2012*. Lung Foundation Australia is considered a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements are presented in Australian dollars, which is Lung Foundation Australia's functional and presentation currency. All amounts have been rounded to the nearest whole dollar.

The financial statements have also been prepared on a going concern basis which assumes the realisation of assets and the extinguishment of liabilities in the normal course of business and at the amounts stated in the financial statements.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets, and financial liabilities.

The financial statements were authorised for issue, in accordance with a resolution of the Directors, on 13 December 2024. The directors have the power to amend and reissue the financial statements.

a. Income recognition

The Foundation recognises income as follows:

Service revenue

Revenue is recognised at an amount that reflects the consideration to which the Foundation is expected to be entitled in exchange for transferring services to a customer. For each contract with a customer, the Foundation: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Lung Foundation Australia

ABN 36 051 131 901

Notes to the Financial Statements

For the year ended 30 June 2024

1. Statement of material accounting policies (continued)

a. Income recognition (continued)

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Grants

Grant revenue is recognised in surplus or deficit when the Foundation satisfies the performance obligations stated within the funding agreements.

If conditions are attached to the grant which must be satisfied before the Foundation is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a liability until those conditions are satisfied.

The grants without clearly defined performance obligations, are treated as donations.

Donations

Donations are recognised at the time the pledge is made. Donations of goods and services that can be accurately quantified are included in the financial statements, both as income and expenditure. The Board of Directors recognise and appreciate the resources received and services voluntarily given.

Where the Foundation receives non-reciprocal contributions of assets from governments and other parties for zero or a nominal value, these assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount on income recognised in the surplus or deficit.

Membership fees

Membership fees are recognised when received or receivable.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Lung Foundation Australia

ABN 36 051 131 901

Notes to the Financial Statements

For the year ended 30 June 2024

1. Statement of material accounting policies (continued)

a. Income recognition (continued)

Volunteer services

The Foundation has elected to not recognise volunteer services as either revenue or other form of contribution received. As such, any related consumption or capitalisation of such resources received is also not recognised

b. Income tax

The Foundation is exempt from Income Tax as an income tax exempt charitable entity under subdivision 50-B of the *Income Tax Assessment Act (Commonwealth) 1997*.

c. Plant and equipment

Leasehold buildings: Leasehold buildings are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses.

If the carrying amount of leasehold buildings is greater than its estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in the surplus or deficit.

Plant and equipment, computers and furniture and fittings: All are measured on the cost basis (costs include expenditure that is directly attributable to the acquisition of the item) and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. Any capital expenditures over \$1,000 are capitalised.

If the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised in the surplus or deficit.

Depreciation: The depreciable amount of all fixed assets, including buildings and capitalised lease assets, is depreciated on a "straight-line" basis over the asset's useful life to the Foundation commencing from the time the asset is available for use.

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

Class of Fixed Assets	Depreciation Rate
Leasehold improvements	11%
Computers	33%
Office furniture and equipment	10% - 20%

Lung Foundation Australia

ABN 36 051 131 901

Notes to the Financial Statements

For the year ended 30 June 2024

1. Statement of material accounting policies (continued)

c. Plant and equipment (continued)

The asset's 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 the net proceeds with the carrying amount. These gains or losses are included in the surplus or deficit when the item is derecognised. When revalued assets are sold, amounts included in the property revaluation reserve relating to that asset are transferred to the accumulated surplus.

d. Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Foundation becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the Foundation commits itself to either purchase or sell the asset (i.e., 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 surplus or deficit immediately.

Classification and subsequent measurement

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit and loss based on the two primary criteria, being:
 - the contractual cash flow characteristics of the financial asset; and
 - the business model for managing the financial assets.

A financial asset is subsequently measured at amortised cost when it meets the following conditions:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset is subsequently measured at fair value through other comprehensive income when it meets the following conditions:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

Lung Foundation Australia

ABN 36 051 131 901

Notes to the Financial Statements

For the year ended 30 June 2024

1. Statement of material accounting policies (continued)

d. Financial Instruments (continued)

By default, all other financial assets that do not meet the conditions of amortised cost and the fair value through other comprehensive income's measurement condition are subsequently measured at fair value through profit and loss.

Financial liabilities are subsequently measured at:

- amortised cost; or
- fair value through profit and loss.

A financial liability is measured at fair value through profit and loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3 applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

Classification and subsequent measurement

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in surplus or deficit over the relevant period. The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Foundation no longer controls the asset (i.e., it has no practical ability to make unilateral decisions to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in surplus or deficit.

