

The logo features the words "DRY" and "JULY" in a bold, yellow, 3D-style font with white outlines. The letters are arranged in two rows. Several yellow lightning bolts are scattered around the text, adding a dynamic feel. A registered trademark symbol (®) is located at the top right of the word "JULY".


DRY JULY[®]

ANNUAL REPORT
2015 - 2016


This annual report details the Dry July 2015 campaign and covers the financials from 1 July 2015 to end of financial year 2016 (30 June 2016).

For more information about the Dry July Foundation please contact:

 Dry July Ltd
705/6A Glen Street
Milsons Point, NSW 2061
Australia


 +61 2 9247 6691

 team@dryjuly.com

 www.dryjuly.com

 twitter.com/dryjuly

 facebook.com/dryjuly

 ABN 88 497 552 964

CONTENTS

| | |
|----|---|
| 4 | Message from CEO |
| 5 | Message from Chairman |
| 6 | 2015 Campaign Overview |
| 7 | Partners |
| 8 | Ambassadors |
| 9 | Beneficiaries |
| 10 | Distribution of Funds Raised |
| 12 | Funds at Work with Our Beneficiaries |
| 17 | Extract from the Audited Financial Report |
| 18 | Governance |
| 20 | Auditor's Report |
| 22 | Directors' Declaration |
| 23 | Summarised Financial Statements |
| 26 | Notes |
| 36 | Charitable Fundraising Act Declaration |

A MESSAGE FROM BRETT MACDONALD, CEO



Welcome to the Dry July Annual Report 2015/16. The Dry July 2015 campaign proved to be one of our biggest, raising over \$4m with 21,000 participants. This success is only made possible thanks to the generosity of our participants and donors, and the continued support of our committed ambassadors, partners, staff and board members. The funds raised will have a significant impact on improving the lives of people affected by cancer.

The 2015 campaign received some very high profile support through our Nine Cares relationship, encouraging Karl Stefanovic and the Today Show team to go booze-free to support people affected by cancer. We are extremely grateful for all the support provided by the Nine Entertainment Network.

In 2015 we increased the number of beneficiaries we supported in Australia to 41 inspiring organisations receiving funds. In addition, we introduced the ability for participants to fundraise directly for the Dry July Foundation in each State and Territory. This enabled the Foundation to allow further funding opportunities to eligible beneficiaries. We expanded on this program for our 2016 campaign and initiated a full national grants program. Interest has been very strong and we look forward to further developing the Dry July Foundation Grants Program in future years.

In addition, we rolled out a new fundraising platform in 2016. Applying our learnings from previous campaigns, the new system proved robust and efficient in educating participants and donors alike to the fantastic work the Dry July Foundation achieves for people living with cancer. As a result, our scalable solution encouraged a greater donation value per participant in 2016. Through our affiliated entity Clear Heads International Ltd, we are exploring how this system can benefit other charitable campaigns to run more efficiently and produce greater results.

It has been a pleasure working with the board of directors on shaping the strategic direction of the Dry July Foundation. As the financial year draws to a close we're in the swing of our 2016 campaign period and we're excited for the year ahead.

Once again I'd like to pass on my sincerest gratitude to everybody involved in Dry July. I greatly appreciate all the support shown to the organisation and in particular all those who signed up to go Dry for July. We hope you enjoyed the challenge, felt a great sense of achievement, and are as proud as us of the results outlined in this report.

A handwritten signature in black ink, appearing to be 'Brett Macdonald'. The signature is stylized and somewhat abstract.

Brett Macdonald
CEO & Co-founder

A MESSAGE FROM IAN ELLIOT, CHAIRMAN



I am very proud to be in my second year as the Chairman of the Dry July Foundation.

Dry July achieved a record number of participants (21,000) for the 2015 campaign, resulting in over \$4m being raised. A sincere thank you to our incredible fundraisers whose determination, willpower and donation requests to friends and family to collect funds enabled us to have a real impact on the lives of people affected by cancer right across Australia.

I would also like to thank our fantastic corporate partners who, as well as providing valuable funding, help us in such a variety of ways, including providing media presence, pro bono products, services and niche expertise. Thank you also to our dedicated Patron Adam Spencer and fellow celebrity ambassadors whose public profiles generate so much awareness for us, as well as our board, CEO and staff whose hard work and dedication make Dry July the Foundation what it is today.

As a special note, I am sincerely grateful for the support of Clemenger BBDO Sydney, AV1, oOh!Media, Austereo and the Nine Network. I would personally like to thank Sonja Mole at Nine Cares for assisting with our CSA placements, and all the team at the Today Show for taking on the Dry July challenge in 2015. Thanks also to Grant Williams and Tracy Grimshaw at A Current Affair for their support. This has helped us to significantly raise the level of awareness of the campaign and cause.

I am very passionate about our funds in action and the difference we make. I have seen firsthand the direct impact we are having across our cancer support organisations. It has been an honour to meet with our beneficiaries to see the incredible support they provide to people from all walks of life through their cancer journey.

Looking ahead, the board are committed to ensuring the longevity of the Dry July Foundation through innovative strategies to fundraising and program funding.

To achieve our goals we redeveloped the web platform for the Dry July 2016 campaign. The new system enables us to work more efficiently whilst expanding our fundraising capabilities. We are excited about the future opportunities this presents.

In addition, we have introduced a full national grants program for the 2016 campaign. Allowing eligible beneficiaries to apply for funding directly from the Dry July Foundation.

I am excited for the future of the Dry July Foundation and the long term impact we can achieve for people affected by cancer.

A handwritten signature in dark ink, appearing to read 'Ian Elliot', written in a cursive style.

Ian Elliot
Chairman

2015 CAMPAIGN OVERVIEW

Over 21,000 people signed up to Dry July 2015, raising \$4m+ AUD. We are pleased to present some of the real tangible changes these funds have been able to achieve in this annual report.

Again, we have increased the number of beneficiaries we're supporting from 38 in 2014 to 41 in 2015.

