

**MJD Foundation Incorporated**  
**ABN 85 714 539 093**  
**Special Purpose Financial Report**  
**For the year ended 30 June 2010**

**MJD Foundation Incorporated ABN 85 714 539 093**  
**For the year ended 30 June 2010**

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**MJD Foundation Inc. ABN 85 714 539 093**  
**Board's Report**  
**For the year ended 30 June 2010**

The Board members submit the annual financial report of MJD Foundation Incorporated for the financial year ended 30 June 2010.

**Board Members**

The names of Board members at the date of this report are:

- Elizabeth Joy Massey (changed from Morgan)
- Gayangwa Lalara
- Douglas Talbert
- Kathy Massey
- Tony Wurramarrba
- Neil Westbury
- Garth Nicholson
- Jenny Baird

**Principal Activities**

The principal activities of the Association during the financial year were to provide for a better quality of life for Indigenous Australian sufferers of Machado Joseph Disease and their families in Arnhem Land and beyond.

**Significant Changes**


No significant change in the nature of these activities occurred during the year.

**Operating Result**

The deficit for the year was \$300,826 as of 30 June 2010.

Signed in accordance with a resolution of the Members of the Board on:

  
\_\_\_\_\_  
Elizabeth Joy Massey (Chairperson)  
Date: 11/9/10

  
\_\_\_\_\_  
Douglas Talbert (Treasurer)  
Date: 11/9/10.

## **Independent Auditor's Report to the Board of MJD Foundation Incorporated**

We have audited the accompanying financial report, being a special purpose financial report, of MJD Foundation Incorporated ("the Foundation"), which comprises the balance sheet as at 30 June 2010, and the income statement, for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the statement by the Members of the Board.

### *The Responsibility of the Members of the Board for the Financial Report*

The Members of the Board of the entity are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 2 to the financial statements, which form part of the financial report, are appropriate to meet the financial reporting requirements of the Associations Act of the Northern Territory and are appropriate to meet the needs of the members of the Foundation. The responsibility of the Members of the Board also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 2, are appropriate to meet the needs of the members of the Foundation. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 the Members of the Board, as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution to the members of the Foundation for the purpose of fulfilling the Board's financial reporting requirements under the Associations Act of the Northern Territory. We disclaim any assumption of responsibility for any reliance on this report or on

the financial report to which it relates to any person other than the members of the Foundation, or for any purpose other than that for which it was prepared.

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

*Auditor's Independence Declaration*

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

*Basis for Qualified Opinion*

Donations are a significant source of revenue for the Foundation. The Foundation has determined that it is impracticable to establish control over the collection of donations prior to entry into its financial records. Accordingly, as the evidence available to us regarding revenue from this source was limited, our audit procedures with respect to revenue from donations had to be restricted to the amounts recorded in the financial records. We therefore are unable to express an opinion whether donations the Foundation obtained are complete.

*Qualified Auditor's Opinion*

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to satisfy ourselves as to the completeness of the donations revenue, the financial report presents fairly, in all material respects, the financial position of MJD Foundation Incorporated as at 30 June 2010 and its financial performance for the year ended on that date in accordance with the accounting policies described in Note 2 to the financial statements.

*Deloitte Touche Tohmatsu*  
DELOITTE TOUCHE TOHMATSU



Julie Crisp  
Partner  
Chartered Accountants  
Darwin, 11 September 2010


**MJD Foundation Inc. ABN 85 714 539 093**  
**Statement by Members of the Board**  
**For the year ended 30 June 2010**


In our opinion:

- the accompanying financial report as set out on pages 7 to 10, being special purpose financial statements, is drawn up so as to present a true and fair account of the state of affairs of the Association as at 30 June 2010 and the results of the Association for the year ended on that date;
- the accounts of the Association have been properly prepared and are in accordance with the books of account of the Association; and
- there are reasonable grounds to believe that the Association will be able to pay its debts as and when they fall due.

The Board has determined that the Association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 2 to the financial statements.

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

  
\_\_\_\_\_  
Elizabeth Joy Massey  
(Chairperson)  
Date: 11/09/10.