Lung Foundation Australia

ABN 36 051 131 901

Notes to the Financial Statements

For the year ended 30 June 2024

1. Statement of material accounting policies (continued)

d. Financial instruments (continued)

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (i.e., when the obligation in the contract is discharged, cancelled, or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in the surplus or deficit.

Impairment

The Foundation recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due, and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Foundation used the following approach to impairment, as applicable under AASB 9:

- the simplified approach.

Simplified approach

The simplified approach does not require tracking of changes in credit risk in every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

This approach is applicable to:

- trade receivables or contract assets that result from transactions that are within the scope of AASB 15, that contain a significant financing component; and
- lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables was used taking into consideration various data to get to an expected credit loss (i.e., diversity of its customer base, appropriate groupings of its historical loss experience, etc.).

Recognition of expected credit losses in financial statements

At each reporting date, the Foundation recognised the movement in the loss allowance as an impairment gain or loss in the surplus or deficit.

Lung Foundation Australia

ABN 36 051 131 901

Notes to the Financial Statements

For the year ended 30 June 2024

1. Statement of material accounting policies (continued)

d. Financial instruments (continued)

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset

e. Impairment of non-financial assets

At the end of each reporting period, the Foundation reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. The assessment will consider both external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of that asset, being the higher of the asset's fair value less costs to sell and its value-in-use, to the asset's carrying value. A recommendation will be presented to the Board of Directors for action to ensure that the carrying value is not in excess of the recoverable amount of the asset. Any excess of the asset's carrying value over its recoverable amount is expensed in the surplus or deficit.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the Foundation would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the current replacement cost of the asset.

Where it is not possible to estimate the recoverable amount of an individual asset, the Foundation estimates the recoverable amount of the cash-generating unit to which the asset relates.

Where an impairment loss on a re-valued asset is identified, this is charged against the property revaluation reserve in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the reserve for that same class of asset.

f. Employee provisions

Short-term employee benefits: Provision is made for the Foundation's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

Lung Foundation Australia

ABN 36 051 131 901

Notes to the Financial Statements

For the year ended 30 June 2024

1. Statement of material accounting policies (continued)

f. Employee provisions (continued)

Other long-term employee benefits: Long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to end-of-reporting-period market yields on corporate bonds that have maturity dates approximating the terms of the obligations. Any re-measurements of other long-term employee benefit obligations due to changes in assumptions are recognised in surplus or deficit in the periods in which the changes occur.

The Foundation's obligations for long-term employee benefits are presented as non-current provisions in its Statement of Financial Position, except where the Foundation does not have an unconditional right to defer settlement for at least 12 months after the reporting date, in which case the obligations are presented as current liabilities.

Retirement benefit obligations

Defined contribution superannuation benefits

All employees of the Foundation receive defined contribution superannuation entitlements, for which the Foundation pays the fixed superannuation guarantee contribution (11% for the financial year of the employee's ordinary time earnings) to the employee's superannuation fund of choice.

All contributions in respect of employees' defined contribution entitlements are recognised as an expense when they become payable. The Foundation's obligation with respect to employees' defined contribution entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the Foundation's Statement of Financial Position.

g. Cash and cash equivalents

Cash and cash equivalent includes petty cash, cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Lung Foundation Australia

ABN 36 051 131 901

Notes to the Financial Statements

For the year ended 30 June 2024

1. Statement of material accounting policies (continued)

h. Goods and Services Tax (GST)

Revenues, expenses, and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the Statement of Financial Position.

Cash flows are presented in the Statement of Cash Flows on a gross basis. The GST component of cash flows arising from investing and financing activities, which are recoverable from, or payable, to the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

i. Accounts receivable and other debtors

Accounts receivable and other debtors include amounts receivable from customers for services in the ordinary course of business. 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.

j. Provisions

Provisions are recognised when the Foundation 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.

k. Accounts payable and other payables

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

l. Contract liabilities

Contract liabilities represent the Foundation's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Foundation recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Foundation has transferred the goods or services to the customer.

