

McFillin

Audit Services

ABN 13 757 716 236

CERTIFIED
PRACTISING ACCOUNTANTS

Queensland and Northern New South Wales Lions Medical Research Foundation

ABN 63 009 946 481

Annual Report – 30 June 2018

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Queensland and Northern New South Wales Lions Medical Research Foundation Responsible Persons' Report – for year ended 30 June 2018

The responsible persons' present their report, together with the financial statements, on the company for the year ended 30 June 2018.

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:

Allan Turner
Bob Goldsworthy
Roxanne Scott –resigned AGM Nov 2017
Lesley A Lyons – resigned January 2018
Penny Kourra - joined AGM Nov 2017
Dianne M Pyers
John Holliday – joined EGM Nov 2017
Les Crossman – resigned September 2017
Kathy McCosker – joined AGM Nov 2017
Robert Dove
Narelle Parkins

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.

Trading result

The loss/deficit for the 2018 year was \$336,581 (2017 \$233,785 Loss/Deficit).

The substantial loss/deficit in the 2018 year was due in the main to a major reduction in income across all areas. The decision was made in November 2017 to discontinue the Personality Quest and the Art Unions due to sustained reductions in income for the Personality Quest and losses from the Art Unions.

The Foundation has ample cash in term deposits to meet the 2019 and 2020 medical research commitments of \$173,586 and \$341,667 respectively.

More focus will be placed on increasing the annual income of the foundation in the 2019 and later years.

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 Responsible persons/Directors

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 Fowles/Manheim Auctions & Remarketing; Member of Lions, Rotary, Toastmasters, Rural Youth; President of a Lions Club in Q3 District 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; Responsible person since 2014; Deputy Chairman 2014 - 2016; Appointed Chairman November 2017

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); 37 years' service to Lions
Special Responsibilities	Responsible Person/Director since 2014

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; 30 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; 15 years' service to Lions
Special Responsibilities	Committee Chair Lions Medical Research Personality Quest 2011 position made redundant on 23 November 2017 Responsible person since 2015 Resigned January 2018

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; 20 years' service to Lions
Special Responsibilities	Responsible Person/Director since 2014 Resigned September 2017

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. 6 years' service to Lions
Special Responsibilities	Responsible Person/Director since November 2015 Resigned AGM November 2017

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 2018, and the number of meetings attended by each responsible person were:

	Full Board	
	Attended	*Held
Allan Turner	12	13
Bob Goldsworthy	9	13
Dianne Pyers	10	13
Lesley Lyons	7	8
Les Crossman	1	5
Roxanne Scott	3	4
Penny Kourra	10	10
John Holliday	8	8
Kathy McCosker	8	9
Robert Dove	11	13
Narelle Parkins	12	13

*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 \$6120 (2017:\$6120).

Significant Event during the year

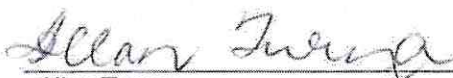
In July 2017 Sue Thomson was employed and appointed as Director Communications and Fundraising. Her responsibilities include the progressing of the short term objectives of the Foundation.

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.


Allan Turner
Responsible Person/Director


Bob Goldsworthy
Responsible Person/Director

Date: 21 September 2018

**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 2018 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 *31 October 2018*

503 Gympie Road, Strathpine Qld 4500

QUEENSLAND AND NORTHERN NEW SOUTH WALES LIONS MEDICAL RESEARCH FOUNDATION

FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2018

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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 20 September 2018.

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 2018

	Notes	2018	2017
Income			
Donations	3	166,412	159,353
Fund Raising	3	20,629	148,357
Interest	3	30,794	38,704
Total Income		217,835	346,414
Expenses			
Audit Fees	4	2,957	4,000
Board Governance expenses		4,643	5,442
Consultancy expenses	4	2,490	21,310
Depreciation and amortisation expenses	4	8,303	9,137
Employee expenses	4	134,560	57,881
Fund raising expenses	4	13,051	92,483
Insurance expenses		5,481	5,308
Medical Research Grants and Commitments	4	318,080	330,000
Occupancy expenses		13,903	14,383
Office expenses		50,948	40,255
Total Expenditure		554,416	580,199
Deficit before income tax expense		-336,581	-233,785
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		-336,581	-233,785

