



MJD Foundation Limited

(A public company limited by guarantee)

Annual Financial Report

For the year ended 30 June 2019

Contents

Corporate Information	2
Directors' Report for the year ended 30 June 2019	3
Auditor's Independence Declaration	5
Directors' Qualifications, Experience and Special Responsibilities	6
Financial Statements	7
Notes to and forming part of the Financial Statements	11
Directors' Declaration for the year ended 30 June 2019	19
Independent Auditor's Report	20

Corporate Information

ABN 65 159 208 867

Directors

The following Directors were in office at the date of this report

Neil Westbury (Chairperson)
Gayangwa Lalara
Janice Oake
Tony Wurramarrba
Jennifer Baird
Olga Havnen (resigned Sept 2018)
Jennifer Cullen

Company Secretary

Nadia Lindop (CEO)

Registered Office

5/1 Caryota Court
Coconut Grove NT 0810

Postal Address

PO Box 414,
Alyangula NT 0885

Phone/Email

1300-584-122
info@mjd.org.au

Bankers

Traditional Credit Union
Casuarina NT 0811

National Australia Bank
Melbourne VIC 3000

Legal Advisors (Pro bono)

McCullough Robertson
66 Eagle St,
Brisbane QLD 4000

Gilbert + Tobin
Level 35, 2/200 Barangaroo Avenue
Barangaroo NSW 2000

Investment Advisors

Mutual Trust (ex Myer Family Company)
9 Castlereagh St,
Sydney NSW 2000

Auditors

Hill Rogers
Level 16, 1 Market Street,
Sydney NSW 2000

Directors' Report for the year ended 30 June 2019

The Directors submit this financial report for the MJD Foundation Limited (MJDF) for the financial year ended 30 June 2019.

Directors

The names of each person who has been a Director during the year and to the date of this report are:

Director	Board position	Date Appointed	A	B
Neil Westbury	Chairperson	27 th June 2012	3	3
Gayangwa Lalara	Vice-Chairperson	27 th June 2012	3	3
Janice Oake	Treasurer	1 st April 2014	3	3
Tony Wurrumarrba	Director	27 th June 2012	1	3
Jennifer Baird	Director	27 th June 2012	3	3
Olga Havnen (resigned Sept 2018)	Director	11 th March 2017	0	0
Jennifer Cullen	Director	11 th March 2017	3	3

A – number of meetings attended

B – Number of meetings held during the time the Director held office during the year

Mission

The MJD Foundation works in partnership with Aboriginal¹ Australians, their families and communities living with Machado-Joseph Disease (MJD) to provide comprehensive supports and engage in research providing hope for the future.

Principal Activities

The principal activities of the Company during the financial year were to promote the prevention or the control of disease in human beings and particularly to work with Aboriginal Australians, their families and communities living with Machado-Joseph Disease and closely associated spino-cerebellar ataxias by:

- i. providing support to persons living with the disease and their families including by the provision of case management supports, community infrastructure and transport, community services and equipment;
- ii. relieving disability and distress associated with disease;
- iii. engaging in research into the cause, prevention, treatment or cure for the disease including the slowing, stopping, reversal or stopping of the disease;
- iv. contributing to research into the development of improved treatments, equipment and technology for persons living with the disease;
- v. advancing education and public awareness about the disease and people living with the disease;
- vi. advocating on behalf of persons with the disease and their families to all levels of the community and government; and
- vii. other purposes which are beneficial to the community.

Significant Changes

No significant change in the nature of the Company's activities occurred during the year.

¹ The MJDF uses the term Aboriginal in preference to Aboriginal and Torres Strait Islander in recognition that Aboriginal people are the original inhabitants of Arnhem Land. Aboriginal and Torres Strait Islander is referred to in the national context. No disrespect is intended to our Torres Strait Islander families and communities. The MJDF acknowledges the inclusion of Torres Strait Islanders who may be affected by MJD.

Members' Guarantee

In accordance with the Company's constitution, each member is liable to contribute \$10 in the event that the company is wound up.

