

**Queensland and Northern New South Wales Lions
Medical Research Foundation**

ABN 63 009 946 481

Annual Report – 30 June 2016

Queensland and Northern New South Wales Lions Medical Research Foundation Responsible Persons' Report – for year ended 30 June 2016

The responsible persons' present their report, together with the financial statements, on the company for the year ended 30 June 2016.

Responsible Persons

The following persons were responsible persons' of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Austin G Lanphier
Allan Turner
Bob Goldsworthy
Dianne M Pyers
Lesley A Lyons
Les Crossman
Roxanne Scott
Tim Hannay

Principal activities

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

There have been no significant changes in the nature of these activities during the year.

Short term objectives

The entity'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.

Long term objectives

The entity'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;
- Continue supporting medical research in accordance with the constitution.

Strategy for achieving short and long term objectives

To achieve these objectives, the entity had adopted the following strategies:

- Risk management;
- Financial management;
- Governance and succession;
- Marketing plan

Key performance measures

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

Information on directors

Name:	Austin G Lanphier
Title	Responsible Person/Director
Qualifications	
Experience and expertise:	40 years in sales and marketing businesses; Scout leader for 7 years; 2years National Service; District Governor Q2 2002 – 2003; Trustee of ALCCRF; Q2 Health Projects Chair; 33 years' service to Lions
Special Responsibilities	Chair - LMRF

Name:	Allan Turner
Title	Responsible Person/Director
Qualifications	Diploma in Business Management; Marketing Degree; Assoc Diploma Industrial Law & Industrial Relations; Diploma in Communications
Experience and expertise:	25 years Station Master Qld Rail; 2 years Military service; 10 years State Manager Mayne Nickless Transport; 14 years Senior Business Development Manager for Folwes/Manheim Auctions & Remarketing; Member of Lions, Rotary, Toastmasters, Rural Youth; President of Q3 in 2015.
Special Responsibilities	Create Marketing Plan, Business Plan and budget for Sales and Marketing with aim to grow the LMRF through public speaking and assisting with marketing ideas; Deputy Chairman

Name:	Bob Goldsworthy
Title	Responsible Person/Director
Qualifications	
Experience and expertise:	32 year railway; 20 years Toowoomba Regional Council; 34 years on Management of Toowoomba Hospice as a Director; Past District Governor; 10 years on Board of Directors (Management Committee); 36 years' service to Lions
Special Responsibilities	

Name:	Dianne Pyers
Title	Responsible Person/Director
Qualifications	
Experience and expertise:	39 years as a dental nurse and office administration; 10 years teacher aide; District Governor Q2 2007 – 2008; 29 years' service to Lions
Special Responsibilities	Responsible Person/Director since 2011

Name:	Lesley A Lyons
Title	Responsible Person/Director
Qualifications	Diploma in Hospitality and Management
Experience and expertise:	Retired; District Governor Q1 2010 – 2011; Responsible Person/Director since November 2015; 14 years' service to Lions
Special Responsibilities	Quest Committee Chair Lions Medical Research Personality Quest

Name:	Les Crossman
Title	Responsible Person/Director
Qualifications	Bachelor of Technology (Civil) Degree in Engineering
Experience and expertise:	48 years as a Civil Engineer in the design and construction of road infrastructure; Retired; District Governor Elect Q4 2014 – 2015; District Governor Q4 2015 – 2016; 19 years' service to Lions
Special Responsibilities	

Name:	Roxanne Scott
Title	Responsible Person/Director
Qualifications	B. Bus Communication, Masters of Business Administration; Certificate IV in Workplace Assessment and Training
Experience and expertise:	Has worked for more than 30 years in the Queensland Government, most recently as a Senior Employment Adviser managing numerous projects that assisted disadvantaged and physically/intellectually disabled people to gain work skills and employment. Since 2013 she has worked as Community Development Officer with the City of Gold Coast. Roxanne is a Captain in the Australian Army. 5 years' service to Lions
Special Responsibilities	Responsible Person/Director since November 2015

Name:	Tim Hannay
Title	Responsible Person/Director
Qualifications	Diploma Business Management, Certificate IV in Workplace Health and Safety
Experience and expertise:	13 years working for large region Health Care organization in many roles. Current role is Health and Safety Manager; 11 years' service to Lions
Special Responsibilities	Responsible Person/Director since 2014

Company secretary

Narelle Parkins has held the role of Company Secretary since November 2014.