Media and Public Interest

To continue to maintain the media and public interest in Dry July, we partnered with Lonergan Research to develop some research into Australians' drinking habits and discovered some startling results.

The research revealed that Australians are spending a whopping 91.5 million hours a month hung over and the amount of calories in alcoholic drinks consumed by Australians each month equates to enough fat to fill three Olympic size swimming pools. What an incentive to go booze-free!



Support us and raise funds for projects like these!



Dry July Foundation Grant Program

For the first time, Dry July participants nationwide are able to select the Dry July Foundation as their beneficiary, meaning funds are awarded following a grant application round in October to more incredible cancer organisations across Australia.

Grant recipients may include small regional hospitals, metropolitan hospitals, and not-for-profit organisations.

PARTNERS

Dry July would not be able to operate without the help of our supportive partners who provide their expertise and products free of charge, contribute to our campaign costs and help us minimise our administrative costs. They are vital to help us deliver an exciting campaign.

STRATEGIC PARTNER



MAJOR PARTNER



BUSINESS PARTNERS



SUPPORTING PARTNERS



PROMOTION PARTNERS



AMBASSADORS

Becoming a Dry July Ambassador means more than just putting your face to the cause...It means actually signing up and 'going dry' with the rest of us!

Each ambassador for 2015 came on board on a voluntary basis because they truly believe in Dry July and its cause. Below are our amazing ambassadors, we're truly grateful to each of them.

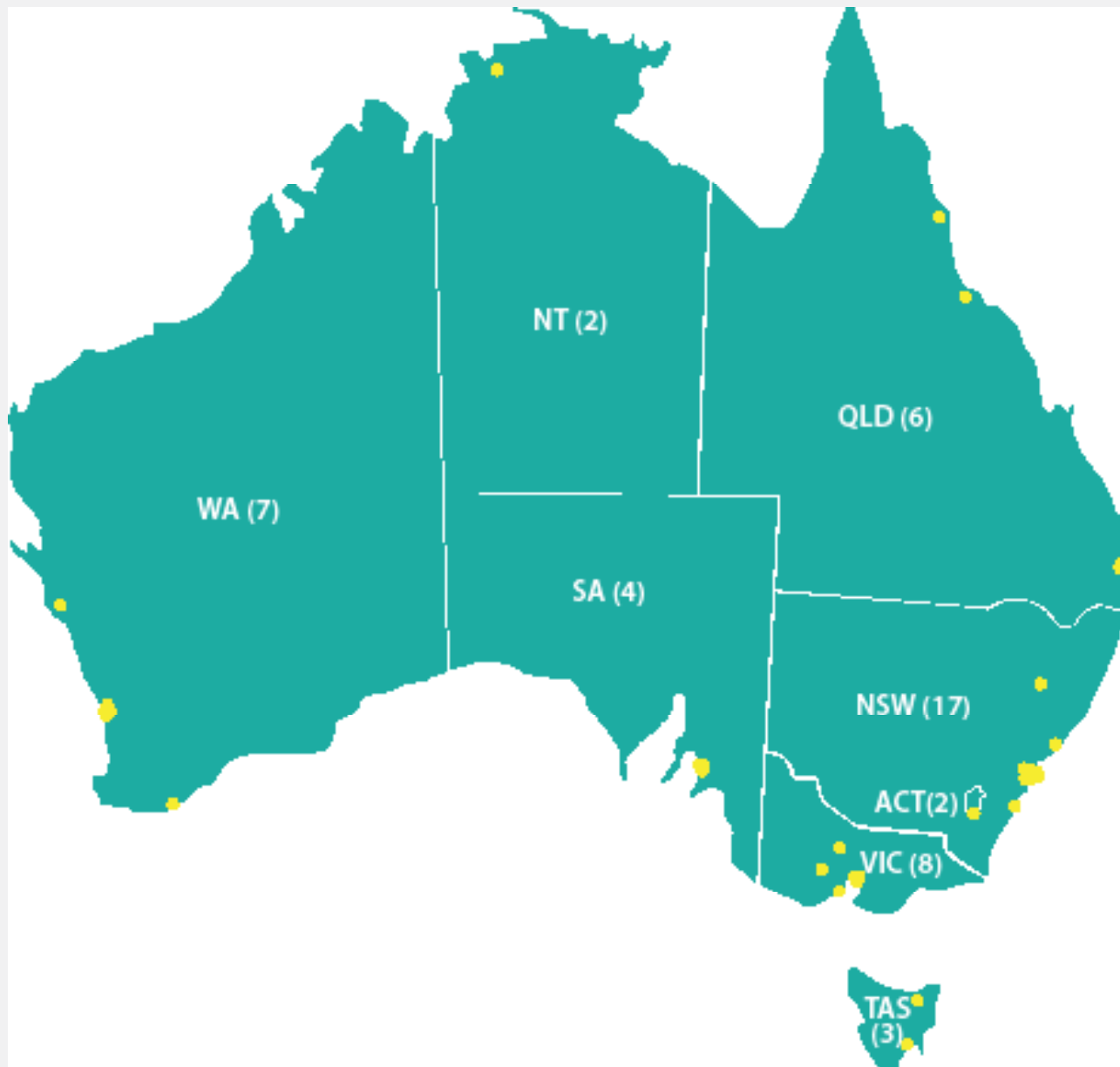
1. **Patron:** Adam Spencer
2. Airlie Walsh
3. Casey Burgess
4. Chris Bath
5. Dan Sultan
6. "Fast" Ed Halmagyi
7. Karl Stefanovic
8. Kat Stewart
9. Luke Hines
10. Marcus Bondi
11. Maz Compton
12. Michael Milton
13. Rosie Mansfield
14. Roy Billing
15. Travis Burns
16. Zoe Bingley Pullin



BENEFICIARIES

In 2015, Dry July was proud to have on board 41 beneficiaries across Australia, plus Dry July Foundation supporting each state, territory and nationally. Dry July is focused on ensuring funds reach as many cancer services as possible, supporting a range of organisations across the country.

