

**QUEENSLAND AND NORTHERN NEW SOUTH WALES LIONS
MEDICAL RESEARCH FOUNDATION ABN 63 009 946 481**

**FINANCIAL REPORT
2014**

INDEX

Directors' Report.....	2
Auditor Independence Declaration.....	5
Statement of Comprehensive Income.....	6
Statement of Financial Position.....	7
Statement of Changes in Equity.....	8
Statement of Cash Flows.....	8
Notes to the Financial Report.....	9
Directors' Declaration.....	19
Independent Auditor's Report.....	19 - 20

QUEENSLAND AND NORTHERN NEW SOUTH WALES LIONS MEDICAL RESEARCH FOUNDATION ABN 63 009 946 481

Financial Report for the Year Ended 30 June 2014

DIRECTORS' REPORT

Your directors present this report on the company for the financial year ended 30 June 2014.

Directors

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

Peter Paul Donghi OAM	Appointed 16 July 2008, ceased 3 November 2013
Anthony Paul Hodgson	Appointed 2 October 2005
Austin George Lanphier	Appointed 2 October 2011
David William Lyons	Appointed 24 July 2013
Ronald Frederick Newman	Appointed 28 November 2010
Narelle Joy Parkins	Appointed 28 November 2010
Dianne Margaret Pyers	Appointed 14 October 2012
Lynette Janice Pysden	Appointed 14 November 2012

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal Activities

The principal activity of the company during the financial year was raising funds for continuing and new medical research projects.

The company's short-term objectives are to:

- Increase income from all sources;
- Investigate and implement different methods of fund-raising;
- Raise the profile of the Foundation in the general and business communities.

The company's long-term objectives are to:

- Develop strategies and plans for responsibilities, delegation, marketing, risk and succession;
- Effectively implement the revised **governance format** in accordance with recent constitutional changes;
- Ensure compliance with government legislation.

Strategies

To achieve its stated objectives, the company will develop and adopt the following strategies:

- Risk Management
- Financial Management
- Governance and Succession
- Marketing

Key Performance Measures

The company measures its own performance through the use of both quantitative and qualitative benchmarks. The benchmarks are used by the directors to assess the financial sustainability of the company and whether the company's short-term and long-term objectives are being achieved.

	2014		2013	
	Actual	Benchmark	Actual	Benchmark
Staff and Volunteers				
Proportion of staff with advanced tertiary qualifications	50%	50%	50%	50%
Staff satisfaction rate	70%	90 - 100%	70%	90 - 100%
Number of volunteer work hours provided	200 – 350 hrs	200 - 500 hrs	200 – 350 hrs	200 – 500 hrs
Volunteer satisfaction rate	70%	90 – 100%	70%	90 – 100%
Operational and Financial				
Proportion of funding provided by:				
Government grants	0	0	0	0
Donations	42%	30 – 40%	24%	30 – 40%
Targeted fundraising	42%	50 – 60%	55%	50 – 60%
Investments	16%	20 – 25%	21%	20 – 25%
Proportion of funding spent on:				
Staff training	.12%	0 – 5%	.13%	0 – 5%
Administration	8.38%	3 – 10%	7.83%	3 – 10%
Fundraising	20%	15 – 20%	16.5%	15 – 20%
Overheads	6.35%	10 - 20%	13.73%	10 - 20%
Medical Research Grants	47.75%	40 – 50%	43.11%	40 – 50%
Employee Expenses	17.40%	15 – 20%	18.70%	15 – 20%

SPARQ –Ed Project

The board, at a meeting on 16 May 2012, approved payment of \$20,000.00 per year for 5 years to support the SPARQ-Ed program at the Translational Research Institute at the PA Hospital.

Information on Directors

Peter Paul Donghi	–	Director
Qualifications	–	Mechanical Engineer
Experience	–	Employed for 27 years in various managerial positions in the Coal Industry, particularly in the field of coal handling preparation. Member of management committee of Meals on Wheels in Bundaberg for 11 years, currently president. 42 years service as a Lion- District Governor Q4 1996-1997
Special Responsibilities	–	Chairman from 28 November 2010 to 3 November 2013
Anthony Paul Hodgson	–	Director
Qualifications	–	Solicitor LLB, DIP Legal Practice
Experience	–	33 years a Legal Practitioner and Director of various private companies; 15 years service as a Lion.
Special Responsibilities	–	Chairman from 3 November 2013 Attending to Foundation legal matters