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 2018

	Notes	2018	2017
Current assets			
Cash and cash equivalents	5	115,403	320,998
Investments – term deposits	6	950,000	1,150,000
Trade and other receivables	7	2,003	15,861
Inventory	8	53,885	57,515
Other	9	16,932	15,513
Total current assets		1,138,223	1,559,887
Non-current assets			
Investment – term deposit		100,000	0
Property, plant and equipment	10,11	438,737	450,473
Total non-current assets		538,737	450,473
Total assets		1,676,960	2,010,360
Liabilities			
Current liabilities			
Trade and other payables	12	9,547	10,013
Employee benefits	13	3,647	0
Total current liabilities		13,194	10,013
Total liabilities		13,194	10,013
Net assets		1,663,766	2,000,347
Equity			
Asset Revaluation Reserve	14	211,166	211,166
Accumulated Surpluses		1,789,181	2,022,966
Current Year Deficit		-336,581	-233,785
Total equity		1,663,766	2,000,347

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 2018

	Retained Surpluses \$	Total Equity \$
Balance at 1 July 2016	2,234,132	
Deficit after income tax expense for the year	(233,785)	
Other comprehensive income for the year, net of tax	0	
	<u>2,000,347</u>	
Total comprehensive income for the year	0	
Balance at 30 June 2017	<u>2,000,347</u>	<u>2,000,347</u>

	Retained Surpluses \$	Total Equity \$
Balance at 1 July 2017	2,000,347	
Deficit after income tax expense for the year	(336,581)	
Other comprehensive income for the year, net of tax	0	
	<u>1,663,766</u>	
Total comprehensive income for the year	0	
Balance at 30 June 2018	<u>1,663,766</u>	<u>1,663,766</u>

Statement of Cash Flows for year ended 30 June 2018

	Notes	2018	2017
Cash flows from operating activities			
Receipts from fund raising and donations (inclusive of GST)		200,611	334,463
Payments to suppliers and employees (inclusive of GST)		<u>-535,580</u>	<u>-620,675</u>
Interest received		<u>-334,969</u>	<u>-286,212</u>
		29,374	40,770
Net cash from operating activities		<u>-305,595</u>	<u>-245,442</u>
Cash flows from investing activities			
Payments for property, plant and equipment		0	-14,935
Proceeds from investment redemptions		<u>100,000</u>	<u>100,000</u>
Net cash used in investing activities(Working Capital)		<u>100,000</u>	<u>85,065</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		-205,595	-160,377
Cash and cash equivalents at the beginning of the financial year		320,998	481,375
Cash and cash equivalents at the end of the financial year		<u>115,403</u>	<u>320,998</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 2018

The financial statements cover Queensland and Northern New South Wales Lions Medical Research Foundation (LMRF), as an individual entity, incorporated and domiciled in Australia. Queensland and Northern New South Wales Lions Medical Research Foundation is a company limited by guarantee and is registered as a deductible gift recipient.

Note 1. Summary of significant accounting policies

The financial statements are special purpose financial statements prepared in order to satisfy the financial reporting requirements of the Australian Charities and Not-for-profits Commission Act 2012 (Cth). The responsible persons have determined that the Company is not a reporting entity. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements, except for the cash flow information, have been prepared on an accruals basis, are based on historic costs, and do not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the Australian Charities and Not-for-profits Commission Act 2012 (cth) and the following significant policies, which the responsible persons have determined are appropriate to meet the needs of members. Such accounting policies are consistent with those of previous periods unless otherwise stated. The amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting Policies

(a) Critical accounting estimates and judgements

The preparation of the financial statements requires the Directors to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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 and in any future periods affected.

(b) Plant and equipment

All assets acquired, including plant and equipment, are initially measured at their cost at the date of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition, including costs incurred in getting the assets ready for use. Plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Expenditure on repairs and maintenance is recognised in profit or loss as incurred.

Depreciation is recognised in profit or loss on a straight line basis over the estimated useful lives of each item of plant and equipment.

The estimated useful lives for the current and comparative periods are 3–7 years.

Plant and equipment are also assessed for any indicators of impairment each year. Further details on impairment calculations are provided in Note 9.

(c) Investments

Investments in managed share portfolios are financial assets classified as 'held for trading' and measured at fair value. They are classified as fair value through profit or loss, with directly attributable transaction costs recognised in profit or loss as incurred. Changes in the fair value of such assets, including any interest or dividend income, are recognised in profit or loss.

(d) Leases

Leases where LMRF, as lessee, does not assume substantially all the risks and rewards of ownership are considered operating leases and not recognised on LMRF's statement of financial position. Payments made under operating lease are recognised in profit or loss on a straight-line basis over the term of the lease.

