



**MJD Foundation Limited**

(A public company limited by guarantee)

**Annual Financial Report**

**For the year ended 30 June 2022**

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## Corporate Information

ABN 65 159 208 867

### Directors

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

Jennifer Macklin  
Neil Westbury  
Gayangwa Lalara  
Janice Oake  
Tony Wurramarrba  
Jennifer Baird  
Jennifer Cullen  
Patrick Keyzer  
Elizabeth Collins

### 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](mailto:info@mjd.org.au)

### Bankers

Traditional Credit Union  
Casuarina NT 0811

National Australia Bank  
Melbourne VIC 3000

### Legal Advisors (Pro bono)

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

### 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 2022

The Directors submit this financial report for the MJD Foundation Limited (MJDF) for the financial year ended 30 June 2022.

### 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 <sup>th</sup> June 2021	4	4
Neil Donald Westbury	Director	27 <sup>th</sup> June 2012	3	4
Gayangwa Lalara	Vice-Chairperson	27 <sup>th</sup> June 2012	4	4
Janice Patricia Oake	Treasurer	1 <sup>st</sup> April 2014	4	4
Tony Wurramarrba	Director	27 <sup>th</sup> June 2012	-	4
Jennifer Baird	Director	27 <sup>th</sup> June 2012	3	4
Jennifer Ann Cullen	Director	11 <sup>th</sup> March 2017	3	4
Patrick Keyzer	Director	29 <sup>th</sup> November 2019	4	4
Elizabeth Collins	Director	30 <sup>th</sup> October 2021	2	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 partners with Aboriginal & Torres Strait Islander communities to support families living with Machado-Joseph Disease and SCA7 by providing specialised knowledge and supports. We collaborate to conduct research providing hope for the future, and use our influence for change so people living with MJD and related conditions can live stronger for longer.

### 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 & Torres Strait Islanders, their families and communities living with Machado-Joseph Disease and SCA7 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

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.

The total amount that members of the company are liable to contribute if the company is wound up is \$90, based on 9 current ordinary members.

**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 2022.

**Operating Result**

The (deficit) / surplus from ordinary activities after providing for income tax amounted to

Year ended 30 June 2022	Year ended 30 June 2021
(1,917,702)	\$1,925,219

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: 18/11/2022



Jennifer Louise Macklin (Board Chairperson)



Janice Patricia Oake (Director/Board Treasurer)

To the Board of Directors of MJD Foundation Limited

### **Auditor's Independence Declaration**

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 2022, I declare that, to the best of my knowledge and belief, there have been:

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

Yours sincerely



**Nexia Sydney Audit Pty Ltd**  
Chartered Accountants



**Brett Hanger**  
Director  
Date: 18/11/2022

## Directors' Qualifications, Experience and Special Responsibilities

<b>Name</b>	<b>Qualifications</b>	<b>Experience</b>	<b>Special Responsibilities</b>
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) Audit Risk & Investment Committee (member)
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-Chair) Senior cultural advisor to the Board and staff members/volunteers.
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
Janice Oake	B.Business (Accounting) Assoc Prog Society of CPAs Grad Dip. Bus Computing AICD NFP Director	Finance and business expertise.	Director (Treasurer) Audit Risk & Investment Committee (Chairperson)
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 Research Advisory Committee (member)
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 (ACU).	Director Research Advisory Committee (member)
Elizabeth Collins	B.Marketing/Comms	Marketing, Communications, Fundraising	Director
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 2022

