

**MDA LTD**  
**ABN 41 372 481 576**

**FINANCIAL REPORT**  
**FOR THE YEAR ENDED**  
**30 JUNE 2014**

**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 2014.

In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

**Information about the directors and senior management**

The names and particulars of the directors of the company during or since the end of the financial Year are:

- |                  |  |
|------------------|--|
| Sally Isles      | Sally joined the MDA Board of Directors in October 2007 and was elected to act as Chair in January 2013, leading MDA through its transfer to a Company Limited by Guarantee. Sally is the Chair the Nominations and Remunerations Committee. She is also a member of 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 Human Resources Manager with the Anglican Church of Southern Queensland.  |
| Angela Moody     | Angela became a Director of the Board in July 2009 and previously held the role of Treasurer under the Association structure. Angela 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 a Masters of Professional 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. She is also the CEO and Company Secretary of the not-for-profit Organisation Partners for Liveable Communities, an organisation that collaborates with Australian Communities to enhance liveability. |
| Peter Forday     | Peter Forday 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. He joined the MDA Board in July 2011 and is currently Deputy Chair. Peter is also a Director of International House Foundation, the Chair of the Police Ethnic Advisory Group, and advisor to the AusCongo Network and 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.  |
| 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. Fraser also sits on the Management Committee of the Queensland Program of Assistance to Survivors of Torture and Trauma (QPASTT).   |
| 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 year, holding various positions. Cathy is currently 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**

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

- Robert Atkinson – appointed 5 July 2013, resigned on 2 June 2014.

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.

Senior managers are not shareholders of the company.

#### **Company Secretary**

Claire Davis, ACA, GAICD, BA (hons) Accountancy, GCEL, held the position of Company Secretary from 27 February 2014 to date. Claire joined MDA in January 2014 and previously held the role of Company Secretary in a commercial company and two not-for-profit companies.

**Meeting Attendance** – 1 July 2013 to 30 June 2014, Attendances by each Director were as follows:

	<b>Board of Directors' meeting</b>	
<b>Name</b>	<b>Number eligible to attend</b>	<b>Number attended</b>
Sally Isles (Chair)	10	10
Peter Forday (Deputy Chair)	10	9
Angela Moody	10	10
Fraser Power	10	5
Cathy Pappalardo	10	8
Bob Atkinson	9	1

	<b>Finance, Audit and Risk Committee</b>	
<b>Name</b>	<b>Number eligible to attend</b>	<b>Number attended</b>
Angela Moody (Chair)	10	10
Sally Isles	10	10

#### **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, and
- advocate to decision makers and service providers to improve access and inclusion for people from culturally diverse backgrounds.

### 3.

**MDA LTD**  
**ABN 41 372 481 576**

### **DIRECTORS' REPORT**

#### **Long-Term Objectives**

The Entity'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,
- strengthen the sense of welcome and safety extended to new arrivals by the broader community.

#### **Review of operations**

MDA had a busy year, increasing total income to \$51.1 million (2013 - \$31.0 million) including income relating to direct client payments of \$22.2 million (2013 - \$11.5 million). MDA made a surplus for the year of \$1.2 million (2013 - \$0.6 million). MDA aims to make a modest surplus to manage risk and to reinvest into future services and assets.

MDA had successful tender outcomes including the following grant funded programs:

- Humanitarian Settlement Services – 3 year contract
- Unaccompanied Humanitarian Minor program – 3 year contract
- 6 employment related grant programs to support vocational and economic participation pathways for migrants and refugees

MDA also delivered a range of education and awareness forums, events and community development responses to support positive community relations in Brisbane.

As part of its contribution to celebrating positive multiculturalism, MDA held its annual Luminous Lantern Parade, which saw a record 15,000 people join to welcome new arrivals. MDA is particularly grateful to the companies who provided sponsorship to enable the event to take place.

We celebrated 20 years of the Work & Welcome program, a grassroots workplace giving program that supports refugees and migrants into employment, and we launched a new fundraising campaign to raise transport funds to enable clients to volunteer in the community and support important programs like Meals on Wheels. 2013/2014 also saw an expansion to MDA's consultancy and training services, with fee for service profits invested back into the company.

#### **Changes in state of affairs**

MDA was an incorporated association until 24 February 2014 and was known as the Multicultural Development Association Inc. From that date, MDA converted to a company limited by guarantee and changed its name to MDA Ltd. MDA retained its ABN.