  
\_\_\_\_\_  
Douglas Talbert  
(Treasurer)  
Date: 11/09/10

**MJD Foundation Inc. ABN 85 714 539 093**  
**Income Statement**  
**For the year ended 30 June 2010**

	<b>2010</b>	<b>2009</b>
	<u>\$</u>	<u>\$</u>
<b>Income</b>		
Donations	122,923	41,743
Grants - Note 2(f)	96,921	2,056,500
Interest received	81,300	37,583
Merchandise sales	4,776	5,061
Other income	22,269	4,570
Sponsorship	3,951	20,000
Rebates and refunds	2,130	1,535
Membership fees	418	691
<b>Total income</b>	<b><u>334,688</u></b>	<b><u>2,167,683</u></b>
<b>Expenses</b>		
Accounting fees	700	0
Advertising and promotion	32,837	27,794
Bad Debt	34	0
Bank fees and charges	804	936
Client carers (Non Salary)	6,867	0
Client meals	522	0
Computer software and others	735	1,194
Conference, seminar, meeting costs	2,405	3,382
Consultants fees	80,000	141,245
Depreciation	3,803	450
Dues, Subscriptions, Books	194	1,811
Employment Expenses		
Salaries	124,376	20,168
Superannuation	11,194	1,815
Holiday Pay Provision	1,188	0
Equipment (< \$300)	2,030	4,480
Equipment (> \$300) - Note 2(d)	57,027	35,008
Freight/delivery	4,296	1,341
Gift	1,356	1,311
Insurance	7,511	1,218
Interest expense	563	1
Maintenance & repairs	1,744	0
Materials & supplies (Merchandise)	2,722	8,171
Medical supplies	1,720	1,166
Medical research	165,460	8,500
Office consumable	911	1,726
Postage	2,036	1,614
Rent	600	0
Staff training	0	1,300
Stamp Duty	121	66
Telephone/Internet	4,407	2,252
Travel	67,422	75,817
Travel – Client Respite/Holidays	49,929	17,881
<b>Total expenses</b>	<b><u>635,514</u></b>	<b><u>360,646</u></b>
<b>Surplus/(Deficit) for the year</b>	<b><u>(300,826)</u></b>	<b><u>1,807,354</u></b>

The accompanying notes form part of the financial report. This report is to be read in conjunction with the attached audit report on pages 4 – 5.

**MJD Foundation Inc. ABN 85 714 539 093**  
**Detailed Balance Sheet**  
**As at 30 June 2010**

	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
<b>Current assets</b>		
<b>Cash and cash equivalents</b>		
Cash at bank	115,409	122,482
TCU term deposit	0	150,000
Saving account	1,290,000	1,523,107
Undeposited Funds	1,300	920
<b>Total cash and cash equivalents</b>	<b>1,406,709</b>	<b>1,796,509</b>
<b>Receivables</b>		
Trade debtors	17,354	31,439
ATO Reimbursement	13,165	0
Accrued Income	24,781	0
GST Receivable	0	326
<b>Total receivables</b>	<b>55,300</b>	<b>31,765</b>
<b>Total current assets</b>	<b>1,462,009</b>	<b>1,828,274</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Plant & equipment - at cost	51,052	6,829
Less: Accumulated depreciation	(3,949)	(450)
<b>Total property, plant and equipment</b>	<b>47,103</b>	<b>6,379</b>
<b>Motor Vehicle</b>		
Motor Vehicle - at cost	18,200	0
Less: Accumulated depreciation	(303)	0
<b>Total Motor Vehicle</b>	<b>17,897</b>	<b>0</b>
<b>Total non-current assets</b>	<b>65,000</b>	<b>6,379</b>
<b>Total assets</b>	<b>1,527,009</b>	<b>1,834,327</b>
<b>Current liabilities</b>		
<b>Payables</b>		
Trade creditors	10,806	18,233
Holiday pay liability	1,188	0
Other payables	8,804	9,066
<b>Total payables</b>	<b>20,798</b>	<b>27,298</b>
<b>Total current liabilities</b>	<b>20,798</b>	<b>27,298</b>
<b>Total liabilities</b>	<b>20,798</b>	<b>27,298</b>
<b>Net assets</b>	<b>1,506,211</b>	<b>1,807,354</b>
<b>Members' funds</b>		
Accumulated funds at the beginning of the year	1,807,354	0
Surplus / (Deficit) for the year	(300,826)	1,807,354
<b>Accumulated funds at the end of the year</b>	<b>1,506,211</b>	<b>1,807,354</b>

The accompanying notes form part of the financial report. This report is to be read in conjunction with the attached audit report on pages 4 – 5.