	Note	2022	2021
		\$	\$
REVENUE	7	2,954,940	7,569,563
Administration Fees		(60,832)	(66,030)
Advertising & Marketing		(35,405)	(57,755)
Bank Charges		(3,006)	(1,974)
Computers & Office Supplies		(52,833)	(33,669)
Clients Care & Support		(746,242)	(1,823,265)
Depreciation Expenses	8	(247,050)	(212,451)
Employment Expenses		(2,863,684)	(2,684,586)
Freight, Print & Postage		(39,904)	(9,641)
Insurance		(20,349)	(15,232)
Interest		(7,282)	(5,735)
Legal & Accounting		(13,210)	(37,190)
Assets written Off		(2,114)	(564)
Medical Research & Resources		(51,470)	(52,582)
Motor Vehicle Expenses		(107,331)	(89,374)
Office Building Expenses		(62,516)	(26,902)
Rent & Storage		(13,067)	7,573
Repairs & Maintenance		(4,781)	(10,110)
Travel		(334,844)	(357,012)
Other Expenses		(206,723)	(167,845)
<b>Total Expenses</b>		<u>(4,872,642)</u>	<u>(5,644,344)</u>
<b>(Deficit) / Surplus for the year</b>		<b>(1,917,702)</b>	<b>1,925,219</b>
<b>Other Comprehensive income for the year</b>		<u>-</u>	<u>-</u>
<b>Total comprehensive (loss) / income for the year</b>		<u><b>(1,917,702)</b></u>	<u><b>1,925,219</b></u>
<b>Total comprehensive (loss) / income attributable to the entity</b>		<u><b>(1,917,702)</b></u>	<u><b>1,925,219</b></u>

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

	Note	2022 \$	2021 \$
<b>CURRENT ASSETS</b>			
Cash & Cash Equivalents	15(a)	1,037,551	623,283
Receivables	9	765,815	1,209,246
Other Assets	10	67,610	25,548
Investments	11,4	19,645,044	21,877,082
<b>TOTAL CURRENT ASSETS</b>		<b>21,516,020</b>	<b>23,735,159</b>
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	12(a)	1,431,741	987,410
Right of Use Asset	12(b)	336,076	140,581
<b>TOTAL NON-CURRENT ASSETS</b>		<b>1,767,817</b>	<b>1,127,991</b>
<b>TOTAL ASSETS</b>		<b>23,283,837</b>	<b>24,863,150</b>
<b>CURRENT LIABILITIES</b>			
Trade & Other Payables	13(a)	298,019	301,078
Contract Liabilities	13(b)	187,499	80,085
Lease Liability		126,214	69,604
Provisions	14	282,095	257,611
<b>TOTAL CURRENT LIABILITIES</b>		<b>893,827</b>	<b>708,377</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease Liability		214,988	72,819
Provisions	14	27,568	16,797
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>242,556</b>	<b>89,616</b>
<b>TOTAL LIABILITIES</b>		<b>1,136,383</b>	<b>797,994</b>
<b>NET ASSETS</b>		<b>22,147,454</b>	<b>24,065,156</b>
<b>EQUITY</b>			
Retained Surplus		22,147,454	24,065,156
<b>TOTAL EQUITY</b>		<b>22,147,454</b>	<b>24,065,156</b>



## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2022

	<b>Retained Surpluses</b>	<b>Total Equity</b>
	\$	\$
Balance at 1st July 2020	22,139,937	22,139,937
Surplus attributable to the entity	1,925,219	1,925,219
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>1,925,219</u>	<u>1,925,219</u>
<b>Balance at 30 June 2021</b>	<b><u>24,065,156</u></b>	<b><u>24,065,156</u></b>
Balance at 1st July 2021	24,065,156	24,065,156
Deficit attributable to the entity	(1,917,702)	(1,917,702)
Other comprehensive income for the year	-	-
Total comprehensive loss for the year	<u>(1,917,702)</u>	<u>(1,917,702)</u>
<b>Balance at 30 June 2022</b>	<b><u>22,147,454</u></b>	<b><u>22,147,454</u></b>

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 \$	2021 \$
<b>Cash Flows from Operating Activities</b>			
Grants, sponsorships and donations received		1,460,028	1,187,634
Receipts from operations		2,872,051	3,569,498
Payments to suppliers and employees		(4,468,732)	(5,639,104)
Interest received		2,300	30,077
Dividends received		907,032	763,571
Interest on leases		(7,281)	(5,735)
<b>Net cash provided by (used in) operating activities</b>	15(b)	<b>765,398</b>	<b>(94,059)</b>
<b>Cash Flow from Investing Activities</b>			
Payment for property, plant and equipment		(434,470)	(165,186)
Proceeds from sale of investments		15,092,026	2,672,995
Payment for purchase of investments		(14,745,090)	(2,770,305)
<b>Net cash (used in) investing activities</b>		<b>(87,534)</b>	<b>(262,496)</b>
<b>Cash Flow from Financing Activities</b>			
Repayment of leases		(263,596)	(79,244)
<b>Net cash (used in) financing activities</b>		<b>(263,596)</b>	<b>(79,244)</b>
<b>Net increase / (decrease) in cash held</b>		<b>414,268</b>	<b>(435,799)</b>
<b>Cash at beginning of the year</b>		<b>623,283</b>	<b>1,059,082</b>
<b>Cash at end of the year</b>	15(a)	<b>1,037,551</b>	<b>623,283</b>

# 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 2022 were authorised for issue in accordance with a resolution of the Directors on 18 November 2022.

