

MDA LTD
ABN 41 372 481 576

FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2015

1.

MDA LTD
ABN 41 372 481 576

DIRECTORS' REPORT

The Directors of MDA are pleased to present their report for the year ended 30 June 2015 as follows:

Information about the directors

- Sally Isles Sally joined the MDA Board of Directors in October 2007 and was elected to act as Chair in January 2013. Sally is also a member of the People Committee and the Finance, Audit and Risk Committee. Sally attended university in Indonesia and holds a BA equivalent (IKIP Sanata Dharma, Indonesia) and a Graduate Diploma HR, from Deakin University. Sally is currently Client Partnership Manager with the Anglican Church of Southern Queensland.
- Peter Forday Peter Forday joined the MDA Board of Directors in July 2011 and is currently Deputy chair and Chair of People Committee. Peter holds a Bachelor of Speech Therapy (hons), a Graduate Diploma in Social Sciences (Counselling), a Cert IV in Program Design and Facilitation, and Foundation Alumnus, Queensland Leadership Program. Peter is also a Director of International Foundation House, the Chair of Police Ethnic Advisory Group, and advisor to the AusCongo Network, Secretary of the El Salvador Soccer Club. Peter owns and operates Peter Forday Consulting which provides consultancy services to help organisations with change management, leadership culture and community building.
- Angela Moody Angela became a Director of the Board in July 2009 and previously held the role of Treasurer under the Association Structure. Angela is also the Company Secretary for MDA Ltd and chairs the Finance, Audit and Risk Committee. Angela's qualifications include a Graduate Diploma of Applied Finance (Corporate Finance) from the Securities Institute of Australia, as well as Masters of Profession Economics, a Bachelor of Economics, and a Bachelor of Arts (Political Economy and Australian Politics) from the University of Queensland. Angela is a Director with Synergies Economic Consulting.
- Thi The Anh Bui Anh joined the Board of Directors in June 2015. She holds a Bachelor of Law and Bachelor of Business Administration, Graduate Certificate in Financial, Planning, Graduate Diploma in Legal Practice, and a Graduate Diploma in Applied Corporate Governance. Anh is admitted as a Solicitor in the Supreme Court of Queensland and a Member of the Golden Key International Honour Society. Anh has over 10 years' experience in the finance industry and is currently working as the Corporate Finance Manager with Careers Australia.
- Fahim Khondaker Fahim joined the Board of Directors in June 2015. Fahim is a qualified Chartered Accountant and holds a Bachelor of Commerce (Accounting & Finance majors) and Bachelor of Economics. Fahim currently leads the Data Analytics & Insights division at the Brisbane office of BDO. In recent years, Fahim has led several campaigns and initiatives to strengthen Queensland's diversity, including the inaugural 'Walk Together' event in Brisbane last year and working with the Islamic Council of Queensland towards establishing a more self-sustaining model of operation.
- Cathy Pappalardo Cathy Pappalardo joined the MDA Board of Directors in March 2013. She holds a Masters of Education Studies, Bachelor of Arts and a Graduate Diploma of Education (ESL, French and German), Cert IV in Career Development and Cert IV in Training and Assessment. Cathy has worked in the education sector for over 35 years, holding various positions. Cathy's recent work involved working for the Queensland Department of Education and Training (DET International, Onshore Programs), to provide educational support for schools with IMA Students.

2.

MDA LTD
ABN 41 372 481 576

DIRECTORS' REPORT

Fraser Power Fraser Power, BA, LLB, Bachelor of International Business, MBA Human Resource Management, is a founding member of the Multicultural Development Association and has held various positions on the Executive and Board since its inception. Fraser re-joined the Board in May 2013 as Secretary of the Association and member of the Incorporation sub-committee. Fraser also sits on the Management Committee of the Queensland Program of Assistance to Survivors of Torture and Trauma (QPASTT). Fraser resigned from the Board in June 2015.