Lung Foundation Australia

ABN 36 051 131 901

Notes to the Financial Statements

For the year ended 30 June 2024

1. Statement of material accounting policies (continued)

m. Leases

At inception of a contract, the Foundation assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Foundation where the Foundation is a lessee. However, all contracts that are classified as short-term leases (i.e., a lease with a term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Foundation uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- Fixed lease payments less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options; if the lessee is reasonably certain to exercise the options;
- Lease payments under extension options if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date, as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated amortisation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the Foundation anticipates exercising a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

Lung Foundation Australia

ABN 36 051 131 901

Notes to the Financial Statements

For the year ended 30 June 2024

1. Statement of material accounting policies (continued)

n. Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Foundation's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Foundation's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

o. Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Lung Foundation Australia

ABN 36 051 131 901

Notes to the Financial Statements

For the year ended 30 June 2024

1. Statement of material accounting policies (continued)

p. Critical accounting estimates and judgements

The Board of Directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Foundation.

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the Foundation's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The Foundation reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the Foundation estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment. The Foundation utilises the bank's borrowing rate as a basis of the incremental borrowing rate.

Estimation of useful lives of assets

The Foundation determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or nonstrategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The Foundation assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Foundation and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Lung Foundation Australia

ABN 36 051 131 901

Notes to the Financial Statements

For the year ended 30 June 2024

1. Statement of material accounting policies (continued)

p. Critical accounting estimates and judgements (continued)

Employee benefits provision

The liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

New or amended Accounting Standards and Interpretations adopted

The Foundation has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Foundation.

2. Revenue and other income

	2024	2023
	\$	\$
Sales - merchandise and training	184,343	145,648
Dividends received	318,815	404,323
Membership fees	27,954	32,847
(Losses)/gain on sale of non-financial assets	(153,161)	140,400
Interest received	23,861	12,224
Funds received for research awards	38,941	157,350
Others	158,435	118,349
Total other income	599,188	1,011,141
Timing of revenue recognition		
Service transferred at a point in time	12,889,877	11,042,139
Service transferred over time	23,861	12,225
	12,913,738	11,054,364

Lung Foundation Australia

ABN 36 051 131 901

Notes to the Financial Statements

For the year ended 30 June 2024

3. Other expenses

	2024	2023
	\$	\$
Depreciation and amortisation	632,272	289,118
Premises	329,865	151,140
Telecommunications	265,364	247,476
Others	273,665	211,013
Total other expenses	1,501,166	898,747

4. Cash and cash equivalents

	2024	2023
	\$	\$
Cash at bank and on hand	349,994	285,303
Total cash and cash equivalents	349,994	285,303

5. Trade and other receivables

	2024	2023
	\$	\$
Current		
Trade receivables	285,725	94,618
Other receivables	142,526	181,890
Total current trade and other receivables	428,251	276,508

6. Financial assets

	2024	2023
	\$	\$
Current		
Investment funds		
Investment in listed entities	6,508,187	5,800,938
Investment in unlisted entities	3,412,132	3,682,923
Investment in corporate debt securities	116,031	391,427
	10,036,350	9,875,288
Unrestricted funds		
Investment in term deposits	198,657	196,212
	198,657	196,212
Total financial assets	10,235,007	10,071,500

Lung Foundation Australia

ABN 36 051 131 901

Notes to the Financial Statements

For the year ended 30 June 2024

6. Financial assets (continued)

Movement in financial assets:

	\$	Total \$
Balance at 1 July 2023	10,071,500	10,071,500
Purchases	2,355,860	2,355,860
Disposals	(2,631,256)	(2,631,256)
Changes in fair value	438,903	438,903
Balance at 30 June 2024	10,235,007	10,235,007

7. Property, plant and equipment

The Foundation's property, plant and equipment comprises the following:

Summary

	2024 \$	2023 \$
Computer equipment		
At cost	229,390	147,153
Accumulated depreciation	(114,937)	(61,411)
	114,453	85,742
Office furniture and equipment		
At cost	90,738	90,267
Accumulated depreciation	(25,108)	(71,899)
	65,630	18,368
Leasehold improvements		
At cost	123,574	284,998
Accumulated depreciation	(12,173)	(223,122)
	111,401	61,876
Total plant and equipment	291,484	165,986

Lung Foundation Australia

ABN 36 051 131 901

Notes to the Financial Statements

For the year ended 30 June 2024

7. Property, plant and equipment (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Computer equipment \$	Office furniture and equipment \$	Leasehold improvements \$	Total \$
Balance at 1 July 2023	147,153	90,266	284,998	522,417
Additions	89,174	69,610	97,829	256,613
Disposals	(6,938)	(69,139)	(259,253)	(335,330)
Accumulated depreciation	(114,936)	(25,107)	(12,173)	(152,216)
Balance at 30 June 2024	114,453	65,630	111,401	291,484