Meetings of responsible persons

The number of meetings of the company's responsible persons ('the Board' held during the year ended 30 June 2016, and the number of meetings attended by each responsible person were:

	Full Board	
	Attended	*Held
Austin Lanphier	9	9
Allan Turner	8	9
Bob Goldsworthy	9	9
David Lyons	3	3
Dianne Pyers	6	9
Lesley Lyons	5	5
Les Crossman	3	9
Roxanne Scott	5	5
Tim Hannay	6	9

*Held: represents the number of meetings held during the time the responsible person held office.

Contributions on winding up

In the event of the company being wound up, ordinary members are required to contribute a maximum of \$20 each. Honorary members are not required to contribute.

The total amount that members of the company are liable to contribute if the company is wound up is \$612 (2015:\$612).

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 and s.60-40 of The Australian Charities and Not for Profit Commission Act 2012 is set out immediately after this responsible persons report.

This report is made in accordance with a resolution of responsible persons, pursuant to section 298(2) (a) of the Corporations Act 2001.

On behalf of the responsible persons.

Austin G Lanphier
Responsible Person

Allan Turner
Responsible Person

Date:

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 AND S.60 – 40 OF THE AUSTRALIAN CHARITIES AND NOT FOR PROFITS COMMISSION 2012 ACT TO THE RESPONSIBLE PERSONS 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 2016 there have been no contraventions of

- (i) The auditor independence requirements as set out in the Corporations Act 2001 and s. 60-40 of the Australian Charities and Not for Profits Commission Act 2012 in relation to the audit; and
- (ii) Any applicable code of professional conduct in relation to the audit.

MCFILLIN AUDIT SERVICES

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MICHAEL MCFILLIN

Dated 23rd August 2016
503 Gympie Road, Strathpine Qld 4500

QUEENSLAND AND NORTHERN NEW SOUTH WALES LIONS MEDICAL RESEARCH FOUNDATION

FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2016

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General information

The financial statements cover Queensland and Northern New South Wales Lions Medical Research Foundation, a company limited by guarantee as an individual entity. The financial statements are presented in Australian dollars, which is the company's functional and presentation currency.

Queensland and Northern New South Wales Lions Medical Research Foundation is a not-for-profit unlisted public company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office	Principal place of business
Unit 5 Portman Place 220 Boundary Road Spring Hill Qld 4000	Unit 5 Portman Place 220 Boundary Road Spring Hill Qld 4000

A description of the nature of the company's operations and its principal activities are included in the responsible persons' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of responsible persons, on 22 September 2016. The responsible persons have the power to amend and reissue the financial statements.

Statement of Profit or Loss and Other Comprehensive Income for year ended 30 June 2016

	Notes	2016	2015
Income			
Donations	3	109,373	121,612
Fund Raising	3	321,844	228,893
Interest	3	46,219	66,347
Total Income		477,436	416,852
Expenses			
Advertising and Promotion – general		1,480	2,350
Audit Fees – excluding art unions	4	4,000	4,277
Bank Fees and charges		984	476
Board Governance expenses		1,565	1,760
Capital expenditure – minor		127	1,434
Computer expenses		4,698	5,987
Consultancy expenses		2,530	2,160
Depreciation and amortisation expenses	4	7,853	7,082
Employee expenses			
• Salaries and wages		56,646	55,813
• Administration manager expenses		2,174	0
• Marketing manager expenses		5,807	6,541
• Annual leave		2,776	4,339
• Staff amenities		0	421
• Superannuation		5,540	5,366
• Work cover		264	290
Fees and permits		200	78
Fund raising expenses		158,804	115,831
General expenses		995	1,682
Insurance – Responsible Persons(Directors)		3,915	3,915
Insurance – General		1,115	1,045
Insurance – Volunteers		73	177
Legal Fees		1,364	0
Medical Research Grants and Commitments	4	273,400	202,600
Occupancy expenses			
• Body corporate		8,671	8,799
• Rates		1,617	1,513
• Repairs and Maintenance		493	27
• Security		755	571
• Utilities		3,078	4,690
Postage, Freight and Couriers		11,603	7,496
Printing and Stationery		10,324	9,096
Publications and Information – general		5,000	4,295
Telecommunications		6,296	6,775
Total Expenditure		584,147	466,886
Deficit before income tax expense		-106,711	-50,034
Income tax expense	1	0	0
Deficit after income tax expense for the year attributable to the members of Queensland and Northern New South Wales Lions Medical Research Foundation		-106,711	-50,034

