

Muscular Dystrophy Association of Queensland Inc.

Financial Statements

for the year ended

30 June 2015

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Muscular Dystrophy Association of Queensland Inc.

**Income and Expenditure Statement
for the year ended 30 June 2015**

	Note	2014 \$	2015 \$
Members Funds			
Income			
Donations		855,180	668,299
Bequests		93,461	108,049
Art Union		319,850	291,270
Events		183,052	191,138
Red Bow Day Annual Appeal		38,396	40,546
Product Sales & Commercial Activities		6,125	16,139
Government Grants	6	263,518	253,367
Charitable Grants		39,330	142,806
Membership Fees		1,123	729
Other Income		54,384	46,985
Total Income		1,854,419	1,759,327
Expenditure			
Costs of Sales		163,368	169,909
Wages & Salaries		1,030,008	971,349
Motor Vehicle Expenses		20,955	18,218
General Expenses		416,545	339,380
Client Service Expenses		296,329	348,596
Other Expenses		0	0
Total Expenditure		1,927,205	1,847,453
Surplus/(Deficit) for the year		-72,786	-88,126

The accompanying notes form an integral part of these accounts.

Muscular Dystrophy Association of Queensland Inc.

**Assets and Liabilities Statement
as at 30 June 2015**

	Note	2014 \$	2015 \$
Members Funds		934,518	846,392
<i>Represented by:</i>			
Current Assets			
Cash and cash equivalents		707,012	945,084
Receivables and Prepayments		36,554	33,660
GST Receivable		55	235
Inventory	3	10,716	7,497
Investments		26,886	16,668
Total Current Assets		781,223	1,003,144
Non Current Assets			
Plant & Equipment	4	270,334	163,979
Total Non Current Assets		270,334	163,979
Total Assets		1,051,557	1,167,123
Current Liabilities			
Payables		28,136	39,355
Provision for annual leave		22,834	35,837
Provision for long service leave		27,103	46,937
YLYC client funding		38,966	18,815
Community fundraising - client appeal funds			103,939
Unspent grant funds			75,848
Total Current Liabilities		117,039	320,731
Non-current Liabilities			
Equipment loan		0	0
Lease liability		0	0
Total Non-current Liabilities		0	0
Total Liabilities		117,039	320,731
Net Assets		934,518	846,392

The accompanying notes form an integral part of these accounts.

Muscular Dystrophy Association of Queensland Inc.

**Statement of Changes in Equity
for the year ended 30 June 2015**

	Note	2014 \$	2015 \$
Total Equity at the beginning of the financial year		1,007,304	934,518
Surplus/(Deficit) for the year	2	-72,786	-88,126
Movement in asset revaluation reserve		0	0
Correction of prior period error		0	0
Total Equity at the end of the year		<u>934,518</u>	<u>846,392</u>

The accompanying notes form an integral part of these accounts.

Muscular Dystrophy Association of Queensland Inc.

Notes to and Forming Part of the Financial Statements for the year ended 30 June 2015

1. Summary of Significant Accounting Policies

(a) Basis of Preparation

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Act (QLD) 1981 (as amended by the Associations Incorporation and Other Legislation Amendment Act (QLD) 2007). The committee has determined that the not-for-profit Association is not a reporting entity.

The financial report has been prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following significant accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report.

(b) Depreciation of Fixed Assets

All assets are depreciated over their estimated useful lives using the straight line method. 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

Estimated useful lives are reviewed on an annual basis.

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

(c) Inventory

Inventory is carried at the lower of cost and net realisable value.

(d) 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.

(e) Investments

Shares held have been re-valued to market value at year end. The resulting increases are reflected in the Income and Expenditure Statement.

(f) Revenue Recognition

Revenue is recognised when the Association is legally entitled to the income and the amount can be quantified with reasonable accuracy. Revenues are recognised net of the amounts of goods and services tax (GST) payable to the Australian Taxation Office.

Muscular Dystrophy Association of Queensland Inc.