#### **Subsequent events**

On 21 August 2014, MDA signed a four year contract with the Department of Immigration and Border Protection (DIBP) to deliver the Status Resolution and Support Service. This service replaces contracts previously delivered through other similar programs.

During the financial year, the DIBP advised MDA that certain direct client payments would be paid to clients by Centrelink in the future. MDA has been working with the DIBP and Centrelink to transfer these payments processes to Centrelink and the transfer of this work is expected to continue through to the end of 2014.

**MDA LTD**  
**ABN 41 372 481 576**

**DIRECTORS' REPORT**

**Future developments**

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. MDA will also apply for ISO 9001 accreditation.

**Dividends**

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

**Indemnification of officers and auditors**

During the financial year, the company paid a premium in respect of a contract insuring the directors of the company (as named above), the company secretary, Mrs. Claire Davis, and all executive officers of the company and of any related body corporate against a liability incurred as such a director, secretary or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium. The company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the company or of any related body corporate against a liability incurred as such an officer or auditor.

**Contribution on winding up**

The Entity 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 one year after they cease to be a Member". At 30 June 2014, the total amount that members of the company are liable to contribute if the Entity is wound up is \$3,200. As at 30 June 2013, the Entity was an Association. While an Association, the constitution stated that "each Member undertakes to contribute an amount not exceeding \$10.00 to the Company's property if the Company is wound up while they are a Member or within one year after they cease to be a Member. At 30 June 2013, the total amount that members of the company were liable to contribute if the Entity is wound up is \$460.

**Auditor's independence declaration**

The auditor's independence declaration is included on page 4 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

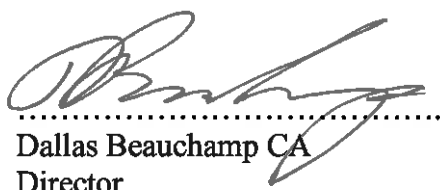
Brisbane, 25<sup>th</sup> day of September 2014

## AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF MDA LTD

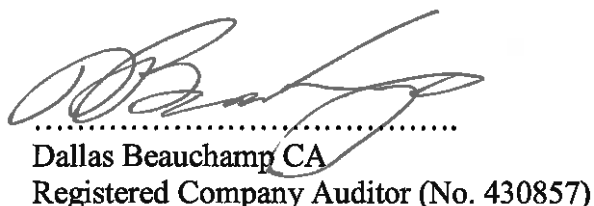
In relation to our audit of the financial report of MDA Ltd for the year ended 30 June 2014, I declare that, to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- b) no contraventions of any applicable code of professional conduct.

Integrated Audit Service Pty Ltd  
Authorised Audit Company (No. 342 577)



.....  
Dallas Beauchamp CA  
Director



.....  
Dallas Beauchamp CA  
Registered Company Auditor (No. 430857)

Fortitude Valley, 25 September 2014

6.

**MDA LTD**  
**ABN 41 372 481 576**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE**  
**AS AT 30 JUNE 2014**

	<u>NOTE</u>	<u>2014</u>	<u>2013</u>
Revenue	2	45,803,936	27,656,348
Other income	2	257,989	279,000
Direct client expenses		(22,223,662)	(11,542,872)
Employee benefits expenses	10	(19,038,737)	(12,407,651)
Administration expenses		(2,849,800)	(2,494,445)
Occupancy expenses		(415,576)	(384,149)
Depreciation and amortisation		(502,759)	(541,149)
Net profit for the year		<b>\$1,031,391</b>	<b>\$565,082</b>
Other comprehensive income for the year		-	-
<b>Total comprehensive income for the year</b>		<b>\$1,031,391</b>	<b>\$565,082</b>
<b>Total comprehensive income attributable to members of the entity</b>		<b>\$1,031,391</b>	<b>\$565,082</b>

The accompanying notes form part of these financial statements.