(e) Impairment of assets

At each reporting date, the Company reviews the carrying values of its financial and non-financial 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 of disposal and its value in use) is compared to the asset's carrying amount. Any excess of the asset's carrying value over its recoverable amount is recognised immediately in profit or loss.

Where it is not possible to estimate the recoverable amount of a class of asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(f) Trade and other receivables

Trade and other receivables include amounts due from customers and any outstanding grant receipts. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets.

(g) Cash and cash equivalents

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

(h) Trade and other payables

Trade and other payables represent the liability outstanding at the reporting date for goods and services received by the Company which remain unpaid. The balance is recognised as a current liability with the amount normally being paid within 30 days of recognition of the liability.

(i) Provisions

A provision is recognised if, as the result of a past event, LMRF has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow or economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(j) Employee benefits

(i) Short-term benefits

Liabilities for employee benefits for wages, annual leave, long service leave and other leave represent present obligations resulting from employees' services provided to the reporting date and are calculated at undiscounted amounts based on remuneration wage rates that LMRF expects to pay within 12 months after reporting date including related on-costs, such as workers compensation insurance and payroll tax.

(j) Employee benefits (continued)

(ii) Other long-term employee benefits

LMRF's net obligation in respect of long-term employee benefits is 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.

(iii) Superannuation contributions

Liabilities in relation to contributions to superannuation funds (including defined contribution superannuation funds) are recognised as an expense in profit or loss when they are due.

(k) Revenue recognition

Non-reciprocal grant revenue is recognised in the statement of profit or loss when the Company obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the Company, and the amount of the grant can be measured reliably. Recognition as revenue of grants received subject to conditions is deferred until the conditions are satisfied.

Revenue from the rendering of a service is recognised on delivery of the service to the customer.

Membership subscriptions and associated donations are recognised as revenue in the relevant membership year. Other donations are recognised as revenue when received.

Gains and losses on the disposal of non-current assets are reported by deducting the carrying amount of the asset and related expenses from the proceeds on disposal. These gains or losses are recognised in profit or loss in the period in which they arise.

All revenues are recognised at the fair value of the consideration received net of Goods and Services Tax (GST).

(l) Investment income

Investment income includes interest and dividend income earned on investments in managed share portfolios and interest income on other funds invested. Interest income is recognised as it accrues using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

(m) Income tax

No provision for income tax has been raised as the Company is exempt from income tax under Section 50-5 of the *Income Tax Assessment Act 1997* (Cth).

(n) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as part of the cost of 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 ATO is included in current receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and 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.

(o) New accounting standards for application in future periods

Accounting Standards issued by the Australian Accounting Standards Board ('AASB') that are not yet mandatorily applicable to the Company, together with an assessment of the potential impact of such pronouncements on the Company when adopted in future periods, are discussed below:

- AASB 16 *Leases* (applicable to annual reporting periods beginning on or after 1 January 2019) will replace the current accounting requirements applicable to leases in AASB 117 *Leases and related Interpretations*. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases. The main changes introduced by the new Standard are as follows:
 - recognition of a right-of-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets)
 - depreciation of right-of-use assets in line with AASB 116 *Property, Plant and Equipment* in profit or loss and unwinding of the liability in principal and interest components
 - inclusion of variable lease payments that depend on an index or a rate in the initial measurement of the lease liability using the index or rate at the commencement date
 - application of a practical expedient to permit a lessee to elect not to separate non-lease components and instead account for all components as a lease, and
 - inclusion of additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

The adoption of AASB 16 is not expected to have any material impact on the Company's financial statements.

- AASB 1058 *Income of Not-for-Profit Entities* (applicable to annual reporting periods beginning on or after 1 January 2019) is applicable to transactions that do not arise from enforceable contracts with customers involving performance obligations. The principal requirements of the new Standard are as follows:
 - Income arising from an excess of the initial carrying amount of an asset over the related contributions by owners, increases in liabilities, decreases in assets and revenue should be immediately recognised in profit or loss. For this purpose the assets, liabilities and revenue are to be measured in accordance with other applicable Standards;
 - Liabilities should be recognised for the excess of the initial carrying amount of a financial asset (received in a transfer to enable the entity to acquire or construct a recognisable non-financial asset that is to be controlled by the entity) over any related amounts recognised in accordance with the applicable Standards. The liabilities must be amortised to profit or loss as income when the entity satisfies its obligations under the transfer.