## 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

The liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have not been taken into account.

#### Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

#### 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

In-kind donations by sponsors are included in the donation income.

#### Volunteer services

The company has elected not to recognise volunteer services as either revenue or other form of contribution received. As such, any related consumption or capitalisation of such resources received is also not recognised.

### **(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) Employee Benefits**

#### **Short-term employee benefits**

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

#### **Other long-term employee benefits**

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method.

#### **Defined contribution superannuation expense**

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

### **(n) 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.

### **(o) Current and non-current classification**

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

## **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, fixed interest, property funds, domestic equities and international equities. The company's investments are of a moderate risk profile which is considered to be 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 established an Audit, Risk & Investment Committee (ARIC) comprising the Board Treasurer (ARIC Chairperson, Director), the MJDF Board Chairperson, the CEO, an independent person with Risk Management expertise, an independent person with Legal expertise, and an independent person with Investment and fund management expertise. Part of ARIC's role 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.

#### 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 Audit, Risk, Investment 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 Audit, Risk, Investment Committee.

## 6. Commitment and Contingencies

### Capital expenditure commitments

The Company has no capital expenditure commitments (30 June 2021: Nil).

### Contingent liabilities

There are no contingent liabilities of the company at balance date known to the directors (30 June 2021: Nil).

	<b>2022</b>	<b>2021</b>
	\$	\$
<b>7. REVENUE</b>		
Donations	875,855	780,158
Grants	815,304	426,790
Sponsorship	5,796	-
NDIS	2,393,245	3,284,567
Government Jobkeeper payment	-	307,500
Other Income	24,895	14,079
	<u>4,115,095</u>	<u>4,813,094</u>
Income outside operating activities		
Interest	2,300	30,077
Distributions from trust	679,579	821,113
Imputation credit refund	28,108	35,415
USD account exchange rate gains	14,961	-
Capital Gain from trust	2,197,409	60,743
Unrealised (Loss)/Gain in Fair Value of Investments	(4,082,512)	1,809,121
	<u>(1,160,155)</u>	<u>2,756,469</u>
Total Revenue	<u>2,954,940</u>	<u>7,569,563</u>
<b>8 . DEPRECIATION EXPENSES</b>		
Plant & Equipment	59,022	63,416
Motor Vehicles	56,957	62,327
Building Improvements	4,771	2,697
Lease Assets	126,300	84,011
	<u>247,050</u>	<u>212,451</u>
<b>9. RECEIVABLES</b>		
Trade debtors	439,200	659,561
CMF accrued trust distributions	242,931	474,087
Franking credit refund	28,108	35,415
NDIS Income accrued	55,576	40,183
	<u>765,815</u>	<u>1,209,246</u>
<b>10. OTHER ASSETS</b>		
Undeposited funds	4,783	3,299
Prepayments	22,163	14,379
Payroll advances	4,104	1,010
Deposits with Suppliers	36,560	6,860
	<u>67,610</u>	<u>25,548</u>

	<b>2022</b>	<b>2021</b>
	\$	\$
<b>11. INVESTMENTS</b>		
Term Deposits and Cash Accounts	879,835	3,009,582
Fixed Interest	5,594,431	5,490,616
Domestic Equity	3,121,402	2,948,441
Property Funds	2,348,572	1,105,688
International Equity	6,372,173	6,898,277
Unsettled Transactions	2,986,664	-
Gain in Fair Value of Investments	(1,658,033)	2,424,478
	<u>19,645,044</u>	<u>21,877,082</u>
<b>12(a). PROPERTY, PLANT AND EQUIPMENT</b>		
Plant & Equipment at cost	548,215	477,688
Less: accumulated depreciation	(275,431)	(229,912)
	<u>272,784</u>	<u>247,776</u>
Motor Vehicles at cost	668,837	568,152
Less: accumulated depreciation	(382,992)	(339,699)
	<u>285,845</u>	<u>228,453</u>
Land & Building at cost	687,046	405,999
Building improvement costs	196,557	110,902
Less: accumulated depreciation	(10,491)	(5,720)
	<u>873,112</u>	<u>511,181</u>
Total Property, Plant and Equipment	<u>1,431,741</u>	<u>987,410</u>