The above named Directors all held office for the whole of the financial year except for:

- Thi The Anh Bui – Appointed 26 June 2015
- Fahim Khondaker – Appointed 26 June 2015
- Fraser Power – Resigned 22 June 2015

All members of the Board are volunteers and receive no payment for their work as Board and Committee Members. Board members are reimbursed expenses that are incurred in the course of their duties as Board members in accordance with company policy. Furthermore, reasonable costs may be incurred from time to time to ensure the continued professional development of Board Members.

Senior managers are not shareholders of the company.

Company Secretary

Angela Moody held the position of Company Secretary from 30 October 2014 to 30 June 2015. Claire Davis, ACA, GAICD, BA (hons) Accountancy, GCEL, held the position of Company Secretary from 1 July 2014 to 30 October 2014. Claire joined MDA in January 2015 and previously held the role of Company Secretary in a commercial company and two not-for-profit companies.

Meeting Attendance – 1 July 2014 to 30 June 2015, Attendances by each Director were as follows:

Name	Board of Directors' meeting	
	Number eligible to attend	Number attended
Sally Isles (Chair)	11	10
Peter Forday (Deputy Chair)	11	11
Angela Moody	11	11
Cathy Pappalardo	11	10
Fraser Power	11	7
Thi The Anh Bui#	0	0
Fahim Khondaker#	0	0

3.

MDA LTD
ABN 41 372 481 576

DIRECTORS' REPORT

	Finance, Audit and Risk Committee	
Name	Number eligible to attend	Number attended
Angela Moody	9	9
Sally Isles	9	9

	People Committee	
Name	Number eligible to attend	Number attended
Peter Forday	4	4
Sally Isles	4	4

Principal Activities

The principal activities of MDA are directed towards shaping a better future for all; a welcoming, inclusive, globally connected, and economically strong community.

Short-Term Objectives

The Entity's short-term objectives are to:

- Raise greater awareness and understanding of the benefits of cultural diversity
- Provide services to new arrivals to enable successful settlement
- Facilitate the development of new and emerging community groups
- Advocate to decision makers and service providers to improve access and inclusion for people from culturally diverse backgrounds.

Long-Term Objectives

MDA's long-term objectives are to:

- Promote the benefits of cultural diversity across Queensland, through a better understanding of settlement, migrants and refugee issues,
- Deliver innovative, flexible and quality services, in partnership with government and community stakeholders, and
- Strengthen the sense of welcome and safety extended to new arrivals by the broader community.

MDA LTD
ABN 41 372 481 576

DIRECTORS' REPORT

Review of operations

MDA's total income of \$36.4 million for FY2015 (FY 2014 \$46.1 million) included income related to direct client payments of \$7.9 million (2014 \$22.2 million). MDA delivered a surplus for the year of \$2.6 million (FY 2014 \$1.0 million). MDA aims to make a modest surplus to manage risk and to reinvest into future services and infrastructure.

MDA continues to seek future opportunities to expand its work to develop more socially inclusive communities. This work includes a continuation of its consultancy and training services. During the coming year, MDA will invest in business infrastructure to improve the efficiency and effectiveness of the business.

Dividends

As a not-for-profit entity, MDA does not distribute dividends to its Members.

Indemnification of officers and auditors

MDA holds insurance cover for the Directors and Officers of the Company. In broad terms, it indemnifies individual Directors, Company Secretary and Executive Officers' personal legal liability and legal defence costs for claims arising out of actions taken in connection with the Company's activities. It is a condition of the insurance policy that detailed terms, nature of the liability and the amount of the premiums paid cannot be disclosed. No amount has been paid under any of these indemnities during the year.

Contribution on winding up

MDA is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the Entity is wound up, the constitution states that each member is "required to contribute an amount not exceeding \$100.00 to the Company's property if the Company is wound up while they are a Member or within a year after they cease to be a Member". At 30 June 2015, the total amount that members of the Company are liable to contribute if the Entity is wound up is \$3,200.

Auditor's independence declaration

The auditor's independence declaration is included on page 6 of the Financial Statements.

This directors' report is signed in accordance with a resolution of directors made pursuant to s.298(2) of the Corporations Act 2001.