An entity may elect to recognise volunteer services or a class of volunteer services as an accounting policy choice if the fair value of those services can be measured reliably, whether or not the services would have been purchased if they had not been donated. Recognised volunteer services should be measured at fair value and any excess over the related amounts (such as contributions by owners or revenue) immediately recognised as income in profit or loss.

The transitional provisions of this Standard permit an entity to either restate the contracts that existed in each prior period presented in accordance with AASB 108 (subject to certain practical expedients), or recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application. For this purpose, a completed contract is a contract or transaction for which the entity has recognised all of the income in accordance with AASB 1004 *Contributions*.

The adoption of AASB 1058 is not expected to have any material impact on the Company's financial statements.

(p) Comparative Figures

Where necessary, comparatives have been adjusted to conform with changes in presentation and disclosure.

(q) 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.

(r) 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.

Note 3. Revenue

	2018	2017
Revenue from Charitable Income and Fundraising		
Donations received		
Clubs - General	128,024	73,804
Clubs – Special Appeals	25,093	7,750
Public - In Memoriam	11,164	75,115
Public - Donations	2,131	2,684
Fundraising		
Art Unions	0	31,565
Awards	15,250	17,000
Personality Quest; Entry Fees; Final	0	90,641
Sponsorships	0	5,496
Sundry Fund Raising	5,379	3,655
Total Revenue from Charitable Income and Fundraising	187,041	307,710
Other revenue		
Interest	30,794	38,704
Total other revenue	30,794	38,704
Total Revenue	217,835	346,414

Note 4 Expenses

	2018	2017
Deficit before income tax includes the following specific expenses:		
Auditor's Remuneration		
Audit Services – general	2,957	4,000
Audit Services – art unions	0	900
Total Auditor's Remuneration	2,957	4,900
Consultancy Expenses		
Marketing Report – Ask Right	0	19,700
Other – Stylista	2,490	1,610
Total Consultancy Expenses	2,490	21,310
Depreciation		
Land & Buildings	4,386	4,386
Plant & Equipment	3,049	3,883

Website Development	868	868
Total Depreciation & Amortisation	8,303	9,137
Employee Expenses		
Salaries & Wages	113,747	52,209
Annual Leave Expense	2,615	0
Personal Leave Expense	981	0
Staff Amenities	0	324
Staff Placement Expenses	0	4,500
Marketing Manager Expenses	2,136	1,720
Superannuation	11,148	4,479
Work Cover	286	250
Provision for Holiday Pay	3,647	-5,601
Total Employee Expenses	134,560	57,881
Fundraising Expenses		
Art Union expenses	0	41,376
Personality Quest - Functions	0	11,734
Personality Quest	0	24,227
Other	866	6,346
Awards	10,263	5,690
Cost of Goods Sold	1,922	3,110
Total Fundraising Expenses	13,051	92,483
Medical Research Grants & Commitments		
Medical Research Grants	293,080	310,000
SPAR Q Ed	25,000	20,000
Total Research Grants & Commitments	318,080	330,000

Note 5. Current assets - Cash and Cash Equivalents

	2018	2017
Cash on hand	300	214
Cash at bank - unrestricted	115,103	320,784
Total Cash and Cash equivalents	115,403	320,998

Note 6. Financial Assets

	Note	2018	2017
		\$	\$
CURRENT			
Held-to-maturity financial assets			
– Bank Term Deposits – maturing within 12 months		950,000	1,150,000
		<u>950,000</u>	<u>1,150,000</u>
NON-CURRENT			
– Bank Term Deposits – maturing after 12 months		100,000	0
		<u>100,000</u>	<u>0</u>
TOTAL FINANCIAL ASSETS (The effective weighted average interest rate on financial assets was 2.6478% (2017: 2.6478%))		1,050,000	1,150,000

Note 7. Current Assets - Trade and Other Receivables

	2018	2017
Other receivables	0	7,295
BAS receivable	2,003	8,566
Total Trade and over receivables	2,003	15,861

Note 8. Inventories

	2018	2017
At cost:		
Awards – Progressive – Silver/Diamond/Sapphire	46,124	47,425
Awards – Bronze	2,662	3,167
Awards – Frazer Badges	180	314
Lapel Pins	395	404
Roses	2,671	3,954
Pens	0	0
T-Shirts	644	684
Aprons	316	393
Illuminated Bottled Water	0	0
Laynards	0	0
LED Lights	563	804
Books	330	370
Total Inventories	53,885	57,515

Note 9. Current Assets - Other

	2018	2017
Accrued Interest on Investments	16,932	15,513
Other	0	0
Total Other current assets	16,932	15,513

