

Muscular Dystrophy Association of Queensland Inc.

ABN 14 908 553 738

Financial Statements

For the Year Ended 30 June 2016

Muscular Dystrophy Association of Queensland Inc.

ABN 14 908 553 738

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For the Year Ended 30 June 2016

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Muscular Dystrophy Association of Queensland Inc.

ABN 14 908 553 738

Auditors Independence Declaration to the directors of Muscular Dystrophy Association of Queensland Inc.

In accordance with the requirements of section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, as lead auditor for the audit of Muscular Dystrophy Association of Queensland Inc. for the year ended 30 June 2016, I declared that, to the best of my knowledge and belief, there have been:

- (i) No contraventions of the auditor independence requirements of the 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012 (Cth)* (ACNC Act) in relation to the audit; and
- (ii) No contraventions of any applicable code of professional conduct in relation to the audit.

Hanrick Curran Audit Pty Ltd
Authorised Audit Company: 338599



Matthew Green
Director

Brisbane, 19 September 2016

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Muscular Dystrophy Association of Queensland Inc.

ABN 14 908 553 738

Statement of Profit or Loss

For the Year Ended 30 June 2016

	2016	2015
	\$	\$
Income		
Donations	644,581	619,221
Bequests	49,940	108,049
Art Union	256,650	291,270
Events	218,285	280,762
Service income	32,400	18,312
Product Sales & Commercial Activities	3,667	16,139
Government Grants	219,853	253,367
Charitable Grants	59,658	142,806
Membership Fees	1,000	729
Other income	34,477	28,673
	<u>1,520,511</u>	<u>1,759,328</u>
Expenditure		
Cost of sales	2,035	7,179
Fundraising and events expense	175,982	162,730
Depreciation and amortisation expense	88,262	21,415
Employee benefits expense	983,260	989,567
Rental expense	65,941	99,347
Client Service Expenses	86,733	348,596
Other operating expenses	182,640	218,619
	<u>1,584,853</u>	<u>1,847,453</u>
Income tax expense	-	-
Profit after income tax	<u>(64,342)</u>	<u>(88,125)</u>

The accompanying notes form part of these financial statements.

Muscular Dystrophy Association of Queensland Inc.

ABN 14 908 553 738

Statement of Financial Position

As At 30 June 2016

	Note	2016 \$	2015 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	2	924,743	971,478
Trade and other receivables	3	20,756	15,127
Inventories	4	10,739	7,497
Investments		9,026	8,806
Other assets		-	236
TOTAL CURRENT ASSETS		965,264	1,003,144
NON-CURRENT ASSETS			
Plant and equipment	5	116,418	163,979
TOTAL NON-CURRENT ASSETS		116,418	163,979
TOTAL ASSETS		1,081,682	1,167,123
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	6	75,097	39,355
Employee benefits	7	64,712	82,774
Client funding		14,016	18,815
Client appeal funds		80,974	103,939
Unspent grant funds		35,884	75,848
TOTAL CURRENT LIABILITIES		270,683	320,731
NON-CURRENT LIABILITIES			
Long-term provisions	7	28,949	-
TOTAL NON-CURRENT LIABILITIES		28,949	-
TOTAL LIABILITIES		299,632	320,731
NET ASSETS		782,050	846,392
MEMBERS' FUNDS			
Retained profits		782,050	846,392
TOTAL MEMBERS' FUND		782,050	846,392

The accompanying notes form part of these financial statements.

Muscular Dystrophy Association of Queensland Inc.

ABN 14 908 553 738

Statement of Changes in Equity

For the Year Ended 30 June 2016

2016

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2015	846,392	846,392
Profit/(loss) for the year	(64,342)	(64,342)
Balance at 30 June 2016	782,050	782,050

2015

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2014	934,518	934,518
Increase in reserves during the year	(88,126)	(88,126)
Balance at 30 June 2015	846,392	846,392

The accompanying notes form part of these financial statements.

Muscular Dystrophy Association of Queensland Inc.