On behalf of the Directors



Sally Isles
Director
Brisbane, 7th day of October 2015

Integrated Audit Service Pty Ltd
Authorised audit company no.: 342577
A.B.N. 27 138 518 877
A.C.N. 138 518 877



Directors:
Mr Bevin Schafferius CA
Mr Phillip Fitzgerald FCA

Success through people, knowledge and understanding

AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF MDA LTD

In relation to our audit of the financial report of MDA Ltd for the year ended 30 June 2015, we declare that, to the best of our knowledge and belief, there have been no contraventions of any applicable code of professional conduct.

Integrated Audit Service Pty Ltd
Authorised Audit Company (No. 342577)



Phillip Fitzgerald FCA
Director



Phillip Fitzgerald FCA
Registered Auditor (No. 15079)

Fortitude Valley, 7 October 2015

Street:
Level 1, 119 Robertson Street
FORTITUDE VALLEY QLD 4006

Postal:
PO Box 846
NEW FARM QLD 4005



**Chartered
Accountants**

NUMBER ONE IN NUMBERS

Contact:
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Fax (07) 3252 7377

6.

MDA LTD
ABN 41 372 481 576
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
FOR THE YEAR ENDED 30 JUNE 2015

	<u>NOTE</u>	<u>2015</u>	<u>2014</u>
INCOME			
Revenue	2	35,877,380	45,803,936
Other income	2	564,381	257,989
		<hr/>	<hr/>
		\$36,441,761	\$46,061,925
		<hr/>	<hr/>
EXPENSES			
Direct client expenses		(7,865,971)	(22,223,662)
Employee benefits expenses	11	(22,106,945)	(19,038,737)
Administration expenses		(3,211,423)	(2,849,800)
Occupancy expenses		(263,159)	(415,576)
Depreciation and amortisation		(351,589)	(502,759)
		<hr/>	<hr/>
		\$(33,799,087)	\$(45,030,534)
		<hr/>	<hr/>
Net profit for the year		\$2,642,674	\$1,031,391
Other comprehensive income for the year		-	-
		<hr/>	<hr/>
Total comprehensive income for the year		\$2,642,674	\$1,031,391
		<hr/>	<hr/>
Total comprehensive income attributable to members of the entity		\$2,642,674	\$1,031,391
		<hr/>	<hr/>

The accompanying notes form part of these financial statements.

7.

MDA LTD
ABN 41 372 481 576
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015

	<u>NOTE</u>	<u>2015</u>	<u>2014</u>
<u>ASSETS</u>			
<u>CURRENT ASSETS</u>			
Cash and cash equivalents	3	5,015,271	9,565,328
Trade and other receivables	4	6,907,613	3,218,091
Other assets	5	64,900	99,625
<u>TOTAL CURRENT ASSETS</u>		11,987,784	12,883,044
<u>NON-CURRENT ASSETS</u>			
Property, plant and equipment	6	1,867,481	1,966,210
Intangible assets	7	403,517	-
<u>TOTAL NON-CURRENT ASSETS</u>		2,270,998	1,966,210
<u>TOTAL ASSETS</u>		\$14,258,782	\$14,849,254
<u>LIABILITIES</u>			
<u>CURRENT LIABILITIES</u>			
Trade and other payables	8	2,259,105	1,642,982
Other liabilities	9	985,009	5,481,000
Provisions	10	1,743,286	1,217,218
<u>TOTAL CURRENT LIABILITIES</u>		4,987,400	8,341,200
<u>NON-CURRENT LIABILITIES</u>			
Provisions	10	292,379	171,725
<u>TOTAL NON-CURRENT LIABILITIES</u>		292,379	171,725
<u>TOTAL LIABILITIES</u>		\$5,279,779	\$8,512,925
<u>TOTAL ASSETS</u>		\$8,979,003	\$6,336,329
<u>EQUITY</u>			
Retained earnings		8,979,003	6,336,329
<u>TOTAL EQUITY</u>		\$8,979,003	\$6,336,329

The accompanying notes form part of these financial statements.

8.

