



MJD Foundation Limited

(A public company limited by guarantee)

Annual Financial Report

For the year ended 30 June 2021

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Corporate Information

ABN 65 159 208 867

Directors

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

Neil Westbury (Chair to 25 June 2021)
Jennifer Macklin (Chair from 25 June 2021)
Gayangwa Lalara
Janice Oake
Tony Wurramarrba
Jennifer Baird
Jennifer Cullen
Patrick Keyzer

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

Hall & Wilcox
Level 11, 525 Collins St
Melbourne VIC 3000

Allens
101 Collins St
Melbourne VIC 3000

Investment Advisors

Mutual Trust
Level 32, 360 Collins St,
Melbourne VIC 3000

Auditors

Nexia Sydney Audit Pty Ltd
Level 16, 1 Market Street,
Sydney NSW 2000

Directors' Report for the year ended 30 June 2021

The Directors submit this financial report for the MJD Foundation Limited (MJDF) for the financial year ended 30 June 2021.

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
Jennifer Louise Macklin	Chairperson	25 th June 2021	1	1
Neil Donald Westbury	Director	27 th June 2012	4	4
Gayangwa Lalara	Vice-Chairperson	27 th June 2012	4	4
Janice Patricia Oake	Treasurer	1 st April 2014	4	4
Tony Wurramarrba	Director	27 th June 2012	1	4
Jennifer Baird	Director	27 th June 2012	4	4
Jennifer Ann Cullen	Director	11 th March 2017	2	4
Patrick Keyzer	Director	29 th November 2019	4	4

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.

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.

Significant Changes

There are no significant changes to the activities of the MJD Foundation.

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 2021.

Operating Result

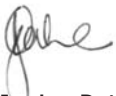
The profit from ordinary activities after providing for income tax amounted to

Year ended 30 June 2021	Year ended 30 June 2020
1,925,219	\$468,274

This Directors' 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 : 30/10/2021



Neil Donald Westbury PSM (Board Chairperson – until 25 June 2021)



Janice Patricia 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 2021, 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.

Nexia Sydney Audit Pty Ltd



BRETT HANGER
Director

Dated at Sydney, this 30th day of October 2021

Directors' Qualifications, Experience and Special Responsibilities

Name	Qualifications	Experience	Special Responsibilities
Neil Westbury PSM	Cert. Aboriginal Studies Commonwealth Public Service Medal AICD NFP Director	Over 40 years professional experience working in Indigenous Affairs and Public sector management.	Director Chairperson (to Jun 2021) Policy Advisor
Jennifer Louise Macklin	B.Commerce (Hons)	Minister for Indigenous Affairs (2007-2013) Minister for Disability Reform (2011-2013) NDIS act, NDIS policy Board Directorships	Director Chairperson (fm Jun 2021)
Gayangwa Lalara OAM	Cert II Aged & Disability Cert Theology Cert Women's Studies Cert ESL Cert Counselling AICD NFP Director	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 AICD NFP Director	Finance and business expertise.	Director Treasurer Chair, Finance Sub-Committee Member, Risk Sub-committee
Tony Wurramarrba AO	Graduate Alyangula School Graduate Dhupuma College Officer of the Order of Australia AICD NFP Director	Chairperson Anindilyakwa Land Council Groote Eylandt community leader Previously Angurugu Council Town Clerk.	Director
Jennifer Baird	B.Teaching GradCert Accelerated Literacy Masters Education AICD NFP Director	Cared for husband with MJD (20 years). Carer for two children who live with MJD. Past President of Carers NT (17 years).	Director
Jennifer Cullen	B.Arts B.Health Science Masters. Health Service Mgmt Grad Dip Public Health AICD NFP Director	Disability & Health economics, not for profit capability, Aboriginal and Torres Strait Islander issues, professional development and mentoring.	Director
Patrick Keyzer	B.Arts (Hons) B.Laws (Hons) Grad Dip Legal Practice Master of Laws Doctor of Philosophy AICD NFP Director	Professor of Law and Public Policy, Dean of the Thomas More Law School.	Director Member, Finance & Income Generation Sub-committee
Nadia Lindop OAM	B.Sc (Hons 1) Cert IV Finance Cert IV WHS GAICD Company Director AICD NFP Director	Organisational governance, management and business.	CEO Company Secretary