**MDA LTD**  
**ABN 41 372 481 576**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2014**

	<u>NOTE</u>	<u>2014</u>	<u>2013</u>
<b><u>ASSETS</u></b>			
<b><u>CURRENT ASSETS</u></b>			
Cash and cash equivalents	3	9,565,328	5,056,842
Trade and other receivables	4	3,218,091	14,321,280
Other assets	5	99,625	17,012
<b><u>TOTAL CURRENT ASSETS</u></b>		<u>12,883,044</u>	<u>19,395,134</u>
<b><u>NON-CURRENT ASSETS</u></b>			
Property, plant and equipment	6	1,966,210	2,436,512
<b><u>TOTAL NON-CURRENT ASSETS</u></b>		<u>1,966,210</u>	<u>2,436,512</u>
<b><u>TOTAL ASSETS</u></b>		<u>\$14,849,254</u>	<u>\$21,831,646</u>
<b><u>LIABILITIES</u></b>			
<b><u>CURRENT LIABILITIES</u></b>			
Trade and other payables	7	1,642,982	4,509,303
Other liabilities	8	5,481,000	11,112,269
Provisions	9	1,217,218	905,136
<b><u>TOTAL CURRENT LIABILITIES</u></b>		<u>8,341,200</u>	<u>16,526,708</u>
<b><u>NON-CURRENT LIABILITIES</u></b>			
Provisions		171,725	-
<b><u>TOTAL NON-CURRENT LIABILITIES</u></b>		<u>171,725</u>	<u>-</u>
<b><u>TOTAL LIABILITIES</u></b>		<u>\$8,512,925</u>	<u>\$16,526,708</u>
<b><u>TOTAL ASSETS</u></b>		<u>\$6,336,329</u>	<u>\$5,304,938</u>
<b><u>EQUITY</u></b>			
Retained Earnings		6,336,329	5,304,938
<b><u>TOTAL EQUITY</u></b>		<u>\$6,336,329</u>	<u>\$5,304,938</u>

The accompanying notes form part of these financial statements.



## 8.

**MDA LTD**  
**ABN 41 372 481 576**  
**STATEMENT OF CHANGES IN EQUITY**  
**AS AT 30 JUNE 2014**

	<b><u>RETAINED EARNINGS</u></b>	<b><u>TOTAL EQUITY</u></b>
Balance at 1 July 2012	4,739,856	4,739,856
Profit for the year	565,082	565,082
Other comprehensive income	-	-
Total comprehensive income for the year	<u>565,082</u>	<u>565,082</u>
<b>Balance 30 June 2013</b>	<u>\$5,304,938</u>	<u>\$5,304,938</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>
<b>Balance 30 June 2014</b>	<u>\$6,336,329</u>	<u>\$6,336,329</u>

The accompanying notes form part of these financial statements.

9.

**MDA LTD**  
**ABN 41 372 481 576**  
**STATEMENT OF CASH FLOW**  
**AS AT 30 JUNE 2014**

	<b><u>NOTE</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>
<b>OPERATING ACTIVITIES</b>			
Government Grants		50,973,456	26,496,420
Interest Income		132,575	76,189
Other Income		488,140	447,263
Payments to clients, supplies and employees		(47,053,228)	(23,808,541)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		<b><u>\$4,540,943</u></b>	<b><u>\$3,211,331</u></b>
<b>INVESTING ACTIVITIES</b>			
Purchase of plant and equipment		(32,457)	(422,221)
Proceeds from disposal of plant and equipment		-	-
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>		<b><u>\$(32,457)</u></b>	<b><u>\$(422,221)</u></b>
Net change in cash and cash equivalents		4,508,486	2,789,110
Cash and cash equivalents, beginning of year		5,056,842	2,267,732
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>3</b>	<b><u>\$9,565,328</u></b>	<b><u>\$5,056,842</u></b>

The accompanying notes form part of these financial statements.

10.

**MDA LTD**  
**ABN 41 372 481 576**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial report includes the financial statements and notes of MDA Ltd and the Multicultural Development Association Inc.

In accordance with the resolution approved by Members at the General Meeting held on 22 October 2013, the Multicultural Development Association Inc. on the 24 February 2014 changed its legal structure from that of an Incorporated Association under the Associations Incorporation ACT (QLD) to that of a Company Limited by Guarantee. The Entity retained its ABN: 41 372 481 576 and was allocated ACN 168 205 632. Parties to all contracts were advised and contracts were assigned to MDA Ltd where required. In becoming a Company Limited by Guarantee, the existing Management Committee members were appointed as Board members and a Company Secretary was appointed.

As the Entity retained its ABN, the financial statements have been prepared on the basis that MDA Ltd and the Multicultural Development Association Inc. is one continuing entity.

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Act 2001*. MDA Ltd is a not-for-profit entity for the purpose of preparing the financial statements.