ABN 14 908 553 738

Statement of Cash Flows

For the Year Ended 30 June 2016

	2016	2015
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	1,637,050	1,911,647
Payments to suppliers and employees	(1,667,891)	(1,665,388)
Interest received	19,795	22,574
Net cash provided by/(used in) operating activities	10 (11,046)	268,833
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of plant and equipment	7,046	11,000
Payment for acquisition of plant and equipment	(42,515)	(48,697)
Payment for acquisition of financial instruments	(220)	(214)
Net cash used by investing activities	(35,689)	(37,911)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net increase/(decrease) in cash and cash equivalents held	(46,735)	230,922
Cash and cash equivalents at beginning of year	971,478	740,556
Cash and cash equivalents at end of financial year	2 924,743	971,478

The accompanying notes form part of these financial statements.

Muscular Dystrophy Association of Queensland Inc.

ABN 14.908.553.738

Notes to the Financial Statements

For the Year Ended 30 June 2016

1 Summary of Significant Accounting Policies

Basis of Preparation

In the opinion of the Committee of Management, the Association is not a reporting entity since there are unlikely to exist users of the financial report who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs.

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the *Associations Incorporation Act (QLD) 1981* (as amended by the *Associations Incorporation and Other Legislation Amendment Act (QLD) 2007*).

The financial statements have been prepared on an accruals basis and are based on historical costs and do not take into account changing money values, or except where specifically stated, current valuations of non-current assets.

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

a. Income Tax

The Association is exempt from income tax under Section 50-5 of the *Income Tax Assessment Act 1997*. Accordingly no provision for income tax has been made in these financial statements.

b. Property, Plant and Equipment

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

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Association, commencing when the asset is ready for use. Estimated useful lives are reviewed on an annual basis.

Classes of assets and their estimated useful lives are as follows:

Furniture & Fittings	5-6 years
Computer Equipment	3-7 years
Medical Equipment	4-5 years
Motor Vehicles	5-6 years

Profits and losses on disposal of property, plant and equipment are taken into account in determining the profit for the year.

Muscular Dystrophy Association of Queensland Inc.

ABN 14 908 553 738

Notes to the Financial Statements

For the Year Ended 30 June 2016

1 Summary of Significant Accounting Policies (continued)

c. Financial instruments

Financial Assets

Investments in financial assets are recognised at cost, which includes transaction costs, and are subsequently measured at fair value, which is equivalent to their market bid price at the end of the reporting period. Movement in fair value are recognised through the income and expenditure statement.

d. Employee benefits

Employee benefits comprise wages and salaries, annual, non-accumulating sick and long service leave, and contributions to superannuation plans.

Liabilities for wages and salaries expected to be settled within 12 months of balance date are recognised in other payables in respect of employees' services up to the reporting date. Liabilities for annual leave in respect of employees' services up to the reporting date which are expected to settle within 12 months after the end of the period in which the employees render the related services are recognised in the provision for annual leave. Both liabilities are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method.

The Association pays contributions to certain defined contribution superannuation plans. Contributions are recognised in the income statement when they are due. The Association has no obligation to pay further contributions to these plans if the plans do not hold sufficient assets to pay employee benefits relating to employee service in current and prior periods.

e. 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 assets and liabilities.

f. Revenue and other income

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

Revenues 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).

Muscular Dystrophy Association of Queensland Inc.

ABN 14 908 553 738

Notes to the Financial Statements

For the Year Ended 30 June 2016

1 Summary of Significant Accounting Policies (continued)

f. Revenue and other income (continued)

Legacies

Legacies are recognised when the legacy is received.

Revenue from legacies comprising bequestes of shares or other property are recognised at fair value, being the market value of the shares or property at the date the company becomes legally entitled to the shares or property.

Grant revenue

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

Donations

Donations collected, including cash and goods for resale, are recognised as revenue with the Association gains control, economic benefits are probable and the amount of the donation can be measured reliably.

Investment income

Investment income comprises interest and dividends. Interest income is recognised as it accrues, using the effective interest method.

Dividends from listed entities are recognised when the right to receive a dividend has been established.

g. Accounts receivables and Other debtors

Accounts receivable and other debtors include amounts due from members as well as amounts received from donors. Receivables expected to be collected 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

h. Accounts payables and Other payables

Account payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the association 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.

i. 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.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

Muscular Dystrophy Association of Queensland Inc.

