

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

Financial Statements
For the Year Ended 30 June 2018

Motor Neurone Disease Association of Victoria Inc.

Reg. No. A7518

For the Year Ended 30 June 2018

CONTENTS

| | <u>Page</u> |
|---|-------------|
| Financial Statements | |
| Statement of Profit and Loss and Other Comprehensive Income | 1 |
| Statement of Financial Position | 2 |
| Statement of Changes in Equity | 3 |
| Statement of Cash Flows | 4 |
| Notes to the Financial Statements | 5 |
| True and fair certification by the State Council | 17 |
| Independent Audit Report | 18 |

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 2018

| | | 2018 | 2017 |
|---|------|----------------|------------------|
| | Note | \$ | \$ |
| Revenue | 2 | 4,898,460 | 4,215,729 |
| Other income | 2 | 349,526 | 350,040 |
| Employee benefits expense | | (2,106,716) | (1,763,497) |
| Depreciation, amortisation and impairments | 3 | (368,156) | (359,412) |
| Donation to MND Care Foundation | | (626,443) | (1,235,322) |
| Research expenditure | 3 | (434,241) | (462,400) |
| Other expenses | | (1,488,038) | (1,451,157) |
| Surplus / (Deficit) attributable to members of the Association | | 224,392 | (706,019) |
| Other Comprehensive Income: | | | |
| Net fair value increase / (decrease) on revaluation of financial assets | | 141,408 | 236,466 |
| Total other comprehensive income for the year | | 141,408 | 236,466 |
| Total comprehensive income attributable to members of the entity | | 365,800 | (469,553) |

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 2018

| | Note | 2018 \$ | 2017 \$ |
|--------------------------------------|------|-------------------|-------------------|
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | 5 | 1,385,450 | 1,983,527 |
| Trade Debtors | | 36,071 | - |
| Inventories | | 48,464 | 41,013 |
| Financial assets | 7 | 6,964,702 | 5,575,106 |
| other assets | 6 | 232,306 | 23,415 |
| Total current assets | | 8,666,993 | 7,623,061 |
| Non-current assets | | | |
| Property, plant and equipment | 8 | 2,905,825 | 2,443,016 |
| Total non-current assets | | 2,905,825 | 2,443,016 |
| TOTAL ASSETS | | 11,572,818 | 10,066,077 |
| LIABILITIES | | | |
| Current liabilities | | | |
| Trade and other payables | 9 | 7,071,101 | 6,484,690 |
| Employee entitlements | 10 | 553,279 | 469,652 |
| Total current liabilities | | 7,624,380 | 6,954,342 |
| Non-current liabilities | | | |
| Employee entitlements | 10 | 16,245 | 56,903 |
| Total non-current liabilities | | 16,245 | 56,903 |
| TOTAL LIABILITIES | | 7,640,625 | 7,011,245 |
| NET ASSETS | | 3,932,193 | 3,054,832 |
| EQUITY | | | |
| Reserves | 12 | 1,644,394 | 991,425 |
| Retained earnings | | 2,287,799 | 2,063,407 |
| TOTAL EQUITY | | 3,932,193 | 3,054,832 |

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 2018

| | Retained Earnings | Capital Acquisition Reserve | Revaluation Surplus | Financial Asset Reserve | Total |
|--|----------------------|-----------------------------------|------------------------|-------------------------------|-----------|
| | \$ | \$ | \$ | \$ | \$ |
| 2017 | | | | | |
| Equity as at beginning of period | 2,769,426 | 83,175 | 418,311 | 253,473 | 3,524,385 |
| Surplus / (Deficit) attributable to members of the Association | (706,019) | - | - | - | (706,019) |
| | - | - | - | 236,466 | 236,466 |
| Equity as at 30 June 2017 | 2,063,407 | 83,175 | 418,311 | 489,939 | 3,054,832 |
| 2018 | | | | | |
| Surplus / (Deficit) attributable to members of the Association | 224,392 | - | - | - | 224,392 |
| Other Comprehensive Income | - | - | 511,561 | 141,408 | 652,969 |
| Equity as at 30 June 2018 | 2,287,799 | 83,175 | 929,872 | 631,347 | 3,932,193 |