MDA LTD
ABN 41 372 481 576
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015

	<u>RETAINED EARNINGS</u>	<u>TOTAL EQUITY</u>
Balance at 1 July 2013	5,304,938	5,304,938
Profit for the year	1,031,391	1,031,391
Other comprehensive income	-	-
Total comprehensive income for the year	<u>1,031,391</u>	<u>1,031,391</u>
Balance 30 June 2014	<u>\$6,336,329</u>	<u>\$6,336,329</u>
Balance at 1 July 2014	6,336,329	6,336,329
Profit for the year	2,642,674	2,642,674
Other comprehensive income	-	-
Total comprehensive income for the year	<u>2,642,674</u>	<u>2,642,674</u>
Balance 30 June 2015	<u>\$8,979,003</u>	<u>\$8,979,003</u>

The accompanying notes form part of these financial statements.

9.

MDA LTD
ABN 41 372 481 576
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 30 JUNE 2015

	<u>NOTE</u>	<u>2015</u>	<u>2014</u>
OPERATING ACTIVITIES			
Government grants		27,692,004	50,973,456
Interest income		160,320	132,575
Other income		404,061	488,140
Payments to clients, supplies and employees		(32,150,065)	(47,053,228)
NET CASH PROVIDED BY OPERATING ACTIVITIES		<u>(\$3,893,680)</u>	<u>\$4,540,943</u>
INVESTING ACTIVITIES			
Purchase of plant and equipment		(252,860)	(32,457)
Purchase of intangible asset		(403,517)	
NET CASH PROVIDED BY INVESTING ACTIVITIES		<u>\$(656,377)</u>	<u>\$(32,457)</u>
Net change in cash and cash equivalents		(4,550,057)	4,508,486
Cash and cash equivalents, beginning of year		9,565,328	5,056,842
CASH AND CASH EQUIVALENTS, END OF YEAR	3	<u>\$5,015,271</u>	<u>\$9,565,328</u>

The accompanying notes form part of these financial statements.

MDA LTD
ABN 41 372 481 576
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

MDA Limited applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: *Application of Tiers of Australian Accounting Standards* and AASB 2010-2: *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements*.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The Financial Statements, except for the cash flow information have been prepared on an accrual 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 Financial Statements were authorised for issue on 7th day of October by the directors of the company.

(a) New and revised standards that are effective for these financial statements.

A number of new revised standards are effective for annual periods beginning on or after 1 January 2014.

- AASB 10 Consolidated Financial Statements
- AASB 11 Joint Arrangements
- AASB 12 Disclosure of Interest in Other Entities
- AASB 2012-13 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities
- AASB 2013-16 Amendments to AASB 136 arising from reduced disclosure requirements

The adoption of the above Accounting Standards has been concluded to have no effect on the Financial Statements on their initial application, such that no disclosures or other transitional disclosures have been triggered.

MDA LTD
ABN 41 372 481 576
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Revenue

Revenue comprises revenue from government grants, fundraising, events and fee for service activities. Revenue from major service streams is shown in Note 2.

Revenue is measured by reference to the fair value of consideration received or receivable by the entity for goods supplied and services provided.

Revenue is recognised when the amount of revenue can be measured reliably, collection is probable, the costs incurred or to be incurred can be measured reliably.

Government grants

A number of the entity's programs are supported by grants received from the Federal, State and Local governments. If conditions are attached to a grant which must be satisfied before the entity is eligible to receive the contribution, recognition of the grant as revenue is deferred until those conditions are satisfied.

Where a grant is received on the condition that specified services are delivered to the grantor, this is considered a reciprocal transaction. Revenue is recognised as services are performed and at year-end until the service is delivered.

Revenue from a non-reciprocal grant that is not subject to conditions is recognised when the entity obtains control of the funds, economic benefits are probable and the amount can be measured reliably. Where a grant may be required to be repaid if certain conditions are not satisfied, a liability is recognised at year end to the extent that conditions remain unsatisfied.

Where the entity receives a non-reciprocal contribution of an asset from a government or other party for no or nominal consideration, the asset is recognised at fair value and a corresponding amount of revenue is recognised.