8. Trade and other payables

	2024 \$	2023 \$
Current		
Unsecured liabilities:		
Trade payables	1,106,947	1,178,613
Other payables	127,467	217,510
Total current unsecured liabilities	1,234,414	1,396,123

9. Revenue received in advance

	2024 \$	2023 \$
Current		
Grants	3,069,623	2,110,079
Sponsorship	217,515	111,666
Project	-	238,645
Total current revenue received in advance	3,287,138	2,460,390

10. Contract liabilities

	2024 \$	2023 \$
Current		
Other non-recurrent grant	574,425	629,425
Total current contract liabilities	574,425	629,425

Lung Foundation Australia

ABN 36 051 131 901

Notes to the Financial Statements

For the year ended 30 June 2024

11. Employee provisions

	2024	2023
	\$	\$
Current		
Annual leave	312,866	237,378
Long service leave	30,476	18,791
Total current employee provisions	<u>343,342</u>	<u>256,169</u>
Non-current		
Long service leave	90,814	89,410
Total non-current employee provisions	<u>90,814</u>	<u>89,410</u>

The provision for employee benefits represents amounts accrued for annual leave and long service leave.

Based on past experience, the Foundation does not expect the full amount of annual leave to be settled wholly within the next 12 months; however, the amount must be classified as a current liability because the Foundation does not have an unconditional right to defer the settlement of the amount in the event employees wish to use their leave entitlements.

12. Leases

a. AASB 16 related amounts recognised in the statement of financial position

	2024	2023
	\$	\$
Leased buildings	2,701,594	617,520
Accumulated amortisation	(451,185)	(476,601)
	<u>2,250,409</u>	<u>140,919</u>
Office equipment	86,057	91,943
Accumulated amortisation	(16,772)	(51,604)
	<u>69,285</u>	<u>40,339</u>
Total right-of-use assets	<u>2,319,694</u>	<u>181,258</u>

Lung Foundation Australia

ABN 36 051 131 901

Notes to the Financial Statements

For the year ended 30 June 2024

12. Leases (continued)

a. AASB 16 related amounts recognised in the statement of financial position (continued)

Leased buildings

The Foundation leases office space at Level 4, 12 Cribb Street, Milton, QLD for their headquarter office; the lease is for 7 years with no option to renew. This lease contains an annual pricing mechanism based on CPI movements and fixed 3.75% increase at each anniversary of the lease inception. The lease term commenced on 1 December 2023 and expires on 30 June 2030.

The Foundation leases office space at Suite 101, 153-161 Park Street, South Melbourne, VIC for their Melbourne Office; the lease is for 5 years with no option to renew. This lease contains an annual pricing mechanism based on CPI movements and fixed 4% increase at each anniversary of the lease inception. The lease term commenced on 1 July 2023 and expires on 30 June 2028.

The Foundation leases office space at Suite 505, level 5, 275 Alfred Street, North Sydney, NSW for their Sydney Office; the lease is for 2 years with no option to renew. This lease contains an annual pricing mechanism based on CPI movements and fixed 1% increase at each anniversary of the lease inception. The lease term commenced on 1 March 2023 and expires on 28 February 2025.

Office equipment

The Foundation leases 4 photocopiers. The lease term commenced on 1 August 2023 and expires on 31 July 2028. The lease payments are fixed during the lease term. The Foundation leases a franking machine. The lease term commenced on 1 July 2023 and expires on 30 June 2028. The lease payments are fixed during the term of the lease.

	2024	2023
	\$	\$
Current		
Lease liabilities	346,301	141,011
Non-current		
Lease liabilities	2,096,978	57,652
Total lease liabilities	<u>2,443,279</u>	<u>198,663</u>

b. AASB 16 related amounts recognised in the statement of financial position

	2024	2023
	\$	\$
Amortisation expense on right-of-use assets	501,156	227,428
Interest expense on lease liabilities	160,184	15,218
	<u>661,340</u>	<u>242,646</u>

Lung Foundation Australia

ABN 36 051 131 901

Notes to the Financial Statements

For the year ended 30 June 2024

12. Leases (continued)

c. Non-cash investing and financing activities

	2024	2023
	\$	\$
Additions to the right-of-use assets	<u>2,692,243</u>	<u>95,411</u>

13. Key management personnel compensation

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the Foundation, directly or indirectly, including any member of the Board of Directors of the Foundation is considered key management personnel.