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 2018

| | Note | 2018 \$ | 2017 \$ |
|--|------|--------------------|------------------|
| Cash from operating activities: | | | |
| Fundraising and Donations received | | 2,122,474 | 1,828,417 |
| Receipts from Bequests | | 548,783 | 855,248 |
| Operating Grants | | 1,185,714 | 1,320,384 |
| National Disability Insurance Scheme | | 591,179 | 170,931 |
| Other income | | 218,689 | 104,947 |
| Payments to suppliers and employees | | (4,084,335) | (3,606,664) |
| Interest/ Dividends received | | 349,526 | 350,040 |
| Net cash provided by operating activities | | 932,030 | 1,023,303 |
| Cash flows from investing activities: | | | |
| Proceeds from sale of plant and equipment | | 96,696 | 102,081 |
| Acquisition of property, plant and equipment | | (379,112) | (305,064) |
| (Acquisition) / Disposal of financial assets | | (1,247,691) | (789,100) |
| Net cash provided by (used in) investing activities | | (1,530,107) | (992,083) |
| Net increase (decreases) in cash held | | (598,077) | 31,220 |
| Cash and cash equivalents at beginning of year | | 1,983,527 | 1,952,307 |
| Cash at end of financial year | 5 | 1,385,450 | 1,983,527 |

The accompanying notes form part of the financial statements

Motor Neurone Disease Association of Victoria Inc.

Reg. No. A7518

Notes to the Financial Statements

For the Year Ended 30 June 2018

1 Statement of Significant Accounting Policies

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB'), and the *Associations Incorporation Reform Act 2012*.

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

Any significant impact on the accounting policies of the incorporated association from the adoption of these Accounting Standards and Interpretations are disclosed below. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the incorporated association.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar. 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 financial statements were authorised for issue on 27th August 2018 by the State Council.

(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.

Motor Neurone Disease Association of Victoria Inc.

Reg. No. A7518

Notes to the Financial Statements

For the Year Ended 30 June 2018

1 Statement of Significant Accounting Policies (continued)

(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.

Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than 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 (refer to Note 1(g) for details of impairment).

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% |
| Plant 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.

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.

Motor Neurone Disease Association of Victoria Inc.

Reg. No. A7518

Notes to the Financial Statements

For the Year Ended 30 June 2018

1 Statement of Significant Accounting Policies (continued)

(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

Non-reciprocal grant revenue is recognised in profit or loss when the association obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the association and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the association incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

The association receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in profit or loss.

Donations and bequests are recognised as revenue when received.

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

Revenue from the rendering of services is recognised upon the delivery of the service to the customers.

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

Motor Neurone Disease Association of Victoria Inc.

Reg. No. A7518

Notes to the Financial Statements

For the Year Ended 30 June 2018

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) Financial Instruments

Initial Recognition and Initial Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Association commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted). Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

Classification and Subsequent Measurement

Finance instruments are subsequently measured at fair value, amortised cost using the effective interest rate method or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less repayments made and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective interest method*.

Motor Neurone Disease Association of Victoria Inc.

Reg. No. A7518

Notes to the Financial Statements

For the Year Ended 30 June 2018

1 Statement of Significant Accounting Policies (continued)

(g) Financial Instruments (continued)

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

i. Financial assets at fair value through profit and loss

Financial assets are classified at 'fair value through profit or loss' when they are held for trading for the purpose of short-term profit taking, or where they are derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

ii. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

iii. Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

iv. Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Fair Value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing model.

Motor Neurone Disease Association of Victoria Inc.

Reg. No. A7518

Notes to the Financial Statements

For the Year Ended 30 June 2018

1 Statement of Significant Accounting Policies (continued)

(g) Financial Instruments (continued)

Impairment

At each reporting date, the entity assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the statement of profit or loss and other comprehensive income.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying value of the financial liability, which is extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss

(h) 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.

(i) Comparative Figures

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

(j) 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.

Motor Neurone Disease Association of Victoria Inc.

Reg. No. A7518

Notes to the Financial Statements

For the Year Ended 30 June 2018

1 Statement of Significant Accounting Policies (continued)

(k) 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.

Motor Neurone Disease Association of Victoria Inc.

Reg. No. A7518

Notes to the Financial Statements

For the Year Ended 30 June 2018

2 Income

| | Note | 2018 \$ | 2017 \$ |
|--|------|------------------|------------------|
| Operating activities | | | |
| - operating grants | 2(a) | 1,185,714 | 1,256,186 |
| - national disability insurance scheme | | 822,800 | 170,931 |
| - fundraising and donations | | 2,671,257 | 2,683,665 |
| - other revenue | | 218,689 | 104,947 |
| | | <u>4,898,460</u> | <u>4,215,729</u> |
| Other Income | | | |
| - interest/dividends received | | 349,526 | 350,040 |
| | | <u>349,526</u> | <u>350,040</u> |
| Total Income | | <u>5,247,986</u> | <u>4,565,769</u> |