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Statement of Financial Position for year ended 30 June 2016

	Notes	2016	2015
Current assets			
Cash and cash equivalents	5	481,375	548,235
Investments – term deposits	10	1,250,000	800,000
Trade and other receivables	6	9,116	8,912
Inventory	7	56,832	61,385
Other	8	20,631	48,393
Total current assets		1,817,954	1,466,925
Non-current assets			
Investments – term deposits	10	0	500,000
Property, plant and equipment	9	446,033	447,022
Total non-current assets		446,033	947,022
Total assets		<u>2,263,987</u>	<u>2,413,947</u>
Liabilities			
Current liabilities			
Trade and other payables	11	24,254	68,607
Employee benefits	12	5,601	4,497
Total current liabilities		<u>29,855</u>	<u>73,104</u>
Non-current liabilities			
Employee benefits		0	0
Total non-current liabilities		<u>0</u>	<u>0</u>
Total liabilities		29,855	73,104
Net assets		<u>2,234,132</u>	<u>2,340,843</u>
Equity			
Asset Revaluation Reserve	13	211,166	211,166
Accumulated Surpluses		2,129,677	2,179,711
Current Year Deficit		-106,711	-50,034
Total equity		<u>2,234,132</u>	<u>2,340,843</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Statement of Changes in Equity for year ended 30 June 2016

	Retained Surpluses \$	Total Equity \$
Balance at 1 July 2014		2,390,877
Deficit after income tax expense for the year	(50,034)	
Other comprehensive income for the year, net of tax	<u>0</u>	<u>(50,034)</u>
Total comprehensive income for the year	<u>0</u>	<u>0</u>
Balance at 30 June 2015	<u><u> </u></u>	<u><u>2,340,843</u></u>
	Retained Surpluses \$	Total Equity \$
Balance at 1 July 2015		2,340,843
Deficit after income tax expense for the year	(106,711)	
Other comprehensive income for the year, net of tax	<u>0</u>	<u>(106,711)</u>
Total comprehensive income for the year	<u>0</u>	<u>0</u>
Balance at 30 June 2016	<u><u> </u></u>	<u><u>2,234,132</u></u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Statement of Cash Flows for year ended 30 June 2016

	Notes	2016	2015
Cash flows from operating activities			
Receipts from fund raising and donations (inclusive of GST)		463,401	452,380
Payments to suppliers and employees (inclusive of GST)		<u>-633,822</u>	<u>-507,218</u>
		-170,421	-54,838
Interest received		<u>61,619</u>	<u>72,987</u>
Net cash from operating activities		<u>-108,802</u>	<u>18,149</u>
Cash flows from investing activities			
Payments for property, plant and equipment		-8,058	0
Proceeds from investment redemptions		<u>50,000</u>	<u>219,900</u>
Net cash used in investing activities		<u>41,942</u>	<u>219,900</u>
Cash flows from financing activities		<u>0</u>	<u>0</u>
Net cash from financing activities		<u>0</u>	<u>0</u>
Net increase in cash and cash equivalents		-66,860	238,049
Cash and cash equivalents at the beginning of the financial year		548,235	310,186
Cash and cash equivalents at the end of the financial year		<u><u>481,375</u></u>	<u><u>548,235</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Notes the Financial Statements for year ended 30 June 2016

The financial statements cover Queensland and Northern New South Wales Lions Medical Research Foundation, a company limited by guarantee, as an individual entity, incorporated and domiciled in Australia.

Note 1. Statement of Compliance

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New, revised or amending Accounting Standards and Interpretations adopted

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

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

Basis of preparation

In the responsible persons' opinion, the company is not a reporting entity because there are no users dependent on general purpose financial statements.

These are special purpose financial statements that have been prepared for the purposes of complying with the Australian Charities and Not-for-profits Commission Act 2012 and the Corporations Act 2001 requirements to prepare and distribute financial statements to the members of Queensland and Northern New South Wales Lions Medical Research Foundation. The responsible persons have determined that the accounting policies adopted are appropriate to meet the needs of the members of Queensland and Northern New South Wales Lions Medical Research Foundation.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') 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', AASB 1048 'Interpretation of Standards' and AASB 1054 'Australian Additional Disclosures', as appropriate for not-for-profit oriented entities.

Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The amounts presented in the financial statements have been rounded to the nearest dollar.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Sales revenue

Events, fundraising and raffles are recognised when received or receivable.

Donations

Donations are recognised at the time the pledge is made.