Donations

Donations collected, including cash and goods for resale, are recognised as revenue when the entity gains control, economic benefits are probable and the amount of the donation can be measured reliably.

Where donations are received for a specific purpose, then the donation is only recognised once the funds have been spent for that purpose.

Interest income

Interest income is recognised on an accrual basis using the effective interest method.

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

MDA LTD
ABN 41 372 481 576
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin.

(d) Leasehold improvements and equipment

Leasehold improvements and equipment (comprising computers, furniture and motor vehicles) are initially recognised at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management.

Leasehold improvements and equipment are subsequently measured using the cost model, cost less subsequent depreciation or amortisation.

Depreciation and amortisation is recognised on a straight-line basis to write down the cost less estimated residual value of equipment. The following useful lives are applied:

- plant and equipment: 3-10 years
- leasehold improvements: life of lease
- computer equipment: 3-7 years
- office equipment: 3-13 years

In the case of leasehold property, expected useful lives are determined by the term of the lease.

(e) Leases

Lease payments for operating leases where substantially all the risks and benefits remain with the lessor are recognised as expenses on a straight-line basis over the lease term. Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(f) Intangibles

Software

Software is initially recognised at cost. It has a finite life and is carried at cost less any accumulated amortisation and impairment losses. Software has an estimated useful life of between one and three years. It is assessed annually for impairment.

MDA LTD
ABN 41 372 481 576
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Financial Instruments

Initial recognition and 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 company commits itself to either purchase or sell the asset (ie 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 recognised immediately as expenses in profit or loss.

Classification and subsequent measurement

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

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments 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*.

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 amount with a consequential recognition of an income or expense item in profit or loss.

i. Financial assets at fair value through profit or 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, 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 amount 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. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

MDA LTD
ABN 41 372 481 576
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Financial Instruments (Cont)

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 company's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

iv. Available-for-sale investments

Available-for-sale investments 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.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are not expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

v. Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

(h) Impairment testing of assets

At the end of each reporting period, the entity assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

(i) Income Taxes

No provision for income tax has been raised as the entity is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

MDA LTD
ABN 41 372 481 576
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and in the bank including short-term fixed deposits.

(k) Retained Earnings

Retained earnings include all current and prior period retained surpluses.

(l) Employee Benefits

Short-term employee benefits

Short-term employee benefits are current liabilities included in employee benefits, measured at the undiscounted amount that the entity expects to pay as a result of the unused entitlement. Annual leave is included in 'provisions' when calculating the leave liability. Annual leave liability is still presented as current liability for presentation purposes under AASB 101 *Presentation of Financial Statements*.

Other long-term employee benefits

The company classifies that proportion of employees' long service leave as other long-term employee benefits when they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for the company's obligation for other long-term employee benefits, which are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporated anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss classified under employee benefits expenses.

Defined contribution superannuation benefits

All employees of the company received defined contribution superannuation entitlements, for which the company pays the fixed superannuation guarantee contribution (currently 9.50% of the employee's average ordinary salary) to the employee's superannuation fund of choice. All contributions in respect of employees' defined contribution entitlements are recognised as an expense when they become payable. The company's obligation with respect to employees' defined contribution entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the company's statement of financial position

16.

MDA LTD
ABN 41 372 481 576
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Deferred income

The liability for deferred income is the unutilised amounts of grants received on the condition that specified services are delivered or conditions are fulfilled. The services are usually provided or the conditions usually fulfilled within twelve (12) months of receipt of the grant.

(n) 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 Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST. Cash flows are presented in the statement of cash flows on a gross basis, except for the GST components of investing and financing activities, which are disclosed as operating cash flows.

(o) Economic dependence

The entity is dependent upon the ongoing receipt of Federal, State and Local government grants and community and corporate donations to ensure the ongoing continuance of its programs. At the date of this report management has no reason to believe that this financial support will not continue.

(p) Significant management judgement in applying accounting policies

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

17.