Not to scale



DISTRIBUTION OF FUNDS RAISED

The Dry July Foundation delivers an efficient, low-cost campaign, using innovative online technology and social media to engage participants and donors.

The Dry July event operates to a fundraising ratio of 80/20. This means at least 80 cents of every dollar raised through campaign donations goes directly to chosen beneficiaries. Dry July has an excellent governance process around funded projects, ensuring that each of the bodies receiving donations from Dry July spend the monies appropriately on projects that benefit those in their cancer journey that may not otherwise be funded.

The remaining 20 cents of every dollar raised helps us cover costs including: delivery of Dry July funding programs as well as overhead and operating costs such as web hosting, online transaction fees, marketing, promotion, merchandise, employee costs and insurance.

Dry July is focused on ensuring funds reach as many cancer services as possible, supporting a range of cancer services across the country. In keeping with the grassroots, local origins of Dry July, we want to ensure money raised in a State or Territory stays there and benefits local cancer patients and their families.

TOTAL FUNDS RAISED FOR OUR 42 BENEFICIARY PARTNERS & DRY JULY FOUNDATION DURING THE 2015 FUNDRAISING CAMPAIGN

| State | Beneficiary | Raised AUD\$ |
|-------|--|--------------|
| ACT | Dry July Foundation Supporting ACT | \$26,381 |
| ACT | The Canberra Hospital | \$105,668 |
| NSW | Blacktown Cancer and Haematology Centre | \$41,351 |
| NSW | Calvary Mater Hospital Newcastle | \$90,183 |
| NSW | Camden/Campbelltown Hospitals | \$46,598 |
| NSW | Cancer Council NSW | \$213,220 |
| NSW | Central Coast Local Health District - CoastCanCare | \$68,949 |
| NSW | Chris O'Brien Lifehouse | \$187,082 |
| NSW | Concord Cancer Centre | \$62,754 |
| NSW | Dry July Foundation Supporting NSW | \$207,681 |
| NSW | Liverpool Cancer Therapy Centre | \$43,677 |
| NSW | Nepean Cancer Centre | \$97,159 |
| NSW | North West Cancer Centre, Tamworth | \$27,244 |
| NSW | Royal North Shore Hospital | \$129,834 |
| NSW | Shoalhaven Cancer Care Centre | \$22,716 |
| NSW | St George Hospital | \$98,641 |
| NSW | The Crown Princess Mary Cancer Centre, Westmead Hospital | \$58,388 |
| NSW | The Prince of Wales Hospital Foundation | \$116,086 |
| NSW | Wollongong Hospital | \$48,272 |
| NT | Cancer Council NT | \$34,562 |
| NT | Dry July Foundation Supporting NT | \$11,719 |
| QLD | Cancer Council Queensland | \$156,042 |
| QLD | Dry July Foundation Supporting QLD | \$81,418 |
| QLD | Far North Queensland Hospital Foundation | \$15,839 |

Therefore, Dry July participants have the opportunity to select their chosen beneficiary cancer service when signing up to the challenge and this choice helps us determine how funds are distributed to our beneficiaries.

In the 2015/16 Financial Year, the Dry July Foundation received \$4,391,619 in donations through the Dry July fundraising campaign. This enabled the Dry July Foundation to donate \$3,642,071 to our beneficiary partners in the 2015/16 Financial Year.

Other Income was received by the Dry July Foundation in the Financial Year 2015/16. Some of the Other Income (\$12,643) was received from Clear Heads International Ltd, the trustee of the Clear Heads Foundation. The Clear Heads Foundation is an associated entity that runs and manages fundraising campaigns overseas utilising the Dry July Foundation intellectual property. The Clear Heads Foundation distributes its profits in full to the Dry July Foundation.

| State | Beneficiary | Raised AUD\$ |
|---------------------------|--|---------------------|
| QLD | Mater Foundation | \$91,991 |
| QLD | Princess Alexandra Hospital | \$39,140 |
| QLD | Townsville Hospital | \$16,821 |
| SA | Cancer Council SA | \$112,989 |
| SA | Dry July Foundation Supporting SA | \$54,965 |
| SA | Flinders Medical Centre | \$45,690 |
| SA | The Hospital Research Foundation | \$35,408 |
| TAS | Cancer Council Tasmania | \$73,680 |
| TAS | Dry July Foundation Supporting TAS | \$20,028 |
| TAS | Launceston General Hospital | \$27,915 |
| VIC | Ballarat Regional Integrated Cancer Centre | \$33,003 |
| VIC | Barwon Health's Andrew Love Cancer Centre, Geelong | \$98,807 |
| VIC | Bendigo Health | \$51,728 |
| VIC | Dry July Foundation Supporting VIC | \$158,321 |
| VIC | Olivia Newton-John Cancer Wellness and Research Centre | \$95,734 |
| VIC | St Vincent's Hospital Melbourne | \$78,765 |
| VIC | The Alfred | \$111,495 |
| VIC | The Royal Melbourne Hospital | \$95,844 |
| WA | Albany Hospital | \$44,846 |
| WA | Cancer Council Western Australia | \$194,850 |
| WA | Cancer Support WA | \$78,202 |
| WA | Dry July Foundation Supporting WA | \$116,472 |
| WA | Fiona Stanley Hospital | \$38,408 |
| WA | Geraldton Hospital | \$12,979 |
| WA | SolarisCare Cancer Support Centres | \$72,379 |
| | Dry July Foundation (national) | \$219,893 |
| Total Raised AUD\$ | | \$4,011,817 |

FUNDS AT WORK WITH OUR BENEFICIARIES

The following are some of our most recently funded projects in Australia. To read more about where the Dry July funds are going, and how they're making a difference at your local cancer service please visit: www.dryjuly.com/how-we-help.