Financial Statements

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 June 2021

	Note	2021	2020
		\$	\$
REVENUE	7	7,569,563	4,266,580
Administration Fees		(66,030)	(51,008)
Advertising & Marketing		(57,755)	(19,490)
Bank Charges		(1,974)	(2,334)
Bad Debts		-	(74)
Computers & Office Supplies		(33,669)	(27,875)
Clients Care & Support		(1,823,265)	(841,061)
Depreciation Expenses	8	(212,451)	(183,785)
Employment Expenses		(2,684,586)	(1,928,904)
Freight, Print & Postage		(9,641)	(7,793)
Insurance		(15,232)	(9,651)
Interest		(5,735)	(6,913)
Legal & Accounting		(37,190)	(13,088)
Assets written Off		(564)	-
Medical Research & Resources		(52,582)	(54,668)
Motor Vehicle Expenses		(89,374)	(79,219)
Office Building Expenses		(26,902)	(28,454)
Rent & Storage		7,573	9,767
Repairs & Maintenance		(10,110)	(12,534)
Travel		(357,012)	(360,921)
Other Expenses		(167,845)	(180,301)
Total Expenses		(5,644,344)	(3,798,305)
Profit for the year		1,925,219	468,274
Other Comprehensive income for the year		-	-
Total comprehensive income for the year		1,925,219	468,274
Total comprehensive income attributable to the entity		1,925,219	468,274

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	Note	2021 \$	2020 \$
CURRENT ASSETS			
Cash & Cash Equivalents	15(a)	623,283	1,059,082
Receivables	9	1,209,246	937,864
Other Assets	10	25,548	40,045
Investments	11,4	21,877,082	19,910,815
TOTAL CURRENT ASSETS		23,735,159	21,947,805
NON-CURRENT ASSETS			
Property, Plant and Equipment	12(a)	987,410	950,664
Right of Use Asset	12(b)	140,581	175,836
TOTAL NON-CURRENT ASSETS		1,127,991	1,126,500
TOTAL ASSETS		24,863,150	23,074,305
CURRENT LIABILITIES			
Trade & Other Payables	13(a)	301,078	357,907
Contract Liabilities	13(b)	80,085	135,322
Lease Liability		69,604	66,810
Provisions	14	257,611	240,611
TOTAL CURRENT LIABILITIES		708,377	800,651
NON-CURRENT LIABILITIES			
Lease Liability		72,819	106,100
Provisions	14	16,797	27,617
TOTAL NON-CURRENT LIABILITIES		89,616	133,717
TOTAL LIABILITIES		797,994	934,368
NET ASSETS		24,065,156	22,139,937
EQUITY			
Retained Earnings		24,065,156	22,139,937
		24,065,156	22,139,937

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021

	Note	Retained Earnings
		\$
Balance at 1st July 2019		21,671,663
Profit attributable to the entity		468,274
Total other comprehensive income for the year		-
Balance at 30 June 2020		<u>22,139,937</u>
Balance at 1st July 2020		22,139,937
Profit after income tax expense attributable to the entity		1,925,219
Total other comprehensive income for the year		-
Balance at 30 June 2021		<u>24,065,156</u>

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 \$	2020 \$
Cash Flows from Operating Activities			
Grants, sponsorships and donations received		1,187,634	1,577,934
Receipts from operations		3,569,498	1,798,484
Payments to suppliers and employees		(5,639,104)	(3,288,575)
Interest received		30,077	60,070
Dividends received		763,571	761,097
Interest on leases		(5,735)	(6,913)
Net cash (used in)/provided by operating activities	15(b)	(94,059)	902,097
Cash Flow from Investing Activities			
Payment for property, plant and equipment		(165,186)	(317,352)
Proceeds from sale of investments		2,672,995	(85,666)
Payment for purchase of investments		(2,770,305)	-
Net cash used in investing activities		(262,496)	(403,018)
Cash Flow from Financing Activities			
Repayment of leases		(79,244)	(53,059)
Net cash used in financing activities		(79,244)	(53,059)
Net (decrease)/increase in cash held		(435,799)	446,020
Cash at beginning of the year		1,059,082	613,062
Cash at end of the year	15(a)	623,283	1,059,082

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 2021 were authorised for issue in accordance with a resolution of the Directors on 30 October 2021.