Austin George Lanphier	–	Director
Qualifications	–	Nil
Experience	–	30 years in sales and marketing businesses as manager/owner; scout leader for 7 years 30 years service to Lions – District Governor Q2 2002-2003 Trustee of ALCCRF; Q2 Health Projects Chair
Special Responsibilities	–	Nil
David William Lyons	–	Director
Qualifications	–	Degree in Business Management & Marketing
Experience	–	34 years in the entertainment and hospitality industries – managing restaurants in club/hotel, staging and marketing events and artists (overseas and local) and fundraising, catering business owner. 11 years' service as a Lion
Special Responsibilities	–	Deputy Chairman 3 November 2013 Appointed Marketing Manager November 2013
Ronald Frederick Newman	–	Director
Qualifications	–	Diploma in Project Management
Experience	–	30 years in the heavy earthmoving industry 6 years in maintenance scheduling and asset management in the water industry 10 years' service to Lions
Special Responsibilities	–	Nil
Narelle Joy Parkins	–	Director
Qualifications	–	Dip. Business Principles, Cert II Editing Proofreading
Experience	–	45 years Administration in accounts, electronic data processing 10 years business partner, 16 years as finance liaison officer 25 years' service to Lions
Special Responsibilities	–	Appointed Office Manager 25 September 2013
Dianne Margaret Pyers	–	Director
Qualifications	–	Diploma – Dental Nursing, Child Care Certificate
Experience	–	35 years as dental nurse and office administration; 10 years teacher aide 27 years' service to Lions – District Governor Q2 2007 - 2008
Special Responsibilities	–	Nil
Lynette Janice Pysden	–	Director
Qualifications	–	Cert IV Editing & Proofreading; Instructional Skills (TAFE)
Experience	–	23 years with ATO; Legislative Advisor to National Council of Women Qld – 4 years; Secretary – James Drysdale Reserve Management Committee – 6 years; Hills District PCYC Advisory Committee member; Inaugural president Grovely Ambulance

Committee
15 years' service to Lions; ALCMF Trustee; 201Q3 Assistant
Cabinet Secretary 2014/15

Special Responsibilities – Nil

Meetings of Directors

During the financial year, nine (9) meetings of directors (including annual general meeting) were held. Attendances by each director were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Peter Donghi OAM	3	3
Anthony Hodgson	8	8
Austin Lanphier	8	5
David Lyons	8	8
Ronald Newman	8	4
Narelle Parkins	8	8
Dianne Pyers	8	1
Lyn Pysden	8	6

The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$20.00 each towards meeting any outstanding obligations of the company. At 30 June 2014, the total amount that members of the company are liable to contribute if the company is wound up is \$612.00 (2013: \$612.00).

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2014 has been received and can be found on page 5 of the financial report.

Signed in accordance with a resolution of the Board of Directors.

Director



Anthony Paul Hodgson (Chairman)

Dated this **7th** day of **October** **2014**

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER S 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF QUEENSLAND AND NORTHERN NEW SOUTH WALES LIONS MEDICAL
RESEARCH FOUNDATION**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2014 there have been:

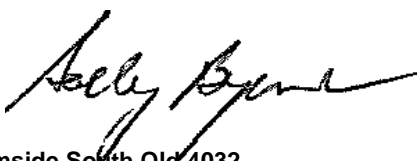
- no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

Name of Firm: **Norcrest Business Services**

Name of Partner: **Sally A. Byrne**

Date: **19 August 2014**

Address: **PO Box 510 Chermside South Qld 4032**



STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014	2013
		\$	\$
Donations Received	2	191,612	198,871
Fund Raising	2	190,799	238,854
Interest	2	72,445	86,331
Medical Research Grants	13	(245,000)	(236,667)
Fundraising Expenses	3	(103,231)	(90,656)
Donations Made	2	0	(20,000)
Employee Expenses	3	(89,309)	(102,686)
Administration & Office Expenses		(43,008)	(43,009)
Other Expenses		(32,559)	(56,000)
Current year deficit before income tax		(58,251)	(24,962)
Income tax expense		0	0
Net current year surplus/(deficit)		(58,251)	(24,962)
Other comprehensive income for the year –			
Net gain on revaluation of property, plant and equipment	9	0	0
Total comprehensive income for the year		(58,251)	(24,962)
Net current year surplus/deficit) attributable to members of the entity		(58,251)	(24,962)
Total comprehensive surplus/deficit attributable to members of the entity		(58,251)	(24,962)