FLINDERS ONCOLOGY MASSAGE PROGRAM



FMC Foundation in conjunction with oncology massage therapist Karen Molnar, began the Oncology Massage Program in Flinders Centre for Innovation in Cancer (FCIC) two years ago. The program was boosted with a \$41,000 donation by Dry July in 2015 which will ensure it continues through 2016. Today, the service employs four specially trained oncology massage therapists who visit the FCIC on a daily basis to offer soothing hand and foot massages for people receiving chemotherapy treatment.

Research has shown that gentle foot massage may help to alleviate some of the symptoms of chemotherapy treatment, including pain, nausea, depression, anxiety and neuropathy.

CANBERRA INFORMATION LOUNGE

In its previous form, the Information Lounge (formerly the Resource Room) at Canberra Region Cancer Centre was underutilised and confusing. Patients were not sure if the room was for their use, or for the staff. There was very little space to display information.

With funding from Dry July 2015, the Information Lounge has been made accessible and useful, with the removal of a wall, refitting of display shelves and computer desks, and a bookcase. Since opening in March, there has been an enormous increase in the use of the room, and the amount of information being accessed by patients and carers. Having the information on display and with the room having been opened up, patients and carers are utilising the space, and are now able to self-select information when they feel they want to access it. The feedback has been overwhelmingly positive, from patients, carers and staff.





LIVERPOOL REFLECTED LEGACY

Dry July is thrilled to be able to support 'Reflected Legacy', a ground breaking arts and health program at Liverpool Hospital. This program received funding from Dry July's 2015 Grant Program.

Lead by visual artist Flutter Lyon, this project complements the holistic care of cancer patients in palliative care, while enhancing and changing the physical environment for patients, families and staff on the ward.

How the Program Works

Flutter Lyon hosts Pressing Sessions in patient rooms; profound, interactive experiences between the artist and the patient that combine storytelling and art making. Through a series of questions and storytelling exercises Flutter captures the life stories of people in the last days and weeks of their life in unique Ink-Pressing artworks and sound recordings, which are then given to the patient and their family as a gift of art and legacy.

Connection. Insight. Healing.

When we tell our stories, it gives us a way of sharing and reflecting upon the life we are living. Free expression and storytelling in this setting offers a deepened sense of connection to the value and meaning of our individual and shared life experiences.



It can bring comfort, celebration and beauty during a challenging time in our lives, encouraging the recall of memories and key points in our life that we have felt free, joyous, loving and loved, strong and hopeful. By remembering what we have done and seeing the powerful nature of our human experience, it can help empower us to find the strength and bravery we might desire now.

What the Program Does

This powerful experience, when taken into the palliative care space, provides tangible outcomes:

- patients report improvements to their mood, pain management, appetite and sleep patterns;
- families report feeling uplifted and more connected; and
- staff report new insights into patient care and a greater sense of support and resilience within the ward environment

Who the Project is For

Patients and loved ones engaged in the Palliative Care services at Liverpool Hospital.

This story was originally posted on <https://www.facebook.com/flutterlyon/posts/1129841487048365>



MATER MUSIC THERAPY

Hearing the words “you’ve got cancer” – how music therapy is helping people like Cheryl*

It’s a sad fact that today in Queensland, up to 70 people and their families will be completely blindsided by a cancer diagnosis.

Following a cancer diagnosis, patients will normally undergo a series of medical treatments. They will attend multiple doctors’ appointments and undergo regular scans, blood tests and other examinations. Inevitably, these people will also experience the darker side of cancer—a great deal of fear, uncertainty and emotional distress.

But not all cancer treatments need to be difficult or frightening all the time.

Mater’s music therapy program relies on funding from supporters like Dry July, and provides patients with a chance to address the psychological, emotional, social, physical and physiological impact of their illness while they work through the significant life change they are experiencing. This research-based program is just one part of Mater’s programs that offers an integrated approach to cancer care for any patient.

Cheryl is just one of the many patients who have benefited from music therapy at Mater Cancer

Care Centre. Diagnosed with breast cancer in 2003, Cheryl was first in remission following her treatment, but sadly her cancer returned in 2014. Cheryl is now battling metastatic breast cancer.

“I know I can’t get through my cancer without music therapy. It’s as simple as that. It’s a huge thing that’s happening to you when you have cancer. You have to make a ‘new’ way of life around you, and music therapy is a part of my new life,” Cheryl explains.

“When I tell people ‘sorry I can’t see you today because I’m going to music therapy,’ they ask what it’s all about—I tell them that it’s laughter, it’s humour, music therapy is great, it helps me to relax. Nobody is judging me, I can choose to sing or not, it doesn’t matter. The therapy is very flexible,” Cheryl explains.

Cheryl and her daughter have been attending a series of weekly one-to-one music therapy sessions with Mater Music Therapist, Jeanette. A university-trained therapist with a recently completed PhD and registered with the Australian Music Therapy Association, Jeanette has been practicing music therapy for over twenty years.

“Music therapy empowers patients; they often talk about their feelings in a different way at the

end of their session. You can see the change in their facial expressions and the change in their mood, both during and after the session," Jeanette explains.

"Music therapy provides a safe space for patients to talk about other things going on in their lives. But patients don't always have to discuss what they're going through; sometimes we'll just sing a song or we'll start playing some music, or we'll talk about music—we don't necessarily begin each session by talking about how a patient is feeling, or whether they are anxious or low. It's the music that provides the access point to talking about their cancer journey".

"Sometimes there's laughter and sometimes there are tears, but the therapeutic space created between the patient, the therapist and the music all work together to meet the patient's needs".

Cheryl says she has recommended the music therapy program at Mater to a number of other cancer patients she knows.

"The other day I was singing in the lift at Mater Cancer Care Centre and one of the patients there asked me why I looked so happy. I told her 'it's quite simple, I go to music therapy'. She's now looking into music therapy for herself."



Cheryl credits music therapy for helping her being able to work through her cancer diagnosis and ongoing treatment.

"Music therapy is like a breath of fresh air, because I don't have to think about my cancer. It gives me an outlet and it's a joy," she explains.