Grants

Grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and all attached conditions will be complied with.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

As the company is a charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

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.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Other receivables are recognised at amortised cost, less any provision for impairment.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Buildings – at cost	2.5 – 5% Prime Cost
Plant and equipment – at cost	15 – 20% Prime Cost
Web development – at cost	25% Prime Cost

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

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 as 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. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

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

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement

date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

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 tax authority is included in other receivables or other 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 tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 30 June 2016. The company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

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.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The company assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Employee benefits provision

As discussed in note 1, 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 been taken into account.

Note 3. Revenue

	2016	2015
Revenue from Charitable Income and Fundraising		
Donations received	109,373	121,612
Fundraising	321,844	228,893
Total Revenue from Charitable Income and Fundraising	<u>431,217</u>	<u>350,505</u>
Other revenue		
Interest	46,219	66,347
Total other revenue	<u>46,219</u>	<u>66,347</u>
Total Revenue	<u>477,436</u>	<u>416,852</u>

Note 4 Expenses

	2016	2015
Deficit before income tax includes the following specific expenses:		
Auditor's Remuneration		
Audit Services – general	4,000	4,277
Audit Services – art unions	1,800	900
Total Auditor's Remuneration	<u>5,800</u>	<u>5,177</u>
Depreciation		
Land & Buildings	4,386	4,386
Plant & Equipment	2,599	2,696
Website Development	868	0
Total Depreciation & Amortisation	<u>7,853</u>	<u>7,082</u>
Medical Research Grants & Commitments		
Medical Research Grants	273,400	202,600
Total Research Grants & Commitments	<u>273,400</u>	<u>202,600</u>

Note 5. Current assets - cash and cash equivalents

	2016	2015
Cash on hand	300	300
Cash at bank - unrestricted	481,075	547,935
Total Cash and Cash equivalents	<u>481,375</u>	<u>548,235</u>

Note 6. Current assets - trade and other receivables

	2016	2015
Other receivables	300	100
BAS receivable	8,816	8,812
Total Trade and over receivables	9,116	8,912

Note 7. Inventories

	2016	2015
	\$	\$
At cost		
Inventory - Awards – Progressive – Silver/Diamonds	47,996	47,935
Inventory – Awards – Bronze	3,260	3,390
Inventory – Awards – Frazer Badges	435	0
Inventory – Lapel Pin	603	0
Inventory – Roses	262	1,120
Inventory - Pens	93	552
Inventory - T-Shirts	771	848
Inventory – Aprons	556	127
Inventory – Illuminated Bottled Water	1,275	1,877
Inventory - Laynards	5	30
Inventory – LED Lights	1,126	726
Inventory - Books	450	490
Inventory – Mediallions	0	90
Inventory – Stationery	0	1,345
Inventory – Brochures	0	2,485
Inventory – Incentive Prizes	0	370
Total Inventories	56,832	61,385

Note8. Current assets - other

	2016	2015
Accrued Interest on Investments	17,579	32,980
Accrued Income – Other	0	5,185
Prepayments	0	8,993
Other	3,052	1,235
Total Other current assets	20,631	48,393

Note 9. Non-current assets - property, plant and equipment

	2016	2015
Land and buildings - at cost	175,428	175,428
Less: Accumulated depreciation	-91,092	-86,706
Sub-Total Land and buildings	84,336	88,722
Add: Accumulated Net Fair Value Gains	356,007	356,007
Total Land and Buildings	440,343	444,729

Plant and equipment - at cost	31,327	24,464
Less: Accumulated depreciation	<u>-25,637</u>	<u>-22,171</u>
Total Plant and Equipment	<u>5,690</u>	<u>2,293</u>
TOTAL PROPERTY, PLANT AND EQUIPMENT	<u>446,033</u>	<u>447,022</u>

Note 9. Asset Reconciliations

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

	Land & Buildings	Plant & Equipment	Website Development	Total \$
Cost at 1 July 2014	531,435	24,464	4,800	560,699
Additions	0	0	0	0
Accumulated Depreciation	<u>(86,706)</u>	<u>(22,171)</u>	<u>(4,800)</u>	<u>(113,677)</u>
Balance at 30 June 2015	444,729	2,293	0	447,022
Additions	0	3,394	3,470	6,864
Depreciation expense	<u>(4,386)</u>	<u>(2,599)</u>	<u>(868)</u>	<u>(7,853)</u>
Balance as at 30 June 2016	<u>440,343</u>	<u>3,088</u>	<u>2,602</u>	<u>446,033</u>