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2014

	Note	2014	2013
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	310,186	384,844
Accounts receivable and other debtors	5	905	0
Inventories on hand	6	62,646	57,202
Financial assets	8	1,119,900	550,000
Other current assets	5,7	53,921	61,744
TOTAL CURRENT ASSETS		1,547,558	1,053,790
NON-CURRENT ASSETS			
Financial assets	8	400,000	950,000
Property, plant and equipment	9	454,104	460,545
Intangible assets	10	0	1,200
TOTAL NON-CURRENT ASSETS		854,104	1,411,745
TOTAL ASSETS		2,401,662	2,465,535
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and other payables	11	9,958	9,207
Provisions for employee entitlements	12	827	7,200
TOTAL CURRENT LIABILITIES		10,785	16,407
NON-CURRENT LIABILITIES			
TOTAL NON-CURRENT LIABILITIES		0	0
TOTAL LIABILITIES		10,785	16,407
NET ASSETS		2,390,877	2,449,128
EQUITY			
Retained surplus – for approved research funding	13	393,333	838,333
Retained surplus – for non-specific research		1,997,544	1,610,795
TOTAL EQUITY		2,390,877	2,449,128

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2014

	Note	Retained Surplus \$	Revaluation Surplus \$	Total \$
Balance at 1 July 2013		2,093,128	356,000	2,449,128
Comprehensive income				
Deficit for the year attributable to members of the entity		-58,251	0	-58,251
Transfer of funds				
Other comprehensive income for the year				
Total comprehensive income/deficit attributable to members of the entity		-58,251	0	-58,251
Balance at 30 June 2014		2,034,877	356,000	2,390,877
Other transfers				
Cumulative revaluation surplus relating to revaluation of property, transferred to retained earnings				
Total other transfers		0	0	0
Balance at 30 June 2014		2,034,877	356,000	2,390,877

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 \$	2013 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from fund raising and services		419,890	437,726
Payments to suppliers and employees		(551,841)	(593,143)
Interest received		82,518	100,436
Net cash generated from operating activities	15	(49,433)	(54,981)
CASH FLOW FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment	9	(5,325)	0
Proceeds from non-renewal of available-for-sale investments		0	100,000
Payment for available-for-sale investments		(19,900)	0
Net cash used in investing activities		(25,225)	100,000
Net decrease/increase in cash held		(74,658)	45,019
Cash and cash equivalents at beginning of the financial year	4	384,844	339,825
Cash and cash equivalents at the end of the financial year	4	310,186	384,844

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

The financial statements cover QUEENSLAND AND NORTHERN NEW SOUTH WALES LIONS MEDICAL RESEARCH FOUNDATION as an individual entity, incorporated and domiciled in Australia. The QUEENSLAND AND NORTHERN NEW SOUTH WALES LIONS MEDICAL RESEARCH FOUNDATION is a company limited by guarantee.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Act 2001*. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar. Where items have been reclassified, the prior year figures have been amended accordingly.

The financial statements were authorised for issue on 7 October 2014 by the directors of the company.

Accounting Policies

a. Revenue

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

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

b. Inventories on Hand

Inventories are measured at the lower of cost and current replacement cost.

c. Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated, less, where applicable, accumulated depreciation and any impairment losses.

Freehold Property

Freehold land and buildings are shown at their fair value based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

In periods when the freehold land and buildings are not subject to an independent valuation, the directors conduct directors' valuations to ensure the carrying amount for the land and buildings is not materially different to the fair value.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the revaluation surplus in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are recognised in profit or loss.

As the revalued buildings are depreciated, the difference between depreciation recognised in the statement of comprehensive income, which is based on the revalued carrying amount of the asset, and the depreciation based on the asset's original cost, is transferred from the revaluation surplus to retained earnings.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2014

Note	2014	2013
	\$	\$

Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and Equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(f) for details of impairment).

Plant and equipment that have been contributed at no cost or for nominal cost are recognised at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is available for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Buildings	2.50%
Plant and equipment	11.25% - 40%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

d. **Financial Instruments**

Classification and subsequent measurement

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company's intention to hold these investments to maturity.