MDA LTD
ABN 41 372 481 576
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

	<u>2015</u>	<u>2014</u>
2. REVENUE		
Revenue		
Grants	35,290,823	45,442,210
Fee for service	416,907	265,254
Donations	34,991	27,836
Other income	134,659	68,636
	<u>\$35,877,380</u>	<u>\$45,803,936</u>
Other Income		
Rent received	389,693	125,414
Interest received	174,688	132,575
	<u>\$564,381</u>	<u>\$257,989</u>
3. CASH AND CASH EQUIVALENTS		
Cash on hand	5,788	4,156
Cash at bank	2,873,518	6,448,122
Short term deposits	2,135,965	3,113,050
	<u>\$5,015,271</u>	<u>\$9,565,328</u>
4. TRADE AND OTHER RECEIVABLES		
Trade receivables	6,841,354	3,163,716
Other receivables	66,259	54,375
	<u>\$6,907,613</u>	<u>\$3,218,091</u>
<p>All trade and other receivables are due within 12 months. Where a funding provider requires the entity to invoice in advance of the service being delivered, the amount is included in Trade Receivables. As the service has not been delivered, the amount is recorded in Deferred Income (Note 9)</p>		
5. OTHER ASSETS		
Prepayments	64,900	99,625
	<u>\$64,900</u>	<u>\$99,625</u>

MDA LTD
ABN 41 372 481 576
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

6. PROPERTY, PLANT AND EQUIPMENT

	<u>LEASEHOLD</u> <u>IMPROVEMENTS</u>	<u>COMPUTER</u> <u>EQUIPMENT</u>	<u>OFFICE</u> <u>EQUIPMENT</u>	<u>MOTOR</u> <u>VEHICLES</u>	<u>Total</u> <u>2015</u>
Gross Carrying Amount					
Balance at 1 July 2014	3,385,855	281,697	199,635	-	3,867,187
Additions	15,000	18,140	10,813	208,907	252,860
Disposals	-	-	-	-	-
Balance 30 June 2015	\$3,400,855	\$299,837	\$210,448	\$208,907	\$4,120,047
Depreciation and Impairment					
Balance at 1 July 2014	(1,504,247)	(247,330)	(149,400)	-	(1,900,977)
Disposals	-	-	-	-	-
Depreciation	(305,708)	(9,459)	(22,442)	(13,980)	(351,589)
Balance 30 June 2015	\$(1,809,955)	\$(256,789)	\$(171,842)	\$(13,980)	\$(2,252,566)
Carrying Amount 30 June 2015	\$1,590,900	\$43,048	\$38,606	\$194,927	\$1,867,481

All depreciation is included with depreciation and amortisation

7. INTANGIBLE ASSETS

	<u>2015</u>	<u>2014</u>
Computer software - at cost	403,517	-
Accumulated amortisation	-	-
Net carrying amount	\$403,517	-

MDA LTD
ABN 41 372 481 576
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

	<u>2015</u>	<u>2014</u>
8. TRADE AND OTHER PAYABLES		
Trade payables	748,296	684,897
GST payable	191,307	232,755
Other creditors and accruals	1,319,502	725,330
	\$2,259,105	\$1,642,982
9. OTHER LIABILITIES		
Deferred income	985,009	5,481,000
	\$985,009	\$5,481,000
Deferred Income includes funding invoices in advance (Note 4).		
10. PROVISIONS		
Current		
Annual leave	1,408,652	921,948
Long service leave	334,634	295,270
	\$1,743,286	\$1,217,218
Non-current		
Long service leave	292,379	171,725
	\$292,379	\$171,725
	\$2,035,665	\$1,388,943
Provision for Employee Benefits		
Provision for employee benefits represents amounts accrued for annual leave and long service leave.		
The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the company does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.		
The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.		
11. EMPLOYEE BENEFITS EXPENSE		
Wages and salaries	19,860,082	16,828,721
Workers compensation	(73,935)	254,107
Superannuation	1,674,075	1,472,102
Employee benefit provisions	646,723	483,807
	\$22,106,945	\$19,038,737

MDA LTD
ABN 41 372 481 576
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

12. LEASES

Operating leases as lessee	Within 1 Year	1 to 5 Years	After 5 Years	Total
30 June 2015	361,539	348,782	1,118,525	1,828,846
30 June 2014	361,473	301,145	1,126,202	1,788,820

Lease expense during the period amounts to \$370,839 (2014: \$411,415) representing the minimum lease payments.