2. Summary of Significant Accounting Policies

(a) Basis of Preparation

In the Directors' 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, as appropriate for not-for-profit entities.

(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.

(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.

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:

Key judgements – Grant Income

In determination of whether the contract includes sufficiently specific performance obligations for many of the grant agreements, the company made a significant judgement involving discussions with a number of parties at the company, review of the proposal documents prepared during the grant application phase, consideration of the terms and conditions and measurement of obligations met.

Grants received by the company have been accounted for under both AASB 15 and AASB 1058 depending on the terms and conditions and decisions made by the management.

The revenue recognition pattern would be different from that recognised in these financial statements if this determination was changed.

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.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus pandemic has had, or may have, on the company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the company operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the company unfavourably as at the reporting date or subsequently as a result of the Coronavirus pandemic.

(d) Revenue recognition

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

The company recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer the company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Grant Income

Grant revenue is recognised in profit or loss when the company satisfies the performance obligations stated within the funding agreements. If conditions are attached to the grant which must be satisfied before the company is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a liability until those conditions are satisfied.

Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control and within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract.

Where control is transferred over time, generally the input methods being either costs or time incurred are deemed to be the most appropriate methods to reflect the transfer of benefit.

Revenue is recognised in accordance with AASB 1058 for grants which are either not enforceable or do not have sufficiently specific performance obligations

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)

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

Each class of property, plant and 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) Right-of-Use Assets

At inception of a contract, the Company assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration. This is determined by assess whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Company has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

A right-of-use asset for the lease term is recognised at the commencement date of a lease. The lease term includes extension periods where the Company believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

(i) 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.

(j) 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.

(k) Contract Liabilities

Contract liabilities represent the company's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the company recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the company has transferred the goods or services to the customer.

(l) Lease Liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Exceptions to lease accounting

The Company has elected to apply the exceptions to lease accounting for both short-term leases where the leases with a term of less than or equal to 12 months and leases of low-value assets. The Company recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

(m) 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.

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, 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, an independent legal expert, 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

Capital expenditure commitments

The Company has no capital expenditure commitments.

Contingent liabilities

There are no contingent liabilities of the company at balance date known to the directors (30 June 2020: Nil).

	2021	2020
	\$	\$
7. REVENUE		
Donations	780,158	1,314,395
Grants	426,790	263,539
NDIS	3,284,567	1,703,566
Government Jobkeeper payment	307,500	340,000
Other Income	14,079	44,923
	<u>4,813,094</u>	<u>3,666,423</u>
Income outside operating activities		
Interest	30,077	60,070
Distributions from trust	821,113	777,651
Imputation credit refund	35,415	48,551
Capital Gain from trust	60,743	310,711
Unrealised Gain/(Loss) in Fair Value of Investments	1,809,121	(596,826)
	<u>2,756,469</u>	<u>600,157</u>
Total Revenue	<u>7,569,563</u>	<u>4,266,580</u>
8 . DEPRECIATION EXPENSES		
Plant & Equipment	63,416	58,828
Motor Vehicles	62,327	62,651
Building Improvements	2,697	2,173
Lease Assets	84,011	60,133
	<u>212,451</u>	<u>183,785</u>
9. RECEIVABLES		
Trade debtors	659,561	432,244
CMF accrued trust distributions	474,087	399,093
Franking credit refund	35,415	48,551
NDIS Income accrued	40,183	7,976
Government cash flow boost entitlement	-	50,000
	<u>1,209,246</u>	<u>937,864</u>
10. OTHER ASSETS		
Undeposited funds	3,299	10,154
Prepayments	14,379	22,870
Payroll advances	1,010	-
Deposits with Suppliers	6,860	7,022
	<u>25,548</u>	<u>40,045</u>