"I want to extend my sincerest thanks to the supporters of Dry July for helping fund this very important program at Mater. If I hadn't had all of these different supports and this way of dealing with my cancer, I really don't think I would be able to get through."

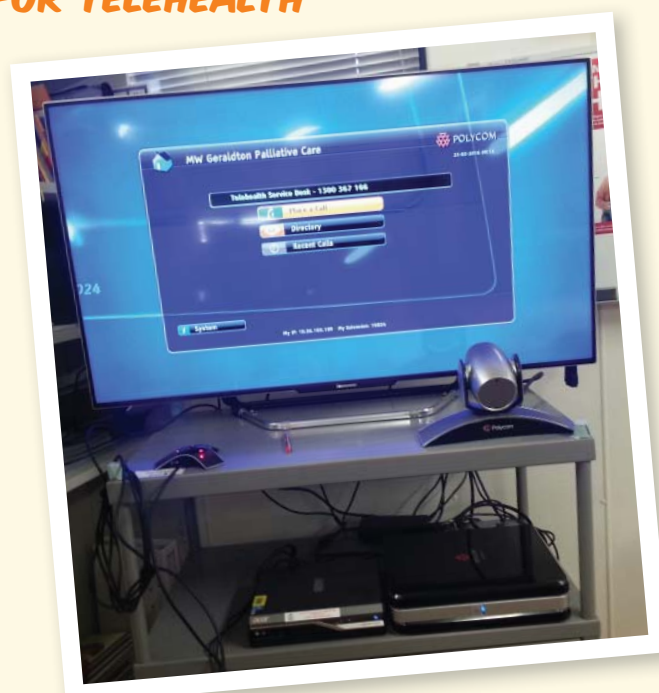
**Names have been changed for anonymity.*

GERALDTON VIDEO-CONFERENCING FOR TELEHEALTH

The palliative care unit at Geraldton Hospital purchased a VC telehealth unit using Dry July funds. Due to the distance that the Midwest region covers we can now book patients to see the palliative care consultant who can view and communicate with patients, palliative care nurses, and plan and implement care changes with the patient in the comfort of their own home.

Our region covers a distance of 605,000 square kilometre, so for patients receiving palliative care this unit makes a huge difference.

Thank you very much this has been a great purchase and resource.



EXTRACT FROM THE AUDITED FINANCIAL REPORT

DRY JULY FOUNDATION

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

To receive the full financial statements please email: team@dryjuly.com

GOVERNANCE & OUR BOARD OF DIRECTORS

The Dry July Foundation board consists of six (6) directors.

The board is responsible for the governance, performance and strategic direction of the Dry July Foundation to ensure successful delivery of accountable and transparent campaigns.

In keeping with Dry July's focus on minimising administrative costs, all Non-Executive Directors are not paid.

MEETINGS OF DIRECTORS

During the financial year, 9 meetings of directors were held. Attendance by each director during the year was as follows:

| NAME | NO. ELIGIBLE TO ATTEND | NO. ATTENDED |
|---------------------|------------------------|--------------|
| Mr. Scott Abraham | 9 | 8 |
| Mr. Graeme Dennis | 9 | 6 |
| Mr. Ian Elliot | 9 | 7 |
| Mr. Phil Grove | 9 | 5 |
| Mr. Brett Macdonald | 9 | 9 |
| Mr. Kenny McGilvary | 9 | 6 |

Company Secretary

Mr Stephen Bardwell has been the Company Secretary since 26 March 2015.



**BRETT
MACDONALD**
GAICD, Executive Director
& Co-Founder

Brett is an experienced creative director with more than 15 years in branding and business communications. With a background in start-ups, creative agency and the corporate sector means his range of skill sets, and passion for the cause are well suited to Dry July.

Brett holds a BA (Hons) in Graphic Design and Communication and is a Graduate of the Australian Institute of Company Directors.



PHIL GROVE
GAICD, Non-Executive
Director & Co-Founder

Phil is an experienced online professional with over 16 years of development and web experience.

Phil holds a BSc (HONS) in Electronic Imaging and Media Communication from The University of Bradford, UK and is a graduate of the Australian Institute of Company Directors.



IAN ELLIOT

Chairman, Non-Executive Director

Ian Elliot is a Communications Specialist. He is the former Chairman and CEO of George Patterson Bates, Australia’s largest Advertising Agency. He retired from that role in 2002 and took up a career as a non-executive director.

He is the former Chairman of Promentum Ltd and former Non-Executive Director of Hills Ltd and Salmat Ltd. Ian is currently a Non-Executive Director on the board of McMillan Shakespeare Ltd.

He is a former member of the fundraising committee ‘Friends of St Vincents,’ and former board member of The Starlight Foundation, acting as Chairman of the Star Day Program.

Ian is a member of the Australian Institute of Company Directors. His book ‘Stop Bitching, Start Pitching’ was a best seller for publisher Murdoch Books.



GRAEME DENNIS

Non-Executive Director

Graeme is a lawyer with over 20 years’ experience. Currently a partner of Clayton Utz, Graeme has advised the boards of some of Australia’s largest companies and State Government organisations.

Graeme is Chair of Dry July Foundation’s Governance Sub-Committee and has also acted for a number of years as the honorary solicitor for the Wheelchair Sports Association Inc. He is a proud benefactor of the Northcott Society and is also a benefactor of the Juvenile Diabetes Research Foundation.

Holding degrees in Law and Arts from both Sydney University and the College of Law (Sydney), Graeme has been admitted to practice as solicitor in the Supreme Courts of Victoria and New South Wales, the High Court of Australia and New Zealand.



KENNETH MCGILVARY

Non-Executive Director & Co-Founder

Kenneth has ten years public relations consulting experience in ANZ and the UK and is well-versed in communicating brand strengths to both consumer and specialist audiences.

With considerable not-for-profit, corporate and consumer technology experience, he has key strengths in executive counsel, brand strategy, community engagement and problem-solving.

Kenneth holds an MA (Hons) from St Andrews University and the Chartered Institute of Marketing’s advanced certificate.