ABN 14 908 553 738

Notes to the Financial Statements

For the Year Ended 30 June 2016

1 Summary of Significant Accounting Policies (continued)

j. 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. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of assets and liabilities are shown inclusive of GST. The net amount of GST recoverable from or payable to the Australian Taxation Office is included as part of receivables or payables.

k. Inventory

Inventories are measured at the lower of cost and net realisable value.

Muscular Dystrophy Association of Queensland Inc.

ABN 14 908 553 738

Statement of Retained Earnings

For the Year Ended 30 June 2016

	2016	2015
	\$	\$
2 Cash and cash equivalents		
Cash at bank in hand	403,101	573,208
Short-term bank deposits	521,642	398,270
	<u>924,743</u>	<u>971,478</u>
3 Trade and other receivables		
CURRENT		
Trade receivables	8,984	3,536
Rental bond paid	11,374	11,374
Accrued interest	193	217
Sundry debtors	205	-
Total current trade and other receivables	<u>20,756</u>	<u>15,127</u>
<p>The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.</p>		
<p>The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.</p>		
4 Inventories		
CURRENT		
At cost:		
Stock	10,712	4,647
Stock - Commercial activities	27	2,850
	<u>10,739</u>	<u>7,497</u>

Statement of Retained Earnings

For the Year Ended 30 June 2016

	2016	2015
	\$	\$
5 Property, plant and equipment		
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	480,126	510,094
Accumulated depreciation	(383,257)	(377,644)
Total plant and equipment	<u>96,869</u>	<u>132,450</u>
Furniture, fixtures and fittings		
At fair value	8,743	8,743
Accumulated depreciation	(8,743)	(8,743)
Total furniture, fixtures and fittings	<u>-</u>	<u>-</u>
Motor vehicles		
At cost	18,734	47,772
Accumulated depreciation	(16,861)	(40,910)
Total motor vehicles	<u>1,873</u>	<u>6,862</u>
Computer equipment		
At cost	62,580	61,380
Accumulated depreciation	(44,904)	(36,713)
Total computer equipment	<u>17,676</u>	<u>24,667</u>
Computer software		
At cost	15,536	15,536
Accumulated depreciation	(15,536)	(15,536)
Total computer software	<u>-</u>	<u>-</u>
Total property, plant and equipment	<u><u>116,418</u></u>	<u><u>163,979</u></u>
6 Trade and Other Payables		
CURRENT		
Trade payables	46,697	14,862
GST payable	4,848	3,493
Credit card	2,552	-
Art Union Prize	21,000	21,000
	<u>75,097</u>	<u>39,355</u>

Muscular Dystrophy Association of Queensland Inc.

ABN 14 908 553 738

Statement of Retained Earnings

For the Year Ended 30 June 2016

	2016	2015
	\$	\$
7 Employee Benefits		
Current liabilities		
Provision for employee benefits	44,267	35,837
Long service leave	20,445	46,937
	<u>64,712</u>	<u>82,774</u>
Non-current liabilities		
Long service leave	28,949	-
	<u>28,949</u>	<u>-</u>
8 Lease Commitments		
Operating Leases		
Obligations under Operating Leases are as follows:		
- not later than one year	67,305	65,898
- between one year and two years	69,363	68,204
- later than two years but not later than five years	146,094	219,272
- later than five years	176,568	-
	<u>459,330</u>	<u>353,374</u>
9 Contingencies		

In the opinion of the Committee of Management, the Association is not aware of any contingencies at 30 June 2016 (30 June 2015: None).

Muscular Dystrophy Association of Queensland Inc.