Notes to and Forming Part of the Financial Statements for the year ended 30 June 2015

Donations

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

Legacies

Legacies are recognised when the legacy is received.

Revenue from legacies comprising bequests 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.

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) Payables

Trade payables and other payables represent liabilities for goods and services provided to the company prior to the end of the financial year that are unpaid. These amounts are usually settled in 30 days. The carrying amount of the creditors and payables is deemed to reflect fair value.

(h) 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.

Muscular Dystrophy Association of Queensland Inc.

**Notes to and Forming Part of the Financial Statements
for the year ended 30 June 2015**

(i) 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 Taxation Office, in which case it is recognised as part of the cost of acquisition of an asset or as part of an item of expense.

Receivables and payables are recognised 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.

	2014 \$	2015 \$
2. Surplus/(Deficit) for the Year		
Included in the Surplus /(Deficit) for the year are the following expense items:		
Audit and Professional Fees	12,180	13,745
Depreciation Expense	130,232	143,729
Operating Lease Rentals	96,327	63,824
Relocation Costs	30,725	0
3. Inventory		
Commercial Stock	2,850	2,850
Red Bow Day Appeal Stock	7,866	4,647
	10,716	7,497
4. Plant & Equipment		
Furniture & Fittings at cost	8,743	8,743
Less: Accumulated Depreciation	-8,743	-8,743
	0	0
Computer Equipment at cost	62,575	61,380
Less: Accumulated Depreciation	-28,599	-36,712
	33,976	24,668
Motor Vehicles at cost	105,473	47,771
Less: Accumulated Depreciation	-54,427	-40,910
	51,046	6,861
Medical Equipment at cost	559,823	510,093
Less: Accumulated Depreciation	-374,510	-377,643
	185,313	132,450
Call Centre Equipment at cost	15,536	15,536
Less: Accumulated Depreciation	-15,536	-15,536
	0	0
Total Plant and Equipment	270,335	163,979

Note: Write down of assets no longer owned by or viable to the organisation occurred in 2015

Muscular Dystrophy Association of Queensland Inc.
Notes to and Forming Part of the Financial Statements
for the year ended 30 June 2015

	2014	2015
	\$	\$
5. Lease Commitments		
(a) Operating Lease Commitments		
Obligations under Operating Leases are as follows:		
- Not later than one year	63,669	65,898
- Later than one year but not later than two years	65,898	68,204
- Later than two years but not later than five years	211,857	219,272
	<u>341,424</u>	<u>353,374</u>

6. Government Grants

Grants were received from the following Government entities:

Disability Services Queensland	148,992	165,416
Premier of Queensland	35,000	35,000
Queensland Health	24,238	24,238
Federal Government	799	1,198
Department of Communities	54,490	27,515
	<u>263,518</u>	<u>253,367</u>

Muscular Dystrophy Association of Queensland Inc.

Statement by the Management Committee

In the opinion of the members of the Management Committee of the Muscular Dystrophy Association of Queensland Inc.:

- (a) The accompanying financial statements and notes present fairly the Associations financial position as at 30 June 2015 and its performance for the year ended on that date in accordance with Australian Accounting Standards and other mandatory professional reporting requirements as outlined in Note 1.
- (b) As at the date of this statement, there are reasonable grounds to believe that the Association will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Management Committee of the Muscular Dystrophy Association of Queensland Inc. and is signed on behalf of the committee by:



Mr. Peter Kearney
Treasurer



Mrs. Lorna Peters
President

Date 3rd September, 2015

5th September, 2015.

INDEPENDENT AUDITOTR'S 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 2015, the statement of income and expenditure and the statement of changes in equity for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the statement by the management committee.

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 Incorporations Act (QLD) 1981* and is appropriate to meet the needs of the members. The officers' responsibility also includes 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.

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 2015, and its financial performance for the year then ended in accordance with Australian Accounting Standards and the *Associations Incorporations Act (QLD) 1981*.

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 the *Associations Incorporations Act (QLD) 1981*. 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, 3 September 2015