SCOTT ABRAHAM

Non-Executive Director

Scott is a Fellow of the Institute of Chartered Accountants in Australia with over 20 years of commercial experience. Scott is a Director and owner of ABR Virtus Chartered Accountants in Canberra.

His role involves the specialisation in business advisory and taxation issues for private clients. Prior to the establishment of this business, Scott acted as an Executive Director of Canberra’s largest business advisory firm.

Scott has extensive business and taxation knowledge, holds a B. Bus (Accounting) from Charles Sturt University and is also a Registered Tax Agent.

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Report

We have audited the accompanying financial report of Dry July Foundation, which comprises the statement of financial position as at 30 June 2016, the statement of profit or loss and other 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' of the Trustee Company's Responsibility for the Financial Report

The directors of the Foundation are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate. The director's responsibility also includes such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error, and for the accounting estimates inherent in the financial report.

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 Foundation'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 Foundation'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*.

Auditor's Opinion

In our opinion the financial report of Dry July Foundation has been prepared in accordance with *ACNC Act 2012*, including:

- (a) giving a true and fair view of the Foundation's financial position as at 30 June 2016 and of its financial performance and cash flows for the year ended on that date; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1, and *Corporations Regulations 2001*.

Auditor's opinion pursuant to the *Charitable Fundraising (NSW) Act 1991*

In our opinion:

- (a) the financial report gives a true and fair view of the financial result of fundraising appeal activities for the period ended 30 June 2016;
- (b) the financial report has been properly drawn up, and the associated records have been properly kept for the period ended on 30 June 2016 in accordance with the *Charitable Fundraising (NSW) Act 1991* and Regulations;
- (c) money received as a result of fundraising appeal activities conducted during the period ended 30 June 2016 has been properly accounted for and applied in accordance with the *Charitable Fundraising (NSW) Act 1991* and Regulations; and
- (d) there are reasonable grounds to believe that the Dry July Foundation will be able to pay its debts as and when they fall due.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 of the financial report which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the director's financial reporting responsibilities under the *Australian Charities and Not-for-Profit Act 2012*. As a result the financial report may not be suitable for another purpose.



PKF
Chartered Accountants



MARTIN MATTHEWS
Partner

Newcastle West, NSW 2302

Dated: 22 December 2016

DIRECTORS' OF THE TRUSTEE COMPANY'S DECLARATION

The directors have determined that the Foundation is not a reporting entity and that these special purpose financial statements should be prepared in accordance with the accounting policies described in Note 2 of the financial statements.

The directors of the Trustee Company declare that:

1. The financial statements and notes, as set out on pages 8 to 23, are in accordance with the ACNC Act 2012 and:
 - (a) comply with Australian Accounting Standards as stated in Note 2; and
 - (b) give a true and fair view of the financial position as at 30 June 2016 and of the performance for the year ended on that date of its in accordance with the accounting policy described in Note 2 of the financial statements.
2. In the directors' opinion, there are reasonable grounds to believe that the Foundation will be able to pay its debts as and when they become due and payable.

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



MR. B. MACDONALD
Director



MR. G. DENNIS
Director

Sydney, NSW

Dated: 22 December 2016

SUMMARISED FINANCIAL STATEMENTS

Statement of Profit or Loss & Other Comprehensive Income For the Year Ended 30 June 2016

| | NOTE | 2016 \$ | 2015 \$ |
|---|---------|------------------|------------------|
| Revenue | 4 (i) | 4,391,619 | 4,033,924 |
| Other income | 4 (ii) | 897,468 | 1,087,900 |
| Total | | 5,289,087 | 5,121,824 |
| Expenses | | | |
| Marketing expenses | 4 (iii) | (1,007,169) | (738,326) |
| Administration expenses | | (552,930) | (624,030) |
| Grant and donations to Charitable Beneficiaries | 4 (iv) | (3,642,071) | (3,303,696) |
| Depreciation | | (4,775) | (3,999) |
| Employee expenses | | - | (422,306) |
| Other expenses | | (6,222) | (3,199) |
| Finance and merchant costs | | (23,624) | (26,268) |
| Surplus before income tax | | 52,296 | 46,518 |
| Income tax expense | | - | - |
| Surplus after income tax expense | | 52,296 | 46,518 |
| Other comprehensive income | | - | - |
| Total comprehensive income | | 52,296 | 46,518 |

Please see the full financial statements for note 4.

SUMMARISED FINANCIAL STATEMENTS

Statement of Financial Position as at 30 June 2016

| | NOTE | 2016 \$ | 2015 \$ |
|----------------------------------|------|------------------|------------------|
| Assets | | | |
| Current Assets | | | |
| Cash and cash equivalents | 5 | 2,237,844 | 1,986,994 |
| Trade and other receivables | 6 | 176,614 | 696,207 |
| Other assets | | - | - |
| Total Current Assets | | 2,414,458 | 2,683,200 |
| Non-Current Assets | | | |
| Trade and other receivables | 6 | 323,223 | 521,096 |
| Plant and equipment | 7 | 60,139 | 12,914 |
| Total Non-Current Assets | | 383,362 | 534,010 |
| Total Assets | | 2,797,820 | 3,217,210 |
| Liabilities | | | |
| Current Liabilities | | | |
| Trade and other payables | 8 | 40,969 | 512,656 |
| Total Current Liabilities | | 40,969 | 512,656 |
| Non-Current Liabilities | | - | - |
| Total Liabilities | | 40,969 | 512,656 |
| Net Assets | | 2,756,851 | 2,704,555 |
| Equity | | | |
| Retained earnings | | 2,756,851 | 2,704,555 |
| Total Equity | | 2,756,851 | 2,704,555 |

Please see the full financial statements for notes 6, 7 & 8.