The total of remuneration paid to key management personnel (KMP) during the year are as follows:

	2024	2023
	\$	\$
Key management personnel compensation	<u>1,299,264</u>	<u>1,006,709</u>

14. Remuneration of auditors

	2024	2023
	\$	\$
Audit of the financial statements	19,800	17,500
Other services	5,200	2,500
	<u>25,000</u>	<u>20,000</u>

15. Commitments and contingent liabilities

As at 30 June 2024, the Foundation had no commitments for expenditure and contingent liabilities (2023: Nil).

16. Events after the reporting period

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Foundation, the results of those operations, or the state of the affairs of the Foundation in future financial years.

Lung Foundation Australia

ABN 36 051 131 901

Notes to the Financial Statements

For the year ended 30 June 2024

17. Related parties

Related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel individually or collectively with their close family members.

There were no transactions with related parties during the current and previous financial year.

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

18. Fair value measurement

For listed financial assets at fair value through profit or loss, the fair values have been based on closing quoted bid prices at the end of the reporting period. In determining the fair values of the unlisted financial assets at fair value through profit or loss, management have used inputs that are observable either directly (as prices) or indirectly (derived from prices).

19. Members' guarantee

The Foundation is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the Foundation is wound up, the constitution states that each member is required to contribute a maximum of \$5 each towards meeting the outstanding obligations of the Foundation. At 30 June 2024, the number of members was 10 (2023: 11).

Lung Foundation Australia

ABN 36 051 131 901

Directors' Declaration

In accordance with a resolution of the Board of Directors of Lung Foundation Australia, the Directors declare that in their opinion:

1) the financial statements and notes, as set out on pages 9 – 32, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:

- a) comply with Australian Accounting Standards – Simplified Disclosures; and
- b) give a true and fair view of the financial position of the Foundation as at 30 June 2024 and of its performance for the year ended on that date.

2) there are reasonable grounds to believe that the Foundation will be able to pay its debts as and when they become due and payable.

3) In the directors' opinion, there are reasonable grounds to believe that Lung Foundation Australia have complied with the provisions of the *Charitable Fundraising Act 1991 (NSW)* ("The Act"), the regulations under the Act and the conditions attached to the NSW Fair Trading Charitable Fund raising Authority have been complied with.

This declaration is signed in accordance with subs 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulation 2022*.

The image shows two handwritten signatures in black ink. The signature on the left is for Professor Lucy Morgan, and the signature on the right is for Andrew Churchill. A long, thin horizontal line connects the two signatures across the page.

Professor Lucy Morgan
Director

Andrew Churchill
Director

13 December 2024
Brisbane, Queensland

Independent Auditor's Report to the members of Lung Foundation Australia

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Lung Foundation Australia ("the Foundation") which comprises the statement of financial position as at 30 June 2024, the statement of profit or loss and other comprehensive income, 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 material accounting policies, and the director's declaration.

In our opinion, the accompanying financial report of the Foundation has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of the Foundation's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards – Simplified Disclosures and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2022*.

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 Foundation in accordance with the auditor independence 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 confirm that the independence declaration required by Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* has been given to the Directors.

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

Information Other than the Financial Report and Auditor's Report Thereon

The Directors are responsible for the other information. The other information comprises the information included in the Foundation's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

hlb.com.au

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Responsibilities of Management and the Directors for the Financial Report

Management is responsible for the preparation of the financial report that gives a true and fair view in accordance with the Australian Accounting Standards – Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Foundation'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 intend to liquidate the Foundation or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the Foundation's financial reporting process.

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 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

Opinion pursuant to the Charitable Fundraising Act (NSW) 1991

In our opinion:

- i. the Financial Report gives a true and fair view of the Foundation's financial result of fundraising appeal activities for the financial year ended 30 June 2024;
- ii. the Financial Report has been properly drawn up, and the associated records have been properly kept for the period from 1 July 2023 to 30 June 2024, in accordance with the *Charitable Fundraising Act (NSW) 1991 and Regulations*;
- iii. money received as a result of fundraising appeal activities conducted during the period from 1 July 2023 to 30 June 2024 has been properly accounted for and applied in accordance with the *Charitable Fundraising Act (NSW) 1991 and Regulations*; and there are reasonable grounds to believe that the Foundation will be able to pay its debts as and when they fall due.

HLB Mann Judd

**HLB Mann Judd
Chartered Accountants**

Brisbane, Queensland
13 December 2024



**A B Narayanan
Partner**