The property lease commitments are non-cancellable operating leases with lease terms of between one and five years. Increases in lease commitments may occur in line with CPI or market rent reviews in accordance with the agreements.

13. RELATED PARTY TRANSACTIONS

There were no transactions during the year which the company or a related company has with a director or with a firm of which the director is a member or with a company in which the director has a substantial financial interest.

14. CONTINGENT LIABILITIES

Contingent liabilities represent items that, at 30 June 2015, are not recognised in the Statement of Financial Position because there is significant uncertainty at that date as to the necessity for MDA Ltd to make payments in respect of them. As per the Connect Consortium Agreement between MDA Ltd and Adult Multicultural Education Services, MDA Ltd recognises that Adult Multicultural Education Services has provided financial security of \$1,000,000 under the Commonwealth Agreement. If the Commonwealth Exercise the financial security under of the Commonwealth Agreement then MDA Ltd will pay AMES an amount equal to 50 per cent (50%) of the amount of the financial security paid to the Commonwealth.

15. POST-REPORTING DATE EVENTS

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation.

MDA LTD
ABN 41 372 481 576
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

2015**2014****16. FINANCIAL RISK MANAGEMENT**

The company's financial instruments consist mainly of deposits with banks, local money market instruments, short term investments, accounts receivable and payable and leases.

The carrying amounts for each category of financial instruments, measured in accordance with AABB139 as detailed in the accounting policies to these financial statements are as follows:

	NOTE	<u>2015</u>	<u>2014</u>
Financial Assets			
Cash and cash equivalents	3	5,015,271	9,565,328
Loans and receivables	4	6,907,613	3,218,091
TOTAL FINANCIAL ASSETS		<u>\$11,922,884</u>	<u>\$12,783,419</u>
Financial Liabilities			
Trade and other payables	8	2,259,105	1,642,982
		<u>\$2,259,105</u>	<u>\$1,642,982</u>

Financial risk management policies , overall risk management strategy and the Finance, Audit and Risk Committee serves to assist the company in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the Finance, Audit and Risk Committee on a regular basis. These include credit risk policies and future cash flow requirements.

The accompanying notes form part of these financial statements.

22.

MDA LTD
ABN 41 372 481 576

DIRECTORS' DECLARATION

The directors of the company declare that:

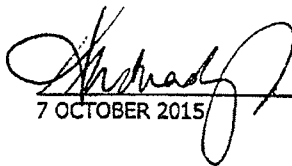
1. The financial statements and notes, as set out on pages 7 to 21, are in accordance with the *Corporations Act 2001*:
 - (a) comply with Australian Accounting Standards; and
 - (b) give a true and fair view of the financial position as at 30 June 2015 and of the performance for the year ended on that date of the company,
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.

This declaration is made in accordance with a resolution of the Board of Directors.



7 OCTOBER 2015

DIRECTOR



7 OCTOBER 2015

DIRECTOR



Success through people, knowledge and understanding

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MDA LTD

We have audited the accompanying financial report of MDA Ltd, which comprises the statement of financial position as at 30 June 2015, the statement of profit or loss and other comprehensive, statement of changes in equity and statement of cash flow for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Directors' declaration.

Directors' Responsibility for the Financial Report

The Directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the Directors 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.



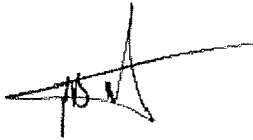
**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF MDA LTD
(continued)**

Opinion

In our opinion, the financial report of MDA Ltd has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- a) giving a true and fair view of the company's financial position as at 30 June 2015 and of its performance and cash flows for the year ended on that date; and
- b) complying with Australian Accounting Standard – Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2013*.

Integrated Audit Service Pty Ltd
Authorised Audit Company (No. 342577)



Phillip Fitzgerald FCA
Director



Phillip Fitzgerald FCA
Registered Auditor (No. 15079)

Fortitude Valley, 7 October 2015