Motor Neurone Disease Association of Vic Inc.
Reg. No. A7518

Financial Statements
For the Year Ended 30 June 2021

Motor Neurone Disease Association of Victoria Inc.

Reg. No. A7518

For the Year Ended 30 June 2021

CONTENTS

Motor Neurone Disease Association of Victoria Inc.

Reg. No. A7518

Statement of Profit and Loss and Other Comprehensive Income

For the Year Ended 30 June 2021

	Note	2021 $	2020 $
Revenue	2	5,229,302	5,890,872
Other income	2	659,507	795,686
Employee benefits expense		(3,115,930)	(2,843,532)
Depreciation, amortisation and impairments	3	(358,770)	(369,426)
Donation to MND Care Foundation		(89,557)	(410,458)
Research grants	3	(202,246)	(447,000)
Other expenses		(1,783,969)	(1,968,750)
Surplus / (Deficit) attributable to members of the Association		338,337	647,392

Other Comprehensive Income:

Items that will not be reclassified subsequently to surplus or deficit

Net fair value increase / (decrease) on revaluation of financial assets	1,090,241	(725,723)
Total other comprehensive income for the year	1,090,241	(725,723)
Total comprehensive income attributable to members of the entity	1,428,578	(78,331)

The accompanying notes form part of the financial statements

Motor Neurone Disease Association of Victoria Inc.

Reg. No. A7518

Statement of Financial Position

As at 30 June 2021

	Note	2021 $	2020 $
ASSETS			
Current assets			
Cash and cash equivalents	5	3,106,528	3,607,614
Trade Debtors		56,483	61,035
Inventories		43,046	38,622
Financial assets at fair value through other comprehensive income	7	8,301,766	6,456,374
Other assets	6	59,416	193,977
Total current assets		11,567,239	10,357,622
Non-current assets			
Property, plant and equipment	8	2,953,060	2,803,579
Total non-current assets		2,953,060	2,803,579
TOTAL ASSETS		14,520,299	13,161,201
LIABILITIES			
Current liabilities			
Trade and other payables	9	8,338,096	8,346,434
Employee entitlements	10	370,041	431,183
Total current liabilities		8,708,137	8,777,617
Non-current liabilities			
Employee entitlements	10	20,565	20,565
Total non-current liabilities		20,565	20,565
TOTAL LIABILITIES		8,728,702	8,798,182
NET ASSETS		5,791,597	4,363,019
EQUITY			
Reserves	11	2,462,307	1,372,066
Retained earnings		3,329,290	2,990,953
TOTAL EQUITY		5,791,597	4,363,019

The accompanying notes form part of the financial statements

Motor Neurone Disease Association of Victoria Inc.

Reg. No. A7518

Statement of Changes in Equity

For the Year Ended 30 June 2021

2020	Retained Earnings $	Capital Acquisition Reserve $	Revaluation Surplus $	Financial Asset Reserve $	Total $
Equity as at beginning of period	2,343,561	83,175	929,872	1,084,742	4,441,350
Surplus / (Deficit) attributable to members of the Association	647,392	-	-	-	647,392
Other Comprehensive Income	-	-	-	(725,723)	(725,723)
Equity as at 30 June 2020	2,990,953	83,175	929,872	359,019	4,363,019

2021					
Surplus / (Deficit) attributable to members of the Association	338,337	-	-	-	338,337
Other Comprehensive Income	-	-	-	1,090,241	1,090,241
Equity as at 30 June 2021	3,329,290	83,175	929,872	1,449,260	5,791,597

The accompanying notes form part of the financial statements

Motor Neurone Disease Association of Victoria Inc.

Reg. No. A7518

Statement of Cash Flows

For the Year Ended 30 June 2021

	Note	2021 $	2020 $
Cash from operating activities:			
Fundraising and Donations received		1,532,395	2,057,027
Receipts from Bequests		45,322	354,036
Operating Grants		1,580,375	1,727,265
National Disability Insurance Scheme		1,978,360	1,869,876
Other income		462,883	494,086
Payments to suppliers and employees		(5,113,369)	(5,351,300)
Interest/ Dividends received		320,601	424,086
Net cash provided by operating activities		806,567	1,575,076
Cash flows from investing activities:			
Proceeds from sale of plant and equipment		71,754	60,185
Acquisition of property, plant and equipment		(624,256)	(372,801)
(Acquisition) / Disposal of financial assets		(755,151)	210,891
Net cash provided by (used in) investing activities		(1,307,653)	(101,725)
Net increase (decreases) in cash held		(501,086)	1,473,351
Cash and cash equivalents at beginning of year		3,607,614	2,134,263
Cash at end of financial year	5	3,106,528	3,607,614

The accompanying notes form part of the financial statements

1 Statement 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

New, revised or amending Accounting Standards and Interpretations adopted
The incorporated association 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. The adoption of these standards and Interpretations did not have any significant impact on the financial performance of the entity.