Note 10. Financial Assets

	Note	2016 \$	2015 \$
CURRENT			
Held-to-maturity financial assets			
- Bank Term Deposits – maturing within 12 months		1,250,000	800,000
		<u>1,250,000</u>	<u>800,000</u>
NON-CURRENT			
- Bank Term Deposits – maturing after 12 months		0	500,000
		<u>0</u>	<u>500,000</u>
TOTAL FINANCIAL ASSETS (The effective weighted average interest rate on financial assets was 3.086% (2015: 3.98%))		<u>1,250,000</u>	<u>1,300,000</u>

Note 11. Current liabilities - trade and other payables

	2016	2015
Accrued expenses	22,616	63,990
Superannuation payable	0	1,341
PAYG withholding	1,638	3,276
Total Trade and other payables	<u>24,254</u>	<u>68,607</u>

Note 12. Current liabilities - employee benefits

	2016	2015
Provision for Employee Benefits	5,601	4,497
Total Provision for employee benefits	5,601	4,497

Note 13. Asset Revaluation Reserve

	2016	2015
A revaluation reserve records the revaluations of non-current assets.		
Business premises – revaluation 2016 and 2012	211,166	211,166
Total Reserves	211,166	211,166

Note 14. Contingent liabilities and commitments

2016	2015
\$	\$

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 2016. 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	330,000	322,700
– Payable later than 1 year	408,333	624,733
Total Contingent liabilities	738,333	947,433

Note 15. Events after the reporting period

No matter or circumstance has arisen since 30 June 2016 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.

Note 16. Reconciliation of deficit after income tax to net cash from operating activities

	2016	2015
Deficit after income tax expense for the year	-106,711	-50,034
Adjustments for Depreciation and amortisation	7,853	7,082
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	1,435	805
Decrease/(increase) in inventories	4,553	1,261
Decrease/(increase) in accrued revenue	33,417	7,869
Decrease/(increase) in GST refundable	4	4,585
Decrease/(increase) in trade and other payables	41,374	55,604
Decrease/(increase) in PAYG payable	1,638	1,704
Decrease/(increase) in superannuation payable	1,341	1,341
Decrease/(increase) employee benefits	1,104	3,670
Net cash from operating activities	<u>-108,802</u>	<u>18,149</u>

Responsible Persons' Declaration for year ended 30 June 2016

In the responsible persons' opinion:

- the company is not a reporting entity because there are no users dependent on general purpose financial statements. Accordingly, as described in note 1 to the financial statements, the attached special purpose financial statements have been prepared for the purposes of complying with the Australian Charities and Not-for-Profits Commission Act 2012 and Corporations Act 2001 requirements to prepare and distribute financial statements to the members of Queensland and Northern New South Wales Lions Medical Research Foundation;
- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards as described in note 1 to the financial statements, the Corporations Regulations 2001 and other mandatory professional reporting requirements
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2016 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of responsible persons/directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the responsible persons(directors)

Austin Lanphier
Responsible Person

Allan Turner
Responsible Person

Date: 22 September 2016

State: Queensland

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, which comprises the statement of financial position as at 30 June 2016, the statement of comprehensive income, the 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 responsible persons/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 judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of 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 responsible persons/directors of Queensland and Northern New South Wales Lions Medical Research Foundation would be in the same terms if given to the responsible persons/directors as at the time of this auditor's report.

Electronic publication of the audited financial report

It is our understanding that Queensland and Northern New South Wales Lions Medical Research Foundation intends to electronically present the audited financial report and auditor's report on its internet website. Responsibility for the electronic presentation of the financial report on the Queensland and Northern New South Wales Lions Medical Research Foundation website is that of those charged with governance of Queensland and Northern New South Wales Lions Medical Research Foundation. The security and controls over information on the website should be addressed by Queensland and Northern New South Wales Lions Medical Research Foundation. The examination of the controls over the electronic presentation of audited financial report on Queensland and Northern New South Wales Lions Medical Research Foundation website is beyond the scope of the audit of the financial report.

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 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 *Australian Charities and Not for Profits Commission Act 2012* and *Corporations Act 2001* including:

- i) Giving a true and fair view of the company's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
- ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis of accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the officer's charged with governance reporting responsibilities. As a result, the financial report may not be suitable for another purpose.

Name of Firm: McFillin Audit Services
Name of Partner: Michael McFillin
Address: 503 Gympie Road, Strathpine Qld 4500

Dates this 30th day of September 2016