SUMMARISED FINANCIAL STATEMENTS

Statement of Cash Flows for the Year Ended 30 June 2016

| | NOTE | 2016 \$ | 2015 \$ |
|---|------|-------------|-------------|
| Cash flows from operating activities: | | | |
| Receipts from donations and other income | | 4,468,963 | 4,551,383 |
| Payments to beneficiaries, suppliers and employees | | (4,432,794) | (4,347,753) |
| Interest received | | 54,076 | 51,130 |
| Net cash provided by/(used in) operating activities | 11 | 90,246 | 254,760 |
| Cash flows from investing activities: | | | |
| Purchase of property, plant and equipment | | (52,000) | (4,598) |
| Net cash used by investing activities | | (52,000) | (4,598) |
| Cash flows from financing activities: | | | |
| Proceeds from repayment of loans | | 212,604 | 66,550 |
| Net cash used by financing activities | | 212,604 | 66,550 |
| Net increase/(decrease) in cash and cash equivalents held | | 250,850 | 316,712 |
| Cash and cash equivalents at beginning of year | | 1,986,994 | 1,670,282 |
| Cash and cash equivalents at end of financial year | 5 | 2,237,844 | 1,986,994 |

Please see the full financial statements for notes 5 & 11.

NOTES

Notes to the Financial Statements For the Year Ended 30 June 2016

The financial report covers Dry July Foundation as an individual entity. Dry July Foundation is a trust settled in Australia.

The functional and presentation currency of Dry July Foundation is Australian dollars.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *ACNC Act 2012*.

Material accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

The financial statements 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.

2 Summary of Significant Accounting Policies

(a) Income Tax

As a Trust, the Foundation is exempt from income tax.

(b) Leases

(i) Finance leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to the trust are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

(ii) Operating leases

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight line basis over the life of the lease term.

NOTES

Notes to the Financial Statements For the Year Ended 30 June 2016

2 Summary of Significant Accounting Policies (continued)

(c) Revenue and other income

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

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

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

Donations received are credited to income in the period in which they are received. In respect of pledges committed, income is recognised when the pledge is received.

Revenue from the sale of merchandise is recognised when the trust has transferred the risks and rewards to the customer and there is no longer any ownership or effective control over the goods.

In kind donations including professional pro bono services that can be reasonably valued are brought to account as revenue when the benefit of the service or control of the asset transfers to the trust.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the trust and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Rental revenue is recognised on a straight line basis over a period of the lease term so as to reflect a constant periodic rate of return on the net investment.

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

NOTES

Notes to the Financial Statements For the Year Ended 30 June 2016

2 Summary of Significant Accounting Policies (continued)

(d) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

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

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

(e) Property, Plant and Equipment

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Plant and equipment are measured using the cost model.

Property, plant and equipment, excluding freehold land, is depreciated on a straight line basis over the assets useful life to the trust, commencing when the asset is ready for use.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

The depreciation rates used for each class of depreciable asset are shown below:

| | |
|-------------------------------|-----|
| Office and Computer Equipment | 25% |
| Web Development | 20% |

(f) Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the trust becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

NOTES

Notes to the Financial Statements For the Year Ended 30 June 2016

2 Summary of Significant Accounting Policies (continued)

(f) Financial instruments (continued)

Financial Assets

Financial assets are divided into the following categories which are described in detail below:

- loans and receivables;
- financial assets at fair value through profit or loss;
- available-for-sale financial assets; and
- held-to-maturity investments.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

Loans and receivables

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss. The trust's trade and other receivables fall into this category of financial instruments.

Discounting is omitted where the effect of discounting is considered immaterial. Significant receivables are considered for impairment on an individual asset basis when they are past due at the reporting date or when objective evidence is received that a specific counterparty will default. The amount of the impairment is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets:

- acquired principally for the purpose of selling in the near future
- designated by the entity to be carried at fair value through profit or loss upon initial recognition or
- which are derivatives not qualifying for hedge accounting.

NOTES

Notes to the Financial Statements For the Year Ended 30 June 2016

2 Summary of Significant Accounting Policies (continued)

(f) Financial instruments (continued)

Assets included within this category are carried in the statement of financial position at fair value with changes in fair value recognised in finance income or expenses in profit or loss.

Any gain or loss arising from derivative financial instruments is based on changes in fair value, which is determined by direct reference to active market transactions or using a valuation technique where no active market exists.

Held-to-maturity investments

Held to maturity investments are non derivative financial assets with fixed or determinable payments and fixed maturity. Investments are classified as held to maturity if it is the intention of the trust's management to hold them until maturity.

Held to maturity investments are subsequently measured at amortised cost using the effective interest method, with revenue recognised on an effective yield basis. In addition, if there is objective evidence that the investment has been impaired, the financial asset is measured at the present value of estimated cash flows. Any changes to the carrying amount of the investment are recognised in profit or loss.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired.

The trusts's financial liabilities include borrowings, trade and other payables (including finance lease liabilities), which are measured at amortised cost using the effective interest rate method.

Impairment of financial assets

At the end of the reporting period the trust assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

(g) Cash and cash equivalents

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

Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position.

NOTES

Notes to the Financial Statements For the Year Ended 30 June 2016

2 Summary of Significant Accounting Policies (continued)

(h) Employee benefits

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

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on national government bonds with maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

Employee benefits are presented as current liabilities in the statement of financial position if the trust does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date regardless of the classification of the liability for measurement purposes under AASB 119.

(i) Finance costs

Finance costs comprise commissions, transaction fees and charges and are recognised in profit and loss when they are incurred.

(j) Adoption of new and revised accounting standards

During the current year, the trust adopted all new and revised accounting standards. There was no material change in recognition and measurement of assets, liabilities, income and expenses as a result of the adoption of these standards.

(k) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The trust has decided against early adoption of these Standards. The following summarises those future requirements, and their impact on the trust:

AASB 9 Financial Instruments – Classification and Measurement (applicable for annual reporting periods beginning on or after 1 January 2018). AASB 9 introduces new requirements for classifying and measuring financial assets, and new requirements apply where an entity chooses to measure a liability at fair value through profit or loss – in these cases, the portion of the change in fair value related to changes in the entity's own credit risk is presented in other comprehensive income rather than within profit or loss.