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:

Depreciation of non-current assets:

| | | |
|---|---------|---------|
| - plant and equipment | 368,156 | 359,412 |
| Research and Development Costs (Research Grant) | 434,241 | 462,400 |
| Pathways to Palliative Care | 263,961 | 227,079 |
| Remuneration of auditor | 16,500 | 16,500 |

4 Key Management Personnel Compensation

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

| | | |
|---------------------------------------|---------|---------|
| Key Management Personnel Compensation | 363,817 | 342,702 |
|---------------------------------------|---------|---------|

Motor Neurone Disease Association of Victoria Inc.

Reg. No. A7518

Notes to the Financial Statements

For the Year Ended 30 June 2018

| | Note | 2018 \$ | 2017 \$ |
|------------------------------------|------|------------------|------------------|
| 5 Cash and Cash Equivalents | | | |
| Cash at Bank | | 631,832 | 258,867 |
| Cash Management Account | | 5,930 | 5,929 |
| MND Care Foundation | | 205,079 | 1,158,642 |
| Macquarie Cash Management Trust | | 197,609 | 160,089 |
| Term Deposit | | 345,000 | 400,000 |
| | 11 | <u>1,385,450</u> | <u>1,983,527</u> |

6 Other Assets

| | | | |
|----------------|----|----------------|---------------|
| Accrued Income | | 195,550 | - |
| Tax Refundable | | 14,512 | 7,067 |
| Prepayments | | 22,243 | 16,348 |
| | 11 | <u>232,305</u> | <u>23,415</u> |

7 Financial Assets

a Available-for-sale Financials Assets Comprise:

| | | | |
|--|--|------------------|------------------|
| Listed investments, at fair value | | | |
| shares in listed corporations at market value | | 4,209,906 | 4,363,756 |
| Other available for sale assets | | | |
| other financial assets at market value | | 2,754,796 | 1,211,350 |
| Total available-for-sale financial assets | | <u>6,964,702</u> | <u>5,575,106</u> |

Available-for-sale financial assets comprise of investments in the ordinary issued capital of various entities. There are no fixed returns or fixed maturity date attached to these investments

| | | 2018 \$ | 2017 \$ |
|---------------------------------------|--|------------------|------------------|
| 8 Property Plant and Equipment | | | |
| LAND AND BUILDINGS | | | |
| Buildings | | | |
| At independent valuation | | 1,825,000 | 1,538,732 |
| Less accumulated depreciation | | - | (205,106) |
| Total land and buildings | | <u>1,825,000</u> | <u>1,333,626</u> |

Motor Neurone Disease Association of Victoria Inc.

Reg. No. A7518

Notes to the Financial Statements

For the Year Ended 30 June 2018

| | 2018 | 2017 |
|---|------------------|------------------|
| | \$ | \$ |
| 8 Property Plant and Equipment (Continued) | | |
| <u>PLANT AND EQUIPMENT</u> | | |
| Patient equipment | | |
| At cost | 3,694,423 | 3,583,659 |
| Less accumulated depreciation | (2,959,694) | (2,664,800) |
| Total plant and equipment | 734,729 | 918,859 |
| Furniture, fixtures and fittings | | |
| At cost | 89,281 | 73,226 |
| Less accumulated depreciation | (67,248) | (65,167) |
| Total furniture, fixtures and fittings | 22,033 | 8,059 |
| Motor vehicles | | |
| At cost | 317,309 | 188,951 |
| Less accumulated depreciation | (27,902) | (26,622) |
| Total motor vehicles | 289,407 | 162,329 |
| Office equipment | | |
| At cost | 157,990 | 136,133 |
| Less accumulated depreciation | (123,334) | (115,990) |
| Total office equipment | 34,656 | 20,143 |
| Total plant and equipment | 1,080,825 | 1,109,390 |
| Total property, plant and equipment | 2,905,825 | 2,443,016 |

(a) Movements in Carrying Amounts

| | Buildings | Patient Equipment | Furniture, Fixtures and Fittings | Motor Vehicles | Office Equipment | Total |
|--|------------------|----------------------|--|-------------------|---------------------|------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Balance at 1 July 2017 | 1,333,626 | 918,859 | 8,059 | 162,329 | 20,143 | 2,443,016 |
| Additions | 7,086 | 112,894 | 16,055 | 264,178 | 21,857 | 422,070 |
| Revaluation | 511,561 | - | - | - | - | 511,561 |
| Disposals | - | - | - | (102,666) | - | (102,666) |
| Depreciation expense | (27,273) | (297,024) | (2,081) | (34,434) | (7,344) | (368,156) |
| Carrying amount at 30 June 2018 | 1,825,000 | 734,729 | 22,033 | 289,407 | 34,656 | 2,905,825 |

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.