Impairment

At the end of each reporting period, the company assesses whether there is objective evidence that a financial asset has been impaired. A financial asset or a group of financial assets will be deemed to be impaired if, and only if, there is objective evidence of impairment as a result of the occurrence of one or more events (a "loss event"), which has an impact on the estimated future cash flows of the financial asset(s).

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014	2013
		\$	\$

Key Estimates

Impairment

The freehold land and buildings were independently valued at 30 June 2012 by QUEENSLAND AND NORTHERN NEW SOUTH WALES LIONS MEDICAL RESEARCH FOUNDATION. The valuation was based on the fair value less cost to sell. The critical assumptions adopted in determining the valuation included the location of the land and buildings, the current strong demand for land and buildings in the area and recent sales data for similar properties. The valuation resulted in a revaluation increment of \$211,166 being recognised for the year ended 30 June 2012.

At 30 June 2013 the directors reviewed the key assumptions made by the valuers at 30 June 2012. They have concluded that these assumptions remain materially unchanged, and are satisfied that carrying value does not exceed the recoverable amount of land and buildings at 30 June 2013.

e. **Employee Entitlements**

Provision is made for the company's liability for employee entitlements arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows attributable to employee benefits.

f. **Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less.

g. **Accounts Receivable and Other Debtors**

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from customers for goods sold in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets. There was a change in policy for the 2013 year in regards to prepayments. No prepayments were recognised at 30 June 2013.

h. **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 (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers

i. **Income Tax**

No provision for income tax has been raised as the entity is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014	2013
		\$	\$
j. Intangibles			
Software			
Software is recorded at cost. Software has a finite life and is carried at cost less accumulated amortisation and any impairment losses. It has an estimated useful life of between one and three years. It is assessed annually for impairment			
k. Provisions			
Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period			
l. Comparative Figures			
Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year			
When an entity applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period must be disclosed.			
m. Accounts Payable and Other Payables			
Accounts payable 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.			
n. Critical Accounting Estimates and Judgments			
The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.			
o. Economic Dependence			
The company is not dependent on any government department for any of its revenue to operate its business.			
p. New Accounting Standards for Application in Future Periods			
The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the company. The company has decided not to early adopt any of the new and amended pronouncements.			

NOTE 2: REVENUE AND OTHER INCOME

	2014	2013
	\$	\$
Revenue		
Revenue from Charitable Income and Fundraising		
– Donations Received	191,612	198,871
– Fund Raising	190,799	238,854
	382,411	437,725
Other revenue		
– interest received on investments in fixed interest securities	72,445	86,331

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014	2013
		\$	\$
Total Revenue		454,856	524,056
Total Other Income		0	0
Total Revenue and Other Income		454,856	524,056

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

		2014	2013
		\$	\$
NOTE 3 EXPENSES			
a.	Depreciation & Amortisation		
	– Buildings	1, 9 4,386	2,500
	– Plant & Equipment	1, 9 4,831	2,946
	– Website Development	10 1,200	1,200
	Total Depreciation & Amortisation	10,417	6,646
	Auditor Fees		
	– Audit services	4,930	4,983
	– Bookkeeping services	0	0
	Total Audit Remuneration	4,930	4,983
b.	Significant Revenue and Expenses		
	Interest Received – Investments	72,445	86,331
	Donation Received – QCF – Seed Donation re G Higgs	0	20,000
	Donations Received – Mr & Mrs Phippard	0	16,150
	Donation Made – QCF – Seed Funding	0	20,000
	Medical Research Grant - SPAR Ed	20,000	20,000
	Medical Research Grants	225,000	216,667

NOTE 4: CASH AND CASH EQUIVALENTS

		2014	2013
		\$	\$
CURRENT			
Cash at bank – unrestricted		309,886	384,544
Cash float - Petty Cash		300	300
Total cash and cash equivalents as stated in the statement of financial position		310,186	384,844

NOTE 5: ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES**CURRENT**

Accounts Receivable	885	0
Sundry Receivables (AU)	20	0
	905	0

NOTE 6: INVENTORIES ON HAND**CURRENT**

	2014	2013
	\$	\$
At cost		
Inventory - Awards – Progressive – Silver	49,290	50,603
Inventory – Awards – Bronze	3,418	2,800
Inventory – Roses	5,720	750
Inventory - Pens	1,015	1,498
Inventory - T-Shirts	938	1,078
Inventory – Aprons	312	473
Inventory – Illuminated Bottled Water	1,953	0
Totals	62,646	57,202