NOTES

Notes to the Financial Statements For the Year Ended 30 June 2016

2 Summary of Significant Accounting Policies (continued)

(k) New Accounting Standards and Interpretations (continued)

AASB 15 Revenue from Contracts with Customers, (applicable for annual reporting periods beginning on or after 1 January 2018). The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers contracts for goods and services and AASB 111 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards.

AASB 16 Leases (applicable for annual reporting periods beginning on or after 1 January 2019). The AASB has issued a new standard for the recognition of leases. This will replace AASB 117 and some lease-related interpretations. AASB 16 introduces new requirements for accounting for leases “on balance sheet” by lessees, including new disclosure requirements.

The trust does not anticipate early adoption of any of the above reporting requirements and does not expect these requirements to have any material effect on the trust’s financial statements.

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

(l) Change in Financial Statement Presentation

The directors of the Foundation’s Trustee Company have changed the Foundation’s accounting policy with respect to proposed payments to charitable beneficiaries of the Foundation. In previous financial reports, the Foundation’s net assets have been treated as a payable. The Directors have considered that not recognising this amount better reflects the financial position of the Foundation. Accordingly, an adjustment has been made to the comparative figures as at 30 June 2014 and 30 June 2015 to reflect this change of accounting policy.

3 Critical Accounting Estimates & Judgements

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

NOTES

Notes to the Financial Statements For the Year Ended 30 June 2016

4 Significant Items of Revenue and Expense

The following significant revenue and expense items are relevant in explaining the financial performance of the Foundation:

| | 2016 \$ | 2015 \$ |
|--|------------------|------------------|
| (i) Revenue | | |
| Donations | 4,377,064 | 4,015,756 |
| Merchandise | 14,555 | 18,168 |
| Total | 4,391,619 | 4,033,924 |
| (ii) Other Income | | |
| Rental income | 30,552 | 27,212 |
| Sponsorship | 91,000 | - |
| Web cover fees | 12,708 | - |
| Distribution income | 12,643 | 600,884 |
| In-kind donations received | 664,905 | 349,864 |
| Interest income | 72,801 | 109,940 |
| Sundry income | 12,859 | - |
| Total | 897,468 | 1,087,900 |
| (iii) Marketing Expenses - Included within marketing expense was \$664,905 of in-kind expenditure (2015: \$349,864). | 1,007,169 | 738,326 |
| (iv) Grants and donations to Charitable Beneficiaries | 3,642,071 | 3,257,178 |

5 Cash and cash equivalents

| | | |
|--------------------------|-----------|-----------|
| Cash at bank and in hand | 2,237,844 | 1,986,994 |
|--------------------------|-----------|-----------|

NOTES

Notes to the Financial Statements For the Year Ended 30 June 2016

6 Trade and other receivables

| | 2016 \$ | 2015 \$ |
|--|----------------|----------------|
| CURRENT | | |
| Pledges received | 111,019 | 89,463 |
| Receivable from Dry July NZ Trust | 2,263 | 1,542 |
| GST receivable | 50,689 | 11,577 |
| Distirbution receivable from Clear Heads Trust | 12,643 | 593,506 |
| Other receivables | - | 119 |
| Total current trade and other receivables | 176,614 | 696,207 |
| NON-CURRENT | | |
| Loan to Clear Heads Trust | 323,223 | 521,096 |
| Total non-current and other recievables | 323,223 | 521,096 |

7 Property, plant and equipment

| | | |
|----------------------------------|---------------|---------------|
| Plant and equipment at cost | 75,824 | 23,824 |
| Accumulated depreciation | (15,685) | (10,910) |
| Total plant and equipment | 60,139 | 12,914 |

8 Trade and other payables

| | | |
|------------------------|---------------|----------------|
| CURRENT | | |
| Trade payables | 31,968 | 70,573 |
| Superannuation payable | - | 263 |
| Accrued expenses | 8,250 | 439,479 |
| Other payables | 625 | - |
| Trade payables | 126 | 2,340 |
| Total | 40,969 | 512,655 |

NOTES

Notes to the Financial Statements For the Year Ended 30 June 2016

11 Cash Flow Information

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

| | | |
|---|---------------|----------------|
| Surplus for the year | 52,296 | 46,518 |
| Cash flows excluded from surplus attributable to operating activities | | |
| Non-cash flows in profit: | | |
| - depreciation | 4,775 | 4,000 |
| Changes in assets and liabilities: | | |
| - decrease/(increase) in trade and other receivables | 514,837 | (176,756) |
| - (increase)/decrease in other assets | (9,977) | 7,309 |
| - (increase)/decrease in provisions | - | (26,634) |
| - (increase)/decrease in trade and other payables | (471,686) | 400,323 |
| Cashflows from operations | 90,246 | 254,760 |

(b) Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

| | | |
|---------------------------|-----------|-----------|
| Cash and cash equivalents | 2,237,844 | 1,986,994 |
|---------------------------|-----------|-----------|

CHARITABLE FUNDRAISING ACT DECLARATION

I, Brett Macdonald, Executive Director of Dry July Limited, declare that in my opinion:

- (a) the Financial Statements and notes thereto give a true and fair view of all income and expenditure of Dry July Limited with respect to fundraising appeals and merchandising;
- (b) the Statement of Financial Position, Statement of Comprehensive Income, and notices thereto give a true and fair view of the state of affairs with respect to fundraising appeals and merchandising sales;
- (c) the provision of the *Charitable Fundraising Act 1991* and its regulations, *Charitable Collections Act 1946* and *Charitable Collections Regulations 1947* have been complied with; and
- (d) the internal controls exercised by Dry July Limited are appropriate and effective in accounting for all income received.



MR. B. MACDONALD
Director

Sydney, NSW

Dated: 22 December 2016



THANK YOU.

We're ready to help you with any information, please don't hesitate to contact us.



+61 2 9247 6691



team@dryjuly.com



twitter.com/dryjuly



facebook.com/dryjuly