The following Accounting Standards and Interpretations are most relevant to the entity:

AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities
The association has adopted AASB 1060 from 1 July 2020. The standard provides a new Tier 2 reporting framework with simplified disclosures that are based on the requirements of IFRS for SMEs. As a result, there is increased disclosure in these financial statements in some parts.

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

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 incorporated association'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.

The financial statements were authorised for issue on September 2021 by the State Council.

1 Statement of Significant Accounting Policies (continued

(a) 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.

(b) Inventories

Inventories held for sale are measured at the lower of cost and net realisable value.

Inventories acquired at no cost or for nominal consideration are measured at the current replacement cost as at the date of acquisition.

(c) Property, Plant and Equipment

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

Patient equipment

Patient equipment 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 patient equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the association and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, is depreciated on a straight-line basis over their useful lives commencing from the time the asset is held ready 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	
Buildings	2.5%
Patient and Office and Equipment	17%
Furniture, Fixtures and Fittings	13-17%
Motor Vehicles	15%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

1 Statement of Significant Accounting Policies (continued)

(c) Property, Plant and Equipment (continued)

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

(d) 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 within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and 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 recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability. The liability is 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.

(e) Revenue and other income

The company recognises revenue as follows:

Revenue is recognised either under AASB15 or AASB1058.

AASB 15 requires revenue to be recognised when control of a promised good or service is passed to the customer at an amount which reflects the expected consideration. The customer for these contracts is the fund provider. Revenue is recognised by applying a five-step model as follows:
1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price
5. Recognise revenue

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability. None of the revenue streams of the company have any significant financing terms.

AASB 1058 requires that where there are no contracted performance obligations, revenue is recognised when received.

Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Rendering of services

Revenue from a contract to provide services is recognised over time as the services are delivered.

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.

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

1 Statement of Significant Accounting Policies (continued)

(f) 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.

(g) Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, it's carrying value is written off.

Financial assets at fair value through profit or loss
Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income
Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets
The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

1 Statement of Significant Accounting Policies (continued)

(g) Investments and other financial assets (continued)

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

(h) 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.

(i) Donation to MND Care Foundation

Certain revenues are received for specific purposes. These revenues have been donated to the yet to be constituted MND Care Foundation. The Association has dedicated bank and investment accounts allocated for the MND Care Foundation, which enables these revenues to be recorded separately from other funds of the Association. Legal counsel received by the Association has further deferred the formal establishment of the MND Care Foundation.

(j) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(k) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the association during the reporting period that remains unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

1 Statement of Significant Accounting Policies (continued)

(l) 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 incorporated association 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.

2 Income

	Note	2021 $	2020 $
Operating activities			
- operating grants	2(a)	1,681,878	1,328,771
- national disability insurance scheme		1,845,724	1,918,090
- fundraising and donations		1,532,395	2,411,063
- other revenue		169,305	232,948
		5,229,302	5,890,872
Other Income			
- interest/dividends received		320,607	424,086
- other grants		338,900	371,600
		659,507	795,686
Total Income		5,888,809	6,686,558

2(a) Operating grants reflects grants received from the Department of Health and Human Services (State) and the Department of Health (Commonwealth).

3 Surplus for the Year

a Expenses

Surplus from ordinary activities before income tax expenses has been determined after:

	2021	2020
Depreciation of non-current assets:		
- Patient equipment	358,770	369,426
Research Grant	202,246	447,000
Pathways to Palliative Care	238,678	255,203
Remuneration of auditor		
- Audit of the financial report	18,500	18,000
- Other services	3,750	1,500
	22,250	19,500

4 Key Management Personnel Compensation*)*

The totals of remuneration paid to key management personnel (KMP) of the association during the year are as follows:

	2021	2020
Key Management Personnel Compensation	309,492	279,278

	Note	2021 $	2020 $
5 Cash and Cash Equivalents			
Cash at Bank		723,125	1,750,913
Cash Management Account		820	149,662
MND Care Foundation		396,899	364,414
Macquarie Cash Management Trust		284,942	277,625
Term Deposit		1,700,742	1,065,000
		3,106,528	3,607,614

6 Other Assets

	2021 $	2020 $
Accrued Income	8,242	139,326
Tax Refundable	-	-
Prepayments	51,174	57,651
	59,416	193,977

7 Financial Assets

	2021 $	2020 $
Shares in listed corporations at market value	4,401,006	3,438,277
Other financial assets at market value	3,900,760	3,018,097
Total available-for-sale financial assets	8,301,766	6,456,374

The listed investments have been valued based on their quoted market prices in active markets.