Auditor's Independence

The auditor's declaration of independence appears on the following page and forms part of the Directors' report for the year ended 30 June 2019.

Operating Result

The profit from ordinary activities after providing for income tax amounted to

Year ended 30 June 2019	Year ended 30 June 2018
\$1,029,167	\$727,844

This Director's report is signed in accordance with a resolution of the Directors of the Board made in pursuant to the Australian Charities and Not-for-profits Commission Act (2012) on : 14/11/2019



Neil Westbury PSM (Director/Board Chairperson)



Janice Oake (Director/Board Treasurer)

AUDITOR'S INDEPENDENCE DECLARATION

To the Directors,

MJD Foundation Limited

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 MJD Foundation Limited for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

HILL ROGERS ASSURANCE PARTNERS



BRETT HANGER
Partner

Dated at Sydney, this 14th day of November 2019

Directors' Qualifications, Experience and Special Responsibilities

Name	Qualifications	Experience	Special Responsibilities
Neil Westbury PSM	Cert. Aboriginal Studies Commonwealth Public Service Medal	Over 40 years professional experience working in Indigenous Affairs and Public sector management.	Director Chairperson Policy Advisor
Gayangwa Lalara OAM	Cert II Aged & Disability Cert Theology Cert Women's Studies Cert ESL Cert Counselling	Groote Eylandt community leader and senior family member for families affected by MJD.	Director Vice-Chairperson Senior cultural advisor to the Board and staff members/volunteers.
Janice Oake	B.Business (Accounting) Assoc Prog Society of CPAs Grad Dip. Bus Computing	Finance and business expertise.	Director Treasurer Chair, Finance Sub-Committee Member, Risk Sub-committee
Tony Wurraramarra AO	Graduate Alyangula School Graduate Dhupuma College Officer of the Order of Australia	Chairperson Anindilyakwa Land Council Groote Eylandt community leader Previously Angurugu Council Town Clerk.	Director
Jennifer Baird	B.Teaching GradCert Accelerated Literacy Masters Education	Cared for husband with MJD (20 years). Carer for two children who live with MJD. Past President of Carers NT (17 years).	Director
Olga Havnen	GAICD	Over 40 years professional experience working in Indigenous Affairs, Indigenous Health and Public sector management.	Director
Jennifer Cullen	B.Arts B.Health Science Masters. Health Service Mgmt Grad Dip Public Health	Disability & Health economics, not for profit capability, Aboriginal and Torres Strait Islander issues, professional development and mentoring.	Director
Nadia Lindop OAM	B. Sc (Hons 1) Cert IV Finance Cert IV WHS GAICD	Organisational governance and management.	CEO Company Secretary

Financial Statements

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 June 2019

	Note	2019	2018
		\$	\$
REVENUE	7	4,201,731	3,319,883
Administration Fees		(41,386)	(39,177)
Advertising & Marketing		(29,254)	(35,683)
Bank Charges		(1,057)	(1,632)
Computers & Office Supplies		(22,859)	(16,721)
Clients Care & Support		(645,720)	(531,096)
Depreciation Expenses	8	(76,244)	(63,784)
Employment Expenses		(1,507,959)	(1,212,731)
Freight, Print & Postage		(8,006)	(4,989)
Insurance		(7,689)	(12,626)
Interest		-	(7)
Legal & Accounting		(6,000)	(6,064)
Medical Research & Resources		(97,162)	(127,061)
Motor Vehicle Expenses		(67,311)	(39,003)
Office Building Expenses		(33,014)	(12,706)
Rent & Storage		(28,354)	(16,727)
Repairs & Maintenance		(6,102)	(7,124)
Travel		(330,053)	(334,625)
Other Expenses		(264,394)	(130,283)
Total Expenses		(3,172,564)	(2,592,039)
Profit/(Loss) for the year		1,029,167	727,844
Other Comprehensive income for the year		-	-
Total comprehensive income for the year		1,029,167	727,844
Total comprehensive income attributable to the entity		1,029,167	727,844