NOTE 7: OTHER CURRENT ASSETS**Other Receivables**

	2014	2013
	\$	\$
Accrued Interest on Investments	39,619	49,693
Accrued Income – Other	905	0
GST Refund Due	13,397	12,051
Prepayments	0	0
Totals	53,921	61,744

NOTE 8: FINANCIAL ASSETS**CURRENT**

	Note	2014	2013
		\$	\$
Held-to-maturity financial assets			
– Bank Term Deposits – maturing within 12 months	16	1,119,900	550,000
		1,119,900	550,000

NOTE 8: FINANCIAL ASSETS

	Note	2014 \$	2013 \$
NON-CURRENT			
– Bank Term Deposits – maturing after 12 months	16	400,000	950,000
		400,000	950,000
Totals		1,519,900	1,500,000

(The effective weighted average interest rate on financial assets was 3.98% (2013: 4.46%))

NOTE 9: PROPERTY, PLANT AND EQUIPMENT

	2014 \$	2013 \$
LAND AND BUILDINGS		
Building – Unit 5 Portman Place, at cost:	175,428	175,428
Less: accumulated depreciation	(82,320)	(77,935)
Total Buildings	93,108	97,493
Add: Accumulated Net Fair Value Gains	356,007	356,007
Total Land and Buildings	449,115	453,500
PLANT AND EQUIPMENT		
Plant and equipment		
At cost	24,464	38,470
Less accumulated depreciation	(19,475)	(31,425)
Total plant and equipment	4,989	7,045
Total property, plant and equipment	454,104	460,545

Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Land and Buildings \$	Plant and Equipment \$	Total \$
2013			
Balance at the beginning of the year	456,000	9,991	465,991
Additions at cost			
Additions at fair value			
Disposals			
Revaluation increment			
Depreciation expense	(2,500)	(2,946)	(5,446)
Carrying amount at end of year	453,500	7,045	460,545

NOTE 9: PROPERTY, PLANT AND EQUIPMENT

		2014	2013
		\$	\$
2014			
Balance at the beginning of the year	453,500	7,045	460,545
Additions at cost		5,325	5,325
Additions at fair value			
Disposals		(2,550)	(2,550)
Revaluation increment			
Depreciation expense	(4,385)	(4,831)	(9,216)
Carrying amount at end of year	449,115	4,989	454,104

Asset revaluations

The freehold land and buildings were independently valued at 30 June 2012 by QUEENSLAND AND NORTHERN NEW SOUTH WALES LIONS MEDICAL RESEARCH FOUNDATION. The valuation was based on the fair value less cost to sell. The critical assumptions adopted in determining the valuation included the location of the land and buildings, the current strong demand for land and buildings in the area and recent sales data for similar properties. The valuation resulted in a revaluation increment of \$211,166 being recognised in the revaluation surplus for the year ended 30 June 2012.

At 30 June 2014 the directors reviewed the key assumptions made by the valuers at 30 June 2012. They have concluded that these assumptions remain materially unchanged, and are satisfied that carrying value does not exceed the recoverable amount of land and buildings at 30 June 2014.

	2014	2013
	\$	\$
NOTE 10: INTANGIBLE ASSETS		
Computer software – at cost	4,800	4,800
Accumulated amortisation	(4,800)	(3,600)
Accumulated impairment	0	0
Net carrying value	0	1,200

	2014	2013
	\$	\$
NOTE 11: ACCOUNTS PAYABLE AND ACCRUALS		
CURRENT		
Accounts payables and accruals	8,385	4,900
PAYG Owing	1,572	4,307
Total	9,957	9,207

NOTE 12: PROVISIONS FOR EMPLOYEE ENTITLEMENTS

	2014	2013
	\$	\$
Opening Balance at 1 July 2013	7,200	6,646
Additional provisions raised during year	(6,373)	554
Amounts used	0	0
Balance at 30 June 2014	827	7,200
Analysis of Total Provisions		
Current	827	7,200
Non-current	0	0
Total	827	7,200

NOTE 13: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

	2014	2013
	\$	\$
Estimates of the potential financial effect of contingent liabilities that may become payable:		
The company has agreed to fund ongoing research projects past 30 June 2014. The future payments are dependent on:		
(i)	audit of the research project showing that appropriate progress is being made at the required standard and	
(ii)	the researcher not having obtained alternate funding.	
There is considerable uncertainty as to the amount of the liability.		
Payable within 1 year	393,333	305,000
Payable later than 1 year	0	533,333
TOTALS	393,333	838,333

NOTE 14: EVENTS AFTER THE REPORTING PERIOD

There has not arisen in the interval since 30 June 2014 and up to the date of this report, any matter that, in the opinion of the Directors, has significantly affected or may significantly affect the operations of the entity, the results of the entity or the state of affairs of the entity in future financial years.