Note 10. Non-Current Assets - Property, Plant and Equipment

	2018	2017
Land and buildings - at cost	175,428	175,428
Less: Accumulated depreciation	-107,015	-95,478
Sub-Total Land and buildings	68,413	79,950
Add: Accumulated Net Fair Value Gains	356,007	356,007
Total Land and Buildings	424,420	435,957
Plant and equipment - at cost	44,904	44,904
Less: Accumulated depreciation	-34,305	-30,388
Total Plant and Equipment	10,599	14,516
TOTAL PROPERTY, PLANT AND EQUIPMENT	435,019	450,473

Note 11. 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 \$
Valn/Cost at 1 July 2016	440,343	3,088	2,602	446,033
Additions	0	13,577	0	13,577
Accumulated Depreciation	-4,386	-3,883	-868	-9,137
Balance at 30 June 2017	435,957	12,782	1,734	450,473
Additions	0	0	0	0
Depreciation expense	-4,386	-3,049	-868	-8,303
Adjustment to depreciation	-7,151			-7,151
Balance as at 30 June 2018	424,420	9,733	866	435,019

Note 12. Current liabilities – trade and other payables

	2018	2017
Accrued expenses	3,397	7,479
BAS adjustments	0	934
Superannuation payable	-155	0
PAYG withholding	6,305	1,600
Total Trade and other payables	9,547	10,013

Note 13. Current Liabilities - Employee Benefits

	2018	2017
Provision for Employee Benefits – Annual Leave	3,647	0
Total Provision for employee benefits	3,647	0

Note 14. Asset Revaluation Reserve

	2018	2017
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 15. Contingent liabilities and commitments

2018	2017
\$	\$

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 2018. 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	173,586	333,333
– Payable later than 1 year	341,667	200,000
Total Contingent liabilities	515,253	533,333

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

	2018	2017
Deficit after income tax expense for the year	-336,581	-233,785
Adjustments for Depreciation and amortisation	8,303	9,137
Adjustment for Depreciation	3,434	0
Adjustment for Bad Debts	1,100	0
Other non-cash adjustments	3,717	0
	-320,027	-224,648
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	13,858	6,745
Decrease/(increase) in inventories	3,630	683
Decrease/(increase) in prepayments	1,419	5,118
Decrease/(increase) in trade and other payables	466	14,241
Decrease/(increase) employee benefits	3,647	5,601
Net cash from operating activities	<u>-305,595</u>	<u>-245,442</u>

Responsible Persons' Declaration for year ended 30 June 2018

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 2018 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)



Allan Turner
Responsible Person/Director



Bob Goldsworthy
Responsible Person/Director

Date: 21 September 2018

State: Queensland

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

Opinion

We have audited the financial report of Queensland and Northern New South Wales Lions Medical Research Foundation ("the Entity"), which comprises the statement of financial position as at 30 June 2018, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration of those charged with governance.

In our opinion, the accompanying financial report of the Entity is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- a) giving a true and fair view of the Entity's financial position as at 30 June 2018 and of its financial performance and cash flows for the year then ended; and
- b) complying with Australian Accounting Standards to the extent described in Note 1 and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Qualified Opinion

Cash from fundraising is a significant source of revenue for Queensland and Northern New South Wales Lions Medical Research Foundation. The Queensland and Northern New South Wales Lions Medical Research Foundation has determined that it is impractical to establish control over the collection of cash from fundraising prior to entry into its financial records. Accordingly, as the evidence available to us regarding fundraising revenue from this source was limited, our audit procedures with respect to cash from fundraising had to be restricted to the amounts recorded in the financial records. We therefore are unable to express an opinion on whether the recorded cash from fundraising of Queensland and Northern New South Wales Lions Medical Research Foundation are complete.

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 Entity in accordance with the auditor independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("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 confirm that the independence declaration required by Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, which has been given to those charged with governance, would be in the same terms if given as at the time of this auditor's report.

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

Emphasis of Matter – Basis of Accounting

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 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.

Information Other than the Financial Report and Auditor's Report Thereon

Those charged with governance are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those charged with Governance for the Financial Report

Management is responsible for the preparation of the special purpose financial report that gives a true and fair view in accordance with the relevant Australian Accounting Standards in accordance with the *Australian Charities and Not-for Profits Commission Regulations 2013* and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial report, management is responsible for assessing the Entity'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 management either intend to liquidate the Entity or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities 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 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

McFillin Audit Services



Michael McFillin

Brisbane *31st* day of *OCTOBER* 2018.