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

	Note	2019 \$	2018 \$
CURRENT ASSETS			
Cash & Cash Equivalents	15(a)	613,062	382,884
Receivables	9	580,422	471,132
Other Assets	10	42,378	19,870
Investments	11,4	20,111,264	18,658,924
TOTAL CURRENT ASSETS		21,347,126	19,532,810
NON-CURRENT ASSETS			
Property, Plant and Equipment	12	756,964	712,396
TOTAL NON-CURRENT ASSETS		756,964	712,396
TOTAL ASSETS		22,104,090	20,245,206
CURRENT LIABILITIES			
Payables	13	243,936	80,408
Provisions	14	173,385	170,835
TOTAL CURRENT LIABILITIES		417,321	251,243
NON-CURRENT LIABILITIES			
Provisions	14	15,106	1,372
TOTAL NON-CURRENT LIABILITIES		15,106	1,372
TOTAL LIABILITIES		432,427	252,615
NET ASSETS		21,671,663	19,992,591
EQUITY			
Retained Earnings		21,671,663	19,992,591
TOTAL EQUITY		21,671,663	19,992,591

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2019

	Note	Retained Earnings \$
Balance at 1 July 2017		19,264,747
Profit/(Loss) attributable to the entity		727,844
Total other comprehensive income for the year		-
Balance at 30 June 2018		19,992,591
Adjustment for change in accounting policy	2(b)	649,905
Profit/(Loss) attributable to the entity	2(b)	1,029,167
Total other comprehensive income for the year		-
Balance at 30 June 2019		21,671,663

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 \$	2018 \$
Cash Flows from Operating Activities			
Grants, sponsorships and donations received		1,760,222	1,852,925
Receipts from operations		1,013,609	553,157
Payments to suppliers and employees		(3,149,564)	(3,680,761)
Interest received		54,565	223,809
Dividends received		676,058	381,995
Net cash provided by (used in) operating activities	15(b)	354,890	(668,875)
Cash Flow from Investing Activities			
Proceeds from sale of property, plant and equipment		-	-
Payment for property, plant and equipment		(120,812)	(152,736)
Proceeds from sale of investments		4,471,863	33,015,177
Payment for purchase of investments		(4,475,763)	(32,072,055)
Net cash provided by (used in) investing activities		(124,712)	790,386
Net increase (decrease) in cash held		230,178	121,511
Cash at beginning of the year		382,884	261,373
Cash at end of the year	15(a)	613,062	382,884

Notes to and forming part of the Financial Statements

1. Corporate Information

The financial statements of the non-profit company, the MJD Foundation Limited (the company) for the year ended 30 June 2019 were authorised for issue in accordance with a resolution of the Directors on 14th November 2019.

2. Summary of Significant Accounting Policies

(a) Basis of Preparation

In the Director's opinion, the company 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 special purpose financial report has been prepared to meet the reporting requirements of the Australian Charities and Not-for-profits Commission Act 2012.

The financial statements have been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards and Accounting Interpretations, and the disclosure requirements of AASB 101 Presentation of Financial Statements, AASB 107 Statement of Cash Flows, AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors and AASB 1054 Australian Additional Disclosures

(b) New or amended Accounting Standards and Interpretations adopted

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

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following Accounting Standards are most relevant to the entity:

AASB 9 Financial Instruments

The entity has adopted AASB 9 from 1 July 2018. The standard introduced new classification and measurement models for financial assets. As a result the entity has updated its accounting policies as detailed in this note. The 2018 comparative has not been restated to include the impact of AASB 9.

Impact of adoption on opening retained profits as at 1 July 2018

Retained earnings	\$649,905
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Impact of adoption on increase of net profit as at 30th June 2019

Unrealised Gain in Fair Value of Financial Asset	\$562,279
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(c) Significant Accounting Judgements, Estimates and Assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Significant Accounting Judgements

Property, Plant and Equipment (PPE)

The Company expenses assets upon acquisition when assets are gifted to individuals with MJD or to organisations assisting individuals with MJD.