NOTE 15: PAYMENTS TO RELATED PARTIES

During the year payments of \$5,702.86 GST inclusive were made to director Anthony Paul Hodgson for legal services provided to the entity.

NOTE 16: CASH FLOW INFORMATION

		2014	2013
		\$	\$
Reconciliation of Cash Flow from Operations with Profit after Income Tax			
Profit after income tax		(58,251)	(24,962)
Non-cash flows			
Depreciation and amortisation expense	3	10,417	6,646
Increase/Decrease in other		1,089	1,018
Loss on Disposal of Plant and Equipment		2,550	0
Changes in assets and liabilities			
(Increase)/decrease in accounts receivables and other debtors		(6,918)	12,765
Increase/(decrease) in accounts payable and other payables		751	(19)
Increase in provisions for employee benefits	12	6,373	(554)
Increase/Decrease in inventories on hand	6	(5,444)	(49,875)
		(49,433)	(54,981)

NOTE 17: ENTITY DETAILS

The registered office and principal place of business of the entity is:

Queensland and Northern New South Wales Lions Medical Research Foundation
Portman Place, Unit 5
220 Boundary Road
SPRING HILL QLD 4000

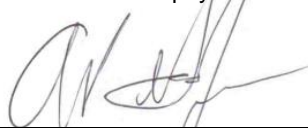
NOTE 18: MEMBERS' GUARANTEE

The entity is incorporated under the *Corporations Act 2001* and is an entity limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$20.00 each towards meeting any outstandings and obligations of the entity. At 30 June 2014 the number of members was 306.

DIRECTORS' DECLARATION

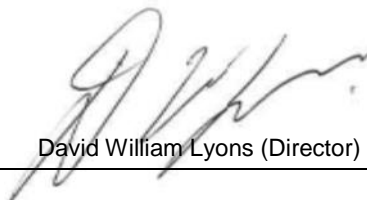
In accordance with a resolution of the directors of Queensland and Northern New South Wales Lions Medical Research Foundation, the directors declare that:

1. The financial statements and notes, as set out on pages 6 - 17, are in accordance with the *Corporations Act 2001*:
 - a. comply with Australian Accounting Standards; and
 - b. give a true and fair view of the financial position as at 30 June 2014 and of the performance for the year ended on that date of the company.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.



Anthony Paul Hodgson (Director)

Dated this 7th day of October 2014



David William Lyons (Director)

Dated this 7th day of October 2014

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF QUEENSLAND AND NORTHERN NEW SOUTH WALES LIONS MEDICAL RESEARCH FOUNDATION

Report on the Financial Report

We have audited the accompanying financial report of Queensland and Northern New South Wales Lions Medical Research Foundation Not For Profit (Reporting) Limited (the company), which comprises the statement of financial position as at **30 June 2014**, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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 in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 judgment, 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 company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF QUEENSLAND AND
NORTHERN NEW SOUTH WALES LIONS MEDICAL RESEARCH FOUNDATION**

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 directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Queensland and Northern New South Wales Lions Medical Research Foundation Not For Profit (Reporting) Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Basis for Qualification

A significant portion of revenue is derived from donations and general fund raising activities. As is the case with similar organisations, it was impracticable to extend our examination of revenue derived from those sources beyond that information which is recorded in the books of account.

Qualified Auditor's Opinion

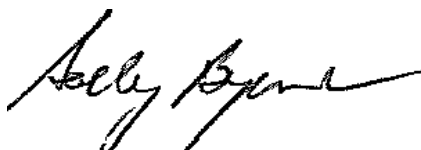
In our opinion, except for the effects on the financial report of the qualification, if any, the financial report of Queensland and Northern New South Wales Lions Medical Research Foundation is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the company's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Name of Firm: **Norcrest Business Services**

Name of Partner: **Sally A. Byrne**

Auditor's signature:



Address: **PO Box 510 Chermside South Qld 4032**

Dated this **30th** day of **September** **2014**