

The Moreton Bay Foundation Limited

ABN 90 628 125 637

Financial Statements

For the Year Ended 30 June 2022

The Moreton Bay Foundation Limited

ABN 90 628 125 637

Contents

For the Year Ended 30 June 2022

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The Moreton Bay Foundation Limited

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Income Statement

For the Year Ended 30 June 2022

	2022	2021
	\$	\$
Donations	-	8,000
Other income	64,390	16,364
Member subscriptions	87,600	87,950
Cash flow boost subsidy	-	9,408
Employee benefits expense	(88,944)	(91,625)
Depreciation and amortisation expense	(742)	-
Unrealised loss on revaluation of investment	-	(3,600)
Professional Fees	(10,095)	(10,380)
Event Expenditure	(52,178)	-
Other expenses	(13,967)	(16,435)
Administration Services	-	(23,990)
Loss before income tax	(13,936)	(24,308)
Income tax expense	-	-
Loss for the year	(13,936)	(24,308)
Accumulated losses at the end of financial year	(13,936)	(24,308)

The accompanying notes form part of these financial statements.

The Moreton Bay Foundation Limited

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Balance Sheet

As At 30 June 2022

	Note	2022 \$	2021 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	94,988	86,942
Trade and other receivables	4	73,322	95,422
TOTAL CURRENT ASSETS		<u>168,310</u>	<u>182,364</u>
NON-CURRENT ASSETS			
Property, plant and equipment		2,534	104
Intangible assets		500	500
TOTAL NON-CURRENT ASSETS		<u>3,034</u>	<u>604</u>
TOTAL ASSETS		<u>171,344</u>	<u>182,968</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	5	313,814	298,192
Contract liabilities		72,450	87,850
Employee benefits		2,090	-
TOTAL CURRENT LIABILITIES		<u>388,354</u>	<u>386,042</u>
TOTAL LIABILITIES		<u>388,354</u>	<u>386,042</u>
NET ASSETS		<u>(217,010)</u>	<u>(203,074)</u>
EQUITY			
Retained Earnings		<u>(217,010)</u>	<u>(203,074)</u>
TOTAL EQUITY		<u>(217,010)</u>	<u>(203,074)</u>

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity For the Year Ended 30 June 2022

2022

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2021	203,074	203,074
Loss for the year	13,936	13,936
Balance at 30 June 2022	217,010	217,010

2021

	Retained Earnings	Total
	\$	\$
Balance at 1 July 2020	178,766	178,766
Loss for the year	24,308	24,308
Balance at 30 June 2021	203,074	203,074

The accompanying notes form part of these financial statements.

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Statement of Cash Flows For the Year Ended 30 June 2022

	2022	2021
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from members, donations, grants, and other	158,690	179,577
Payment to suppliers and employees	<u>(150,644)</u>	<u>(224,555)</u>
Net cash provided by/(used in) operating activities	7 <u>8,046</u>	<u>(44,978)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net increase/(decrease) in cash and cash equivalents held	8,046	(44,978)
Cash and cash equivalents at beginning of year	<u>86,942</u>	<u>131,920</u>
Cash and cash equivalents at end of financial year	3 <u><u>94,988</u></u>	<u>86,942</u>

The accompanying notes form part of these financial statements.

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Notes to the Financial Statements For the Year Ended 30 June 2022

The financial statements cover The Moreton Bay Foundation Limited as an individual entity. The Moreton Bay Foundation Limited is a not-for-profit entity, registered and domiciled in Australia.

1 Basis of Preparation

In the opinion of those charged with Governance the Company is not a reporting entity since there are unlikely to exist users of financial statements who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs. The financial report covers The Moreton Bay Foundation Limited (trustee company) and is prepared to meet the requirements of the Directors.

These special purpose financial statements have been prepared to meet the reporting requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

The financial statements have been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards and Accounting Interpretations, and the disclosure requirements of AASB 101 *Presentation of Financial Statements*, AASB 107 *Statement of Cash Flows*, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, and AASB 1054 *Australian Additional Disclosures*.

2 Summary of Significant Accounting Policies

(a) Going concern

The directors has prepared the 30 June 2022 financial report on a going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. This is deemed to be appropriate notwithstanding the Company has incurred losses for the year of \$13,936 (2021: \$24,308). As at 30 June 2022, the Company has a deficiency of net assets of \$217,010 (2021: \$203,074).

The ability of the Company to continue as a going concern is dependent on the ongoing support of The Moreton Bay Foundation Trust.

There is inherent uncertainty whether the Company will be able to continue as a going concern and therefore, whether it will extinguish its liabilities in the normal course of business and the amounts stated in the financial statement should this support be withdrawn and should the Company not be able to find alternate financial support.

These financial statements do not include adjustments relating to the amounts and classification of assets and liabilities that might be necessary should the Company not continue as a going concern.

(b) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

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Notes to the Financial Statements For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies (continued)

(b) Revenue and other income (continued)

Subscriptions

Revenue from the provision of membership subscriptions is recognised on a straight line basis over the financial year.

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. 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 to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

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 as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Revenue from the provision of membership subscriptions is recognised on a straight line basis over the financial year.

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Notes to the Financial Statements For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies (continued)

(b) Revenue and other income (continued)

Statement of financial position balances relating to revenue recognition

Contract assets and liabilities

Where the amounts billed to customers are based on the achievement of various milestones established in the contract, the amounts recognised as revenue in a given period do not necessarily coincide with the amounts billed to or certified by the customer.

When a performance obligation is satisfied by transferring a promised good or service to the customer before the customer pays consideration or the before payment is due, the Company presents the contract as a contract asset, unless the Company's rights to that amount of consideration are unconditional, in which case the Company recognises a receivable.