Significant Accounting Estimates and Assumptions

The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Provisions for employee benefits

Provisions for employee benefits payable after 12 months from the reporting date are based on current wage and salary levels. The amount of these provisions would change should these factors change.

(d) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

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

Grants received

Grant income is recognised when the company obtains control over the funds, which is generally at the time of receipt.

Donations received

Donation income is recognised when the company obtains control over the funds, and the donation can be measured reliably.

Bequests received

Bequests are recognised when the company obtains control over the funds, which is generally at the time of receipt.

Investment income

Investment income comprises interest and dividends. Interest income is recognised as it accrues, using the effective interest method. Dividend income is recognised when the right to receive a dividend has been established.

In-kind donations

No amounts are included in the financial statements for in-kind services donated by sponsors or volunteers.

(e) Expenditure

All expenditure is accounted for on an accruals basis and has been listed as per the detailed accounts in the company's accounting system.

(f) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and at bank.

(g) Property, Plant and Equipment (PPE)

Office equipment is carried at cost less, where applicable, any accumulated depreciation.

The depreciable amount of all PPE is depreciated over the useful lives of the assets to the company commencing from the time the asset is held ready for use.

(h) Impairment of Assets

At the end of each reporting period, the entity reviews the carrying values of its assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

(i) Trade and Other Payables

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

(j) Taxation

Income Tax

The company is a charitable institution for the purposes of Australian taxation legislation and is therefore exempt from income tax. This exemption has been confirmed by the Australian Taxation Office. The company holds deductible gift recipient status.

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.

The net amount of GST recoverable from or payable to the Australian Taxation Office is included as part of receivables or payables.

3. Cash and Other Equivalents

Cash at bank earns interest at floating rates based on daily bank deposit rates of the Traditional Credit Union. Short term deposits are made for varying periods of between one and three months, depending on the company's cash requirements. These deposits are held with the National Australia Bank.

4. Investments

Investments and other financial assets are measured at fair value through profit or loss. Such assets are subsequently measure at fair value through their classification. Classification is determined on both the business model within which such assets are held and the contractual cash flow characteristics of the financial assets.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, it's carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically such assets will be either: (I) held for trading, where they are acquired for the purpose of selling in the short term with an intention of making a profit, or a derivative; or (II) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

The Company's investment advisor is the Mutual Trust (ex Myer Family Company).

In 2010, the Company received a \$6 million grant from the Aboriginals Benefit Account (ABA) which cannot be expended, but instead it is invested, and only the earnings (interest, dividends etc) can be used for operational costs.

In 2017, the Company received a \$10 million grant from the Aboriginals Benefit Account (ABA) which cannot be expended, but instead it is invested, and only the earnings (interest, dividends etc) can be used to support clients.

Both ABA grants are invested in perpetuity per the MJD Foundation's Constitution.

5. Financial Risk Management

The company's financial instruments comprise cash, cash equivalents, term deposits, fixed interest, property funds, domestic equities and international equities. The company's investments are considered to be of a moderate risk profile. The risk profile is considered appropriate and necessary to meet the company's long-term objectives while minimising risk that the company fails to meet its near-term liabilities. The main risks arising from the company's financial instruments are liquidity risk, credit risk, market price risk, interest rate risk, and equity price risk.

The Directors have overall responsibility for risk management, including risks associated with financial instruments. The Board of Directors have appointed a Finance Sub-Committee comprising the Board Treasurer (a Director), the CEO, the CFO and two independent finance specialists. The role of the Finance Sub-committee is to develop an Investment Policy Statement (IPS) and to make investment decisions within the guidelines of the IPS. Risk management policies are established as part of the IPS to identify and analyse the risks associated with the company's financial instruments, to set appropriate risk limits and controls and to monitor the risks and adherence to limits. The portfolio is positioned in line with the risk profile identified by the IPS. This note presents information about the company's exposure to liquidity, interest rate, foreign exchange and market price risk. The Board of Directors have appointed a Risk Sub-Committee comprising an

independent Chairperson with Risk expertise, the Board Treasurer, the CEO and from time to time an independent specialist.