8 Property Plant and Equipment

	2021 $	2020 $
LAND AND BUILDINGS		
Land at valuation	610,000	610,000
Buildings at valuation	1,237,377	1,237,377
Less accumulated depreciation	(77,731)	(52,237)
Total land and buildings	1,769,646	1,795,140

8 Property Plant and Equipment *(Continued)*

	2021 $	2020 $
PLANT AND EQUIPMENT		
Patient equipment		
At cost	2,546,930	2,495,010
Less accumulated depreciation	(1,720,659)	(1,834,872)
Total patient equipment	826,271	660,138
Furniture, fixtures and fittings		
At cost	41,268	41,268
Less accumulated depreciation	(18,740)	(12,846)
Total furniture, fixtures and fittings	22,528	28,422
Motor vehicles		
At cost	357,999	350,049
Less accumulated depreciation	(92,525)	(74,325)
Total motor vehicles	265,474	275,724
Office equipment		
At cost	108,076	70,543
Less accumulated depreciation	(38,934)	(26,388)
Total office equipment	69,142	44,155
Total plant and equipment	1,183,415	1,008,439
Total property, plant and equipment	2,953,061	2,803,579

(a) Movements in Carrying Amounts

	Buildings $	Patient Equipment $	Furniture, Fixtures and Fittings $	Motor Vehicles $	Office Equipment $	Total $
Balance at 1 July 2020	1,795,140	660,138	28,422	275,724	44,155	2,803,579
Additions	-	479,384	-	106,524	38,349	624,257
Disposals	-	(51,704)	-	(63,548)	(753)	(116,005)
Depreciation expense	(25,494)	(261,547)	(5,894)	(53,226)	(12,609)	(358,770)
Carrying amount at 30 June 2021	1,769,646	826,271	22,528	265,474	69,142	2,953,061

Asset Revaluations

The land and buildings were valued by Darell Johnson, a certified valuer on 7th August 2018. The assessed value of the property was $1,825,000.

9 Trade and Other Payables

	Note	2021 $	2020 $
CURRENT			
Trade payables		-	21,291
Accrued expenses		149,863	124,964
Income received in advance		296,991	398,494
Payable to MND Care Foundation		7,891,242	7,801,685
	11	8,338,096	8,346,434

10 Employee Entitlements

	2021 $	2020 $
Current		
Annual leave	250,516	247,152
Long service leave	119,524	184,031
	370,040	431,183
Non-Current		
Long service leave	20,565	20,565
	390,605	451,748

11 Reserves

Capital Acquisitions Reserve

The Capital Acquisitions Reserve records funds set aside for capital purchases in the future.

Financial Asset Reserve

The Financial Asset Reserve records revaluation of financial assets.

Revaluation Surplus Reserve

The Revaluation Surplus Reserve records the valuation surplus on property, plant and equipment.

12 Events after the Balance Sheet Date

The impact of the Coronavirus (COVID-19) pandemic is ongoing. Should the Pandemic continue for an extended period of time possible financial impacts may affect future revenue and the value of the associations investment portfolio. However, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Since the end of the financial year no significant events have occurred to warrant disclosure in the 2021 financial statements.

13 Association Details

The principal place of business of the Association is:

Motor Neurone Disease Association of Victoria Inc.
265 Canterbury Road
CANTERBURY VIC 3126

Motor Neurone Disease Association of Victoria Inc.

Reg. No. A7518

True and fair certification by members of the State Council

In the opinion of State Council the financial report as set out on pages 1 to 16:

- the attached financial statements and notes comply with the Australian Accounting Standards - Simplified Disclosures, the Australian Charities and Not-for-profits Commission Act 2012 and Victorian legislation the Associations Incorporation Reform Act 2012 and associated regulations;
- the attached financial statements and notes give a true and fair view of the incorporated association's financial position as at 30 June 2021 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the incorporated association will be able to pay its debts as and when they become due and payable.

This statement is made in accordance with a resolution of the State Council and is signed for and on behalf of State Council by:

President: David Lamperd

Treasurer: Jeremy Urbach

Dated: Melbourne September, 2021