The Entity has elected to adopt the Australian Accounting Standards – Reduced Disclosure Requirements (established by AASB 1053 *Application of Tiers of Australian Accounting Standards* and AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements). The entity has also adopted the following RDR amendments on the basis that such amendments relate to Australian Accounting Standards applicable mandatorily for the financial year ended 30 June 2014:

- AASB 2011-11 Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements;
- AASB 2012-1 Amendments to Australian Accounting Standards – Fair Value Measurement – Reduced Disclosure Requirements;
- AASB 2012-7 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements; and
- AASB 2012-11 Amendments to Australian Accounting Standards – Reduced Disclosure Requirements and Other Amendments

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 25<sup>th</sup> day of September by the directors of the company.

**MDA LTD**  
**ABN 41 372 481 576**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(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 2013. Information on these new standards is presented below.

*AASB 13 Fair Value Measurement*

AASB 13 clarifies the definition of fair value and provides related guidance and enhanced disclosures about fair value measurements. It does not affect which items are required to be fair-valued. The scope of AASB 13 is broad and it applies for both financial and non-financial items for which other Australian Accounting Standards require or permit fair value measurements or disclosures about fair value measurements except in certain circumstances.

*Amendments to AASB 119 Employee Benefits*

The 2011 amendments to AASB 119 made a number of changes to the accounting for employee benefits, the most significant relating to defined benefit plans. The company does not have any defined benefit plans.

These amendments do not have any impact on the financial statements.

**(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.

**MDA LTD**  
**ABN 41 372 481 576**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(b) Revenue (cont)**

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.

**(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**

*Operating Leases*

Where the entity is a lessee, payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs are expensed as incurred.

**MDA LTD**  
**ABN 41 372 481 576**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### (f) 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 2014**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(f) 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.

**(g) 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.

**(h) 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 2014**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(i) Cash and cash equivalents**

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

**(j) Retained Earnings**

Retained earnings include all current and prior period retained surpluses.

**(k) 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 employees' long service leave and annual leave entitlements as other long-term employee benefits as 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 9.25% 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



**MDA LTD**  
**ABN 41 372 481 576**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2014**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(l) 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.

**(m) 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.

**(n) 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.

**(o) 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**  
**AS AT 30 JUNE 2014**

	<u>2014</u>	<u>2013</u>
<b>2. REVENUE</b>		
Revenue		
Grants	45,442,210	27,412,456
Fee for service	265,254	117,565
Donations	27,836	5,641
Other income	68,636	120,686
	<hr/>	<hr/>
	\$45,803,936	\$27,656,348
Other Income		
Rent received	125,414	202,811
Interest received	132,575	76,189
	<hr/>	<hr/>
	\$257,989	\$279,000
	<hr/>	<hr/>
<b>3. CASH AND CASH EQUIVALENTS</b>		
Cash on hand	4,156	27,919
Cash at bank	6,448,122	4,967,537
Short term deposits	3,113,050	61,386
	<hr/>	<hr/>
	\$9,565,328	\$5,056,842
	<hr/>	<hr/>
<b>4. TRADE AND OTHER RECEIVABLES</b>		
Trade Receivables	3,163,716	14,252,693
Other Receivables	54,375	68,587
	<hr/>	<hr/>
	\$3,218,091	\$14,321,280
	<hr/>	<hr/>
<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 8)</p>		
<b>5. OTHER ASSETS</b>		
Prepayments	99,625	17,012
	<hr/>	<hr/>
	\$99,625	\$17,012
	<hr/>	<hr/>

**MDA LTD**  
**ABN 41 372 481 576**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS AT 30 JUNE 2014**

**6. PROPERTY, PLANT AND EQUIPMENT**

	<u>LEASEHOLD IMPROVEMENTS</u>	<u>COMPUTER EQUIPMENT</u>	<u>OFFICE EQUIPMENT</u>	<u>Total 2014</u>
<b>Gross Carrying Amount</b>				
Balance at 1 July 2013	3,385,855	251,855	197,020	3,834,730
Additions	-	29,842	2,615	32,457
Disposals	-	-	-	-
<b>Balance 30 June 2014</b>	<u>\$3,385,855</u>	<u>\$281,697</u>	<u>\$199,635</u>	<u>\$3,867,187</u>
<b>Depreciation and Impairment</b>				
Balance at 1 July 2013	(1,033,845)	(238,481)	(125,892)	(1,398,218)
Disposals	-	-	-	-
Depreciation	(470,402)	(8,849)	(23,508)	(502,759)
<b>Balance 30 June 2014</b>	<u>\$(1,504,247)</u>	<u>\$(247,330)</u>	<u>\$(149,400)</u>	<u>\$(1,900,977)</u>
<b>Carrying Amount 30 June 2014</b>	<u>\$1,881,608</u>	<u>\$34,367</u>	<u>\$50,235</u>	<u>\$1,966,210</u>

All depreciation is included within' depreciation and amortisation

19.