Liquidity risk

Liquidity risk is the risk that the company will not be able to fund its obligations as they fall due. The company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate liquid funds are available to meet normal operating expenses for 120 days.

Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Funds are deposited only with those banks and financial institutions approved by the Finance Subcommittee. Such approval is only given in respect of banks that hold 'AA' ratings from Standard & Poor's or an equivalent rating from another reputable ratings agency. At the reporting date, the company did not have any material credit risk exposures to any single receivable or group of receivables or any bank or financial institution.

Market price risk

Market price risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the company's income or the value of its holdings of financial instruments. The company is exposed to two sources of market price risk – fluctuations in interest rates and fluctuations in the value of its available-for-sale investments.

Interest rate risk

Interest rate risk refers to the risk that the value of financial instruments or cash flow associated with the instrument will fluctuate due to changes in market interest rates

The company is exposed to interest rate fluctuations on its cash at bank and cash on deposit. The company actively monitors interest rates for cash at bank and on deposit to maximise interest income.

Equity price risk

Equity price risk arises from fluctuations in the market values of available-for-sale securities.

The company has engaged Mutual Trust Pty Ltd (formerly The Myer Family Company Ltd) to advise on the management of its investment portfolio. The Finance Sub-committee has approved risk and return parameters for investment in available-for-sale investments and receives reports from Mutual Trust Pty Ltd on a quarterly basis regarding the performance of the investment portfolio. Buy, sell and portfolio re-balancing decisions are based on recommendations from Mutual Trust Pty Ltd and approved by the MJDF Finance Sub-committee.

6. Commitment and Contingencies

Finance Leases

The Company holds no finance leases.

Operating Leases

The Company holds no operating leases.

Capital expenditure commitments

The Company holds no capital expenditure commitments.

	2019	2018
	\$	\$
7. REVENUE		
Donations	823,123	933,977
Grants	695,547	858,234
NDIS	1,021,109	564,203
Sponsorship	11,625	4,181
Other Income	3,771	6,727
	<u>2,555,175</u>	<u>2,367,322</u>
Income outside operating activities		
Interest	54,565	223,809
Distributions from trust	741,837	478,474
Imputation credit refund	51,618	35,563
Capital Gain/Loss from trust	236,257	214,715
Unrealised Gain in Fair Value of Investments	562,279	-
	<u>1,646,556</u>	<u>952,561</u>
Total Revenue	<u><u>4,201,731</u></u>	<u><u>3,319,883</u></u>
8 . Depreciation Expenses		
Plant & equipment	27,278	22,721
Motor Vehicles	48,116	41,063
Building Improvements	850	-
	<u>76,244</u>	<u>63,784</u>
9. RECEIVABLES		
Trade debtors	163,285	160,156
CMF accrued trust distributions	352,627	243,681
Franking credit refund	52,749	35,563
NDIS Income accrued	11,761	31,732
	<u>580,422</u>	<u>471,132</u>
10. OTHER ASSETS		
Undeposited funds	22,909	3,828
Prepayments	19,469	16,042
	<u>42,378</u>	<u>19,870</u>