Motor Neurone Disease Association of Victoria Inc.

Reg. No. A7518

Notes to the Financial Statements

For the Year Ended 30 June 2018

| | Note | 2018 \$ | 2017 \$ |
|-----------------------------------|------|------------|------------|
| 9 Trade and Other Payables | | | |
| CURRENT | | | |
| Trade payables | | 61,970 | 5,467 |
| Accrued expenses | | 66,759 | 109,096 |
| Income received in advance | | 10,000 | 64,198 |
| Payable to MND Care Foundation | | 6,932,372 | 6,305,929 |
| | 11 | 7,071,101 | 6,484,690 |

10 Employee Entitlements

| | 2018 \$ | 2017 \$ |
|-------------|------------|------------|
| Current | 553,279 | 469,652 |
| Non-current | 16,245 | 56,903 |
| | 569,524 | 526,555 |

11 Financial Risk Management

The association's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, investments in listed shares and managed funds, accounts receivable and payable, and leases.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

| Financial Assets | Note | 2018 \$ | 2017 \$ |
|---|------|------------|------------|
| Cash and Cash Equivalents | 5 | 1,385,450 | 1,983,527 |
| Loans and receivables | | 268,376 | 23,415 |
| Financial assets | 7 | 6,964,702 | 5,575,106 |
| | | 8,618,528 | 7,582,048 |
| Financial Liabilities | | | |
| Financial Liabilities at amortised cost | | | |
| Trade and other payables | 9 | 7,071,101 | 6,484,690 |
| | | 7,071,101 | 6,484,690 |

Motor Neurone Disease Association of Victoria Inc.

Reg. No. A7518

Notes to the Financial Statements

For the Year Ended 30 June 2018

11 Financial Risk Management (Continued)

Fair Values

- (i) For listed available-for-sale financial assets and financial assets at fair value through profit or loss, the fair values have been based on closing quoted bid prices at the end of the reporting period.

In determining the fair values of the unlisted available-for-sale financial assets, the councillors have used inputs that are observable either directly (as prices) or indirectly (derived from prices).

- (ii) Fair values of held-to-maturity investments are based on quoted market prices at the end of the reporting period. Fair values of held-to maturity investments are based on quoted market prices at the end of the reporting period

12 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.

13 Events after the Balance Sheet Date

Since the end of the financial year no significant events have occurred to warrant disclosure in the 2018 financial statements.

14 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:

1. Presents a true and fair view of the financial position of Motor Neurone Disease Association of Victoria Inc. as at 30 June 2018 and its performance for the year ended on that date in accordance with Australian Accounting Standards – Reduced Disclosure Regime (including Australian Accounting Interpretations) of the Australian Accounting Standards Board.
2. At the date of this statement, there are reasonable grounds to believe that Motor Neurone Disease Association of Victoria Inc. will be able to pay its debts as and when they fall due.

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 27th August, 2018

MOTOR NEURONE DISEASE ASSOCIATION OF VICTORIA INC.

Independent auditor's report to members

Report on the Audit of the Financial Statements

Opinion

We have audited the financial report of Motor Neurone Disease Association of Victoria Inc. (the Association), which comprises the statement of financial position as at 30 June 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and State Council's declaration.

In our opinion the financial report of Motor Neurone Disease Association of Victoria Inc. has been prepared in accordance with the Associations Incorporation Reform Act 2012, including:

- a) giving a true and fair view of the Association's financial position as at 30 June 2018 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards – Reduced Disclosure Regime.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Association 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CHARTERED ACCOUNTANTS & ADVISORS

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Other Information

The State Council are responsible for the other information. The other information comprises the information included in the Association's 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 State Council and Those Charged with Governance for the Financial Report

The council of the Association are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Regime and the Associations Incorporations Reform Act 2012 and for such internal control as state council determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the council are responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the council either intend to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

The State Council are responsible for overseeing the Association's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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 Association internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by state council.
- Conclude on the appropriateness of the state councils 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 Association'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 Association 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 the state council 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.

A handwritten signature in blue ink that reads 'William Buck'.

William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136

A handwritten signature in blue ink that reads 'C. L. Siddles'.

C. L. Siddles
Director

Dated: Melbourne 27th August, 2018