### Reconciliations of Property, Plant and Equipment

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Plant & Equipment	Motor Vehicles	Land & Building	Building improvement	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2020	232,352	289,492	344,061	84,760	950,665
Additions	78,840	1,288	61,938	23,119	165,185
Depreciation expenses	<u>(63,416)</u>	<u>(62,327)</u>		<u>(2,697)</u>	<u>(128,440)</u>
Balance at 30 June 2021	247,776	228,453	405,999	105,182	987,410
Additions	84,030	114,349	281,047	85,655	565,081
Depreciation expenses	<u>(59,022)</u>	<u>(56,957)</u>		<u>(4,771)</u>	<u>(120,751)</u>
Balance at 30 June 2022	<u>272,784</u>	<u>285,845</u>	<u>687,046</u>	<u>186,066</u>	<u>1,431,741</u>

	<b>2022</b>	<b>2021</b>
	\$	\$
<b>12(b). RIGHT TO USE ASSET</b>		
Right to use asset	606,520	284,725
Less: accumulated depreciation	(270,444)	(144,144)
	<u>336,076</u>	<u>140,581</u>
<b>13(a). PAYABLES</b>		
Trade Creditors and Accruals	190,600	192,859
Payroll Liabilities Payable	82,615	85,395
Savings on Behalf of Clients and Employees	32,407	41,990
Net GST receivable	(21,232)	(39,946)
Other Liabilities	13,629	20,780
	<u>298,019</u>	<u>301,078</u>
<b>13(b). CONTRACT LIABILITIES</b>		
DoH - SCA7 supports in QLD	-	52,212
GEAT - Research project ART	29,066	17,873
GEAT - Research project RCT	5,257	-
FRRR-2021 - Umbakumba Centre	-	10,000
NTG-CBF - Therapy Program rooms setup	142,960	-
Stronger Community Program - vehicle modification	10,000	-
Youncare Grant - MJDF client's accessible ramp	216	-
	<u>187,499</u>	<u>80,085</u>
<b>14. PROVISIONS</b>		
<b><i>CURRENT</i></b>		
Provision for Annual Leave	199,548	185,992
Provision for Long Service Leave	82,547	71,619
	<u>282,095</u>	<u>257,611</u>
<b><i>NON-CURRENT</i></b>		
Provision for Long Service Leave	17,568	6,797
Provision for Make Good (Leases)	10,000	10,000
	<u>27,568</u>	<u>16,797</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:

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Cash at bank	1,035,693	621,025
Petty Cash	1,858	2,258
	<u>1,037,551</u>	<u>623,283</u>

## (b) Reconciliation of net cash provided by operating activities to (deficit)/surplus for the year

(Deficit) / surplus for the year	(1,917,702)	1,925,219
Non-cash flows in profit		
- Depreciation	247,050	212,451
- Loss from disposal of Fixed Assets	9,970	906
- Net (gain) loss on investments	(2,197,409)	(60,743)
- Net loss (gain) in fair value of investments	4,082,512	(1,809,121)
Change in assets and liabilities		
- Increase (Decrease) in creditors & accruals	104,355	(112,066)
- Decrease (Increase) in trade receivables	401,368	(256,885)
- Increase in provisions	35,254	6,180
<b>Net cash provided by (used in) operating activities</b>	<u><b>765,398</b></u>	<u><b>(94,059)</b></u>

## 16. AUDITORS' REMUNERATION

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

<u>11,500</u>	<u>10,500</u>
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## 17. EVENTS AFTER THE REPORTING PERIOD

The impact of the Coronavirus (COVID-19) pandemic is unprecedented and 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 2022 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 2022

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:



Jennifer Louise Macklin  
Director/Chairperson



Janice Patricia Oake  
Director/Treasurer

18 November 2022

## 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 2022, 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 Division 60 of 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 2022 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\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our auditor's report.



**Nexia Sydney Audit Pty Ltd**



**Brett Hanger**

Director

Dated: 18/11/2022