	2019	2018
	\$	\$
11. INVESTMENTS		
Term Deposits and Call Accounts	2,997,333	3,434,547
Fixed Interest	5,214,769	5,273,344
Domestic Equity	2,822,263	2,926,100
Property Funds	518,917	657,260
International Equity	7,345,799	6,367,673
Gain/Loss in Fair Value of Investments	1,212,183	-
	<u>20,111,264</u>	<u>18,658,924</u>
12. PROPERTY, PLANT AND EQUIPMENT		
Plant & Equipment at cost	285,565	252,375
Less: accumulated depreciation	<u>(134,579)</u>	<u>(107,300)</u>
	<u>150,986</u>	<u>145,075</u>
Motor Vehicles at cost	445,335	391,717
Less: accumulated depreciation	<u>(215,220)</u>	<u>(167,104)</u>
	<u>230,115</u>	<u>224,613</u>
Land & Building at cost	342,708	342,708
Building Improvement Costs	34,005	-
Less: accumulated depreciatiation	<u>(850)</u>	<u>-</u>
	<u>375,863</u>	<u>342,708</u>
Total Property, Plant and Equipment	<u><u>756,964</u></u>	<u><u>712,396</u></u>
13. PAYABLES		
Trade Creditors and Accruals	144,929	44,395
Payroll Liabilities Payable	61,861	43,556
Savings on Behalf of Clients and Employees	42,792	3,062
Net GST payable/(receivable)	(28,776)	(19,954)
Other Liabilities	23,130	9,349
	<u>243,936</u>	<u>80,408</u>
14. PROVISIONS		
<i>CURRENT</i>		
Provision for Annual Leave	126,547	123,800
Provision for Long Service Leave	46,838	47,035
	<u>173,385</u>	<u>170,835</u>
<i>NON-CURRENT</i>		
Provision for Long Service Leave	<u>15,106</u>	<u>1,372</u>

15: RECONCILIATION OF CASH

(a) Cash at the end of the year, as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	2019	2018
	\$	\$
Cash at bank	612,922	382,618
Petty Cash	140	266
	<u>613,062</u>	<u>382,844</u>

(b) Reconciliation of net cash provided by operating activities to profit/(loss) for the year

Profit/(Loss) for the year	1,029,167	727,844
Depreciation	76,244	63,784
(Gains)/losses on disposal of fixed assets	-	-
Net gain on disposal of investments	(236,257)	(214,715)
Net gain in fair value of investments	(562,279)	-
Proceeds from purchase of fixed assets	-	-
(Increase) decrease in other trade and other receivables	(131,798)	(309,971)
Increase (decrease) in payables	163,529	(998,657)
Increase (decrease) in provisions	16,284	62,840
Net cash provided by operating activities	<u>354,890</u>	<u>(668,875)</u>

16. AUDITORS' REMUNERATION

Total amounts received by the auditors for the audit of the financial report

<u>6,000</u>	<u>6,000</u>
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17. EVENTS AFTER THE BALANCE SHEET DATE

Since the end of the financial year, no circumstances have arisen which would materially affect these financial statement

Directors' Declaration for the year ended 30 June 2019

The Directors declare that in their opinion:

- (a) the attached financial statements and notes thereto comply with Australian Accounting Standards
- (b) the attached financial statements and notes thereto give a true and fair view of the financial position and performance of the company
- (c) attached financial statements and notes thereto are in accordance with the *Australian Charities and Not-for-Profit Commission Act 2012*
- (d) there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

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



Neil Westbury PSM
Director/Chairperson



Janice Oake
Director/Treasurer

14th November 2019

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF MJD FOUNDATION LIMITED**

Opinion

We have audited the financial report of MJD Foundation Limited which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the director's declaration.

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

- a. giving a true and fair view of the company's financial position as at 30 June 2019 and of its performance and cash flows for the year ended on that date; and
- b. complying with Australian Accounting Standards to the extent described in Note 2, and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Australian Charities and Not-for-profits Commission Act 2012, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Basis of Accounting

Without modifying our opinion, we draw attention to Note 2 of the financial report, which describes the basis of accounting. The financial report has been prepared for distribution to members for the purpose of fulfilling the directors' financial reporting responsibilities under the Australian Charities and Not-for-profits Commission Act 2012. As a result, the financial report may not be suitable for another purpose.

Responsibilities of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Act 2012 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Board is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to cease operations or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

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

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

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

**HILL ROGERS
ASSURANCE PARTNERS**



Brett Hanger
Partner

Dated at Sydney, this 20th day of November 2019