ABN 14 908 553 738

Statement of Retained Earnings

For the Year Ended 30 June 2016

	2016	2015
	\$	\$
10 Cash Flow Information		
Reconciliation of result for the year to cashflows from operating activities		
Reconciliation of net income to net cash provided by operating activities:		
Profit for the year	(64,342)	(88,126)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	88,261	143,729
- (profit)/loss on disposal of property, plant and equipment	(5,231)	324
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
- (increase)/decrease in trade and other receivables	(8,518)	663
- (increase)/decrease in prepayments	2,356	5,331
- (increase)/decrease in inventories	(3,242)	3,219
- increase/(decrease) in trade and other payables	(31,217)	186,988
- increase/(decrease) in employee benefits	10,887	16,705
Cashflow from operations	<u>(11,046)</u>	<u>268,833</u>

11 Events Occurring After the Reporting Date

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

12 Association Details

The registered office of the association is:
Muscular Dystrophy Association of Queensland Inc.
1149 Sandgate Rd
Nundah QLD 4012

Muscular Dystrophy Association of Queensland Inc.

ABN 14 909 553 738

Responsible Entities' Declaration

In the opinion of the Responsible Entities of Muscular Dystrophy Association of Queensland Inc:

- a The financial statements and notes of Muscular Dystrophy Association of Queensland Inc are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:
 - i Giving a true and fair view of its financial position as at 30 June 2016 and of its performance for the financial year ended on that date; and
 - ii Complying with *Associations Incorporation Act (QLD) 1981* (as amended by the *Associations Incorporation and Other Legislation Amendment Act (QLD) 2007*) and the *Australian Charities and Not-for-profits Commission Act 2012*; and
- b There are reasonable grounds to believe that Muscular Dystrophy Association of Queensland Inc. will be able to pay its debts and when they become due and payable.

Signed in accordance with a resolution of the Responsible entities:

President
Mrs. Lorna Peters

Treasurer
Mr Peter Kearney

Brisbane, 19 September 2016

Muscular Dystrophy Association of Queensland Inc.

ABN 14 908 553 738

Independent Audit Report to the members of Muscular Dystrophy Association of Queensland Inc.

Report on the Financial Report

We have audited the accompanying financial report being a special purpose financial report, of Muscular Dystrophy Association of Queensland Inc., which comprises the statement of assets and liabilities as at 30 June 2016, the statement of profit or loss, 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 responsible entities' declaration.

Management Committee's Responsibility for the Financial Report

The management committee of Muscular Dystrophy Association of Queensland Inc. are responsible for the preparation of the financial report and have determined that the basis of preparation described in Note 1, is appropriate to meet the requirements of the *Associations Incorporation Act (QLD) 1981 (as amended by the Associations Incorporation and Other Legislation Amendment Act (QLD) 2007)* and the *Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act)* and for such internal control as the officers determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, 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 qualified audit opinion.

Basis for Qualified Opinion

Significant sources of revenue for Muscular Dystrophy Association of Queensland Inc., such as donations, bequests, grants and fundraising are received as a result of the goodwill of third parties. The Muscular Dystrophy Association of Queensland Inc., has determined that it is impractical to establish control over the collection of such funds prior to entry into its financial records. Accordingly, as the evidence available to us regarding fundraising revenue from this source was limited, our audit procedures with respect to fundraising revenue had to be restricted to the amounts recorded in the financial records. We therefore are unable to express an opinion whether contributions recorded are complete.

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Muscular Dystrophy Association of Queensland Inc.

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Independent Audit Report to the members of Muscular Dystrophy Association of Queensland Inc.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial report presents fairly, in all material respects, the financial position of Muscular Dystrophy Association of Queensland Inc. as at 30 June 2016, and its financial performance and its cash flows for the year then ended in accordance with *Associations Incorporation Act (QLD) 1981 (as amended by the Associations Incorporation and Other Legislation Amendment Act (QLD) 2007)* and the *Australian Charities and Not-for-profits Commission Act 2012*.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report which describes the basis of accounting. The financial report is prepared to assist Muscular Dystrophy Association of Queensland Inc. to comply with the financial reporting provisions of *Associations Incorporation Act (QLD) 1981 (as amended by the Associations Incorporation and Other Legislation Amendment Act (QLD) 2007)* and the *Australian Charities and Not-for-profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose.

HANRICK CURRAN AUDIT
Hanrick Curran Audit Pty Ltd
Authorised Audit Company: 338599



Matthew Green
Director

Brisbane, 19 September 2016