	2021	2020
	\$	\$
11. INVESTMENTS		
Term Deposits and Call Accounts	3,009,582	4,402,519
Fixed Interest	5,490,616	4,159,541
Domestic Equity	2,948,441	2,945,673
Property Funds	1,105,688	580,179
International Equity	6,898,277	5,907,638
Unsettled Transactions	-	1,299,908
Gain in Fair Value of Investments	2,424,478	615,357
	<u>21,877,082</u>	<u>19,910,815</u>
12(a). PROPERTY, PLANT AND EQUIPMENT		
Plant & Equipment at cost	477,688	421,929
Less: accumulated depreciation	(229,912)	(189,577)
	<u>247,776</u>	<u>232,352</u>
Motor Vehicles at cost	568,152	567,363
Less: accumulated depreciation	(339,699)	(277,871)
	<u>228,453</u>	<u>289,492</u>
Land & Building at cost	405,999	344,061
Building improvement costs	110,902	87,783
Less: accumulated depreciation	(5,720)	(3,023)
	<u>511,181</u>	<u>428,820</u>
Total Property, Plant and Equipment	<u>987,410</u>	<u>950,665</u>
12(b). RIGHT TO USE ASSET		
Right to use asset	284,725	235,969
Less: accumulated depreciation	(144,144)	(60,133)
	<u>140,581</u>	<u>175,836</u>
13(a). PAYABLES		
Trade Creditors and Accruals	192,859	78,737
Payroll Liabilities Payable	85,395	69,213
Savings on Behalf of Clients and Employees	41,990	50,170
Net GST receivable	(39,946)	(13,147)
NDIA Advance Payment	-	162,819
Other Liabilities	20,780	10,115
	<u>301,078</u>	<u>357,907</u>
13(b). CONTRACT LIABILITIES		
NTPHN - Training	-	10,000
NTPHN - Telehealth	-	6,255
DoH - SCA7 supports in QLD	52,212	100,000
GEAT - Research project ART	17,873	19,067
FRRR-2021 - Umbakumba Centre	10,000	-
	<u>80,085</u>	<u>135,322</u>

	2021	2020
	\$	\$
14. PROVISIONS		
<i>CURRENT</i>		
Provision for Annual Leave	185,992	182,116
Provision for Long Service Leave	71,619	58,495
	<u>257,611</u>	<u>240,611</u>
<i>NON-CURRENT</i>		
Provision for Long Service Leave	6,797	17,617
Provision for Make Good (Leases)	10,000	10,000
	<u>16,797</u>	<u>27,617</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:

	2021	2020
	\$	\$
Cash at bank	621,025	1,057,009
Petty Cash	2,258	2,073
	<u>623,283</u>	<u>1,059,082</u>

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

Profit for the year	1,925,219	468,274
Non-cash flows in profit		
- Depreciation	212,451	183,785
- Loss from disposal of Fixed Assets	906	-
- Net gain on investments	(60,743)	(310,711)
- Net (gain) loss in fair value of investments	(1,809,121)	596,826
Change in assets and liabilities		
- (Decrease) Increase in creditors & accruals	(112,066)	249,294
- Increase in trade receivables	(256,885)	(355,109)
- Increase in provisions	6,180	69,737
Net cash (used in) provided by operating activities	<u>(94,059)</u>	<u>902,097</u>

16. AUDITORS' REMUNERATION

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

<u>10,500</u>	<u>10,000</u>
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17. EVENTS AFTER THE REPORTING PERIOD

The impact of the Coronavirus (COVID-19) pandemic is ongoing, it is not practicable to estimate the potential impact on the company, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided. No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Directors' Declaration for the year ended 30 June 2021

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 Donald Westbury PSM
Director/Chairperson



Janice Patricia Oake
Director/Treasurer

30 October 2021

Independent Auditor's Report to the Members of MJD Foundation Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report, being a special purpose financial report, of MJD Foundation Limited (the Company), which comprises the statement of financial position as at 30 June 2021, 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, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:

- i) giving a true and fair view of the Company's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- ii) 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 Company in accordance with the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter regarding basis of accounting

Without modifying our opinion, we draw attention to Note 2 to the financial report, which describes the basis of accounting. The financial report has been prepared 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. Our opinion is not modified in respect of this matter.

Directors' responsibility 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 and have determined that the basis of preparation described in Note 2 to the financial statements is appropriate to meet the requirements of the Australian Charities and Not-for-profits Commission Act 2012 and is appropriate to meet the needs of the members. The directors are also responsible for 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.

In preparing the financial report, the directors are responsible for assessing the Company'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 directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibility 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 the 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 this financial report.

A further description of our responsibilities for the audit of the financial report is located at The Australian Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_files/ar4.pdf. This description forms part of our auditor's report.

Nexia Sydney Audit Pty Ltd



Brett Hanger
Director

Dated at Sydney, this 30th day of October 2021