**MJD Foundation Inc. ABN 85 714 539 093**  
**Notes to the Financial Report**  
**For the year ended 30 June 2010**

## **1. GENERAL INFORMATION**

The MJD Foundation Incorporated was registered as an Association in the Northern Territory in May 2008, registered as a Deductible Gift Recipient in June 2008, and commenced trading on 1 July 2008. The purpose of the Association is to improve the quality of life for Indigenous Australian Machado Joseph Disease (MJD) sufferers and their families in Arnhem Land and beyond. The registered address is 16 Bouganvillea Drive, Alyangula NT 0885. Postal address is PO Box 414, Alyangula NT 0885.

## **2. SUMMARY OF ACCOUNTING POLICIES**

The accounting policies adopted by the Association are stated in order to assist in a general understanding of the financial statements. These policies have been consistently applied except as otherwise indicated.

### **Reporting entity**

The Association is not a reporting entity because in the Board's opinion there are unlikely to exist users who are unable to command the preparation of reports tailored so as to satisfy all of their information needs, and these accounts are therefore 'special purpose report' that have been prepared solely to meet the requirements of the constitution and the Associations Act.

### **Basis of preparation**

The financial report has been prepared under the historical cost conventions and does not take into account changing money values except to the extent that they are reflected in the revaluation of certain assets. All amounts are presented in Australian Dollars unless otherwise noted.

### **Statement of compliance**

The financial report has been prepared in accordance with the Associations Act and the basis of accounting, but not the disclosure requirements, as specified by all applicable Australian Accounting Standards.

#### **(a) Cash and cash equivalents**

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

#### **(b) Goods and services tax**

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- (i) where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item or expense; or
- (ii) for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

#### **(c) Payables**

Trade payables and other accounts payable are recognised when the Association becomes obliged to make future payments resulting from the purchase of goods and services.

**MJD Foundation Inc. ABN 85 714 539 093**  
**Notes to the Financial Report**  
**For the year ended 30 June 2010**

## **2. SUMMARY OF ACCOUNTING POLICIES (continued)**

### **(d) Property, plant and equipment**

Plant and equipment are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition or construction of the item. The Association expenses assets when assets are gifted to sufferers of MJD or to organisations assisting sufferers of MJD.

Depreciation is calculated on a straight-line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value.

### **(e) Receivables**

Receivables are measured at amortised cost using the effective interest method less impairment.

### **(f) Revenue**

Revenue is measured at fair value of the consideration received or receivable.

#### Grants

Grants are assistance by the government or other bodies in the form of transfers of resources to the Association in return for past or future compliance with certain conditions relating to the operating activities of the Association. Grants include assistance where there are no conditions specifically relating to the operating activities of the Association other than the requirement to operate in certain regions or industry sectors.

Grants are not recognised until there is reasonable assurance that the Association will comply with the conditions attaching to them and the grants will be received.

Grants are often awarded over multiple years, therefore income from year to year may vary substantially.

#### Sale of goods and disposal of assets

Revenue from the sale of goods and disposal of other assets is recognized when the Association has passed significant risks and rewards of ownership of goods to the buyer.

#### Donated goods and services

The value of informal assistance provided by volunteers is not reflected in the financial statements of the Association. The Association's operations have been augmented by donations of goods and services. The value of assistance provided by volunteers is not reliably measurable.

#### Interest

Interest revenue is recognized as it accrues, when it is probable that future economic benefit will flow to the Association and it can be measured reliably.

### **(g) Taxation**

The Association is registered as an income tax exempt charity and is therefore exempt from payment of income tax under Australian income tax legislation and payment of stamp duty under the relevant provisions of legislation of the Northern Territory.

The Association has Deductible Gift Recipient (DGR) status which means that donations made to the Association are tax deductible for the donor.