When an amount of consideration is received from a customer prior to the entity transferring a good or service to the customer, the Company presents the contract as a contract liability.

Other income

Other income is recognised on an accruals basis when the Company is entitled to it.

(c) Income Tax

The Company is exempt from income tax under Division 50 of the *Income Assessment Act 1997*.

(d) Goods and services tax (GST)

Revenue, 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).

Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(e) Volunteer services

No amounts are included in the financial statements for services donated by volunteers.

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Notes to the Financial Statements

For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies (continued)

(f) Financial instruments

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- amortised cost

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the balance sheet.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

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Notes to the Financial Statements

For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies (continued)

(f) Financial instruments (continued)

Financial assets (continued)

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise trade payables, bank and other loans and lease liabilities.

(g) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(h) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

Obligations for contributions to defined contribution superannuation plans are recognised as an employee benefit expense in profit or loss in the periods in which services are provided by employees.

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Notes to the Financial Statements For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies (continued)

(i) Adoption of new and revised accounting standards

The Company has adopted all standards which became effective for the first time at 30 June 2022, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company.

3 Cash and Cash Equivalents

	2022	2021
	\$	\$
Cash at bank	94,988	86,942

4 Trade and Other Receivables

	2022	2021
	\$	\$
CURRENT		
Trade receivables	73,200	95,300
Receivable from related party	122	122
Total current trade and other receivables	73,322	95,422

5 Trade and other payables

	2022	2021
	\$	\$
CURRENT		
Trade payables	438	4,976
GST payable	1,500	6,751
Sundry payables and accrued expenses	6,000	6,600
Accrued audit expense	600	-
Other payables	11,857	-
Superannuation payable	3,554	-
Related party payable	289,865	279,865
	313,814	298,192

6 Auditors' Remuneration

	2022	2021
	\$	\$
Remuneration of the auditor, Mazars Assurance Pty Ltd, for:		
- auditing or reviewing the financial statements	6,600	6,600

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Notes to the Financial Statements For the Year Ended 30 June 2022

6 Auditors' Remuneration (continued)

	2022	2021
	\$	\$
Total	6,600	6,600

7 Cash Flow Information

Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2022	2021
	\$	\$
Loss for the year	(13,936)	(24,308)
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	-	57,856
- decrease/(increase) in other assets	22,100	-
- (increase)/decrease in property, plant and equipment	(2,430)	-
- increase/(decrease) in trade and other payables	15,622	(78,526)
- (increase)/decrease in contract liabilities	(15,400)	-
- increase/(decrease) in employee provisions	2,090	-
Cashflows from operations	8,046	(44,978)

8 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2022 (30 June 2021: None).

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Notes to the Financial Statements For the Year Ended 30 June 2022

9 Statutory Information

The registered office of the Company is:

The Moreton Bay Foundation Limited

Level 16

300 Queen Street

BRISBANE QLD 4000

The Moreton Bay Foundation Limited

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Directors' Declaration

The directors declare that the Company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 2 to the financial statements.

The directors of the trustee company declare that:

1. The financial statements and notes, as set out on pages 1, present fairly the Company's financial position as at 30 June 2022 and its performance for the year ended on that date in accordance with the accounting policies described in Note 2 to the financial statements;
2. In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
3. the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.



Trustee-Director
Rob Siganto

Dated: 26 October 2022

The Moreton Bay Foundation Limited

Independent Audit Report to the members of The Moreton Bay Foundation Limited

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report, being a special purpose financial report of The Moreton Bay Foundation Limited, which comprises the balance sheet as at 30 June 2022, the income statement, 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 trustees' declaration.

In our opinion, the financial report of The Moreton Bay Foundation Limited for the year ended 30 June 2022 is prepared, in all material respects, in accordance with Division 60 of the *Australian Charties and Not-for-profits Commission Act 2012*, including:

(i). giving a true and fair view of the financial position as at 30 June 2022 and its financial performance for the year then ended; and

(ii). complying with Australian Accounting Standards to the extent described in Note 1, and Division 60 of the *Australian Charties and Not-for-profits Commission Regulation 2013*.

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 Moreton Bay Foundation Limited in accordance with the auditor independence requirements of the *Australian Charties and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Boards' 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.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 of the financial report, which describes the basis of accounting. The financial report is prepared for the purpose of fulfilling the The Moreton Bay Foundation Limited's financial reporting responsibilities under the ACNC Act. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance

The responsible person of the Company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the ACNC Act and the needs of the members. The responsible entities' responsibility also includes such internal control as the responsible entities determine is necessary to enable the preparation of a 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 responsible entities are responsible for assessing The Moreton Bay Foundation Limited'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 responsible entities either intend to liquidate The Moreton Bay Foundation Limited or to cease operations, or has no realistic alternative but to do so.

The Moreton Bay Foundation Limited

Independent Audit Report to the members of The Moreton Bay Foundation Limited

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 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 Moreton Bay Foundation Limited's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 Moreton Bay Foundation Limited'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 reporter, 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 Moreton Bay Foundation Limited 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 management 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.



Mazars Assurance Pty Ltd
Authorised Audit Company: 338599



M. J. Green
Director

Brisbane, 26 October 2022

The Moreton Bay Foundation Limited

Independent Audit Report to the members of The Moreton Bay Foundation Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2022, there have been:

- (i) no contraventions of the auditor independence requirements as set out in section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Mazars

Mazars Assurance Pty Ltd
Authorised Audit Company: 338599



M. J. Green
Director

Brisbane, 26 October 2022