**MDA LTD**  
**ABN 41 372 481 576**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS AT 30 JUNE 2014**

	<u>2014</u>	<u>2013</u>
<b>7. TRADE AND OTHER PAYABLES</b>		
Trade payables	684,897	4,009,771
GST payable	232,755	3,227
Other creditors and accruals	725,330	496,305
	<u>\$1,642,982</u>	<u>\$4,509,303</u>
<b>8. OTHER LIABILITIES</b>		
Deferred income	5,481,000	11,112,269
	<u>\$5,481,000</u>	<u>\$11,112,269</u>
Deferred Income includes funding invoices in advance (Note 4).		
<b>9. PROVISIONS</b>		
Current		
Annual leave	921,948	733,692
Long service leave	295,270	171,444
	<u>\$1,217,218</u>	<u>\$905,136</u>
Non-Current		
Long Service Leave	171,725	-
	<u>\$171,725</u>	<u>-</u>
	<u>\$1,388,943</u>	<u>\$905,136</u>

**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.

**10. EMPLOYEE BENEFITS EXPENSE**

Wages and salaries	16,828,721	10,952,980
Workers compensation	254,107	167,939
Superannuation	1,472,102	948,430
Employee benefit provisions	483,807	338,302
	<u>\$19,038,737</u>	<u>\$12,407,651</u>

**MDA LTD**  
**ABN 41 372 481 576**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS AT 30 JUNE 2014**

**11. LEASES**

Operating leases as lessee	<b>Within 1 Year</b>	<b>1 to 5 Years</b>	<b>After 5 Years</b>	<b>Total</b>
30 June 2014	361,473	301,145	1,126,202	1,788,820
30 June 2013	411,415	647,453	1,146,480	2,205,348

Lease expense during the period amounts to \$411,415 (2013 \$422,845) 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.

**12. 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.

**13. CONTINGENT LIABILITIES**

There are no contingent liabilities that have been included by the entity in relation to 2014 or 2013.

**14. 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**  
**AS AT 30 JUNE 2014**

**2014**                      **2013**

**15. 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 AAB139 as detailed in the accounting policies to these financial statements are as follows:

	<b>NOTE</b>	<b><u>2014</u></b>	<b><u>2013</u></b>
<b>Financial Assets</b>			
Cash and cash equivalents	3	9,565,328	5,056,842
Loans and receivables	4	3,219,883	14,321,280
<b>TOTAL FINANCIAL ASSETS</b>		<b><u>\$12,785,211</u></b>	<b><u>\$19,378,122</u></b>
<b>Financial Liabilities</b>			
<b>Financial Liabilities at amortised GST</b>			
Trade and other payables	7	1,642,982	4,509,303
		<b><u>\$1,642,982</u></b>	<b><u>\$4,509,303</u></b>

Financial risk management policies consisting of senior committee members, the finance committee' overall risk management strategy series to assist the company in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies are approved and and reviewed by the finance committee on a regular basis. These include credit risk policies and future cash flow requirements.

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 6 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 2014 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.

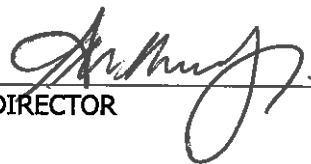
This declaration is made in accordance with a resolution of the Board of Directors.

25 SEPTEMBER 2014



\_\_\_\_\_  
DIRECTOR

25 SEPTEMBER 2014



\_\_\_\_\_  
DIRECTOR

## **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 2014, 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 and the *Corporations Act 2001* 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 *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the Directors of MDA Ltd, would be in the same terms if given to the Directors as at the time of this auditor's report.



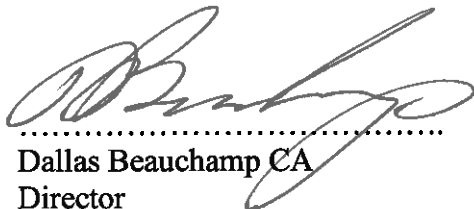
**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF MDA LTD  
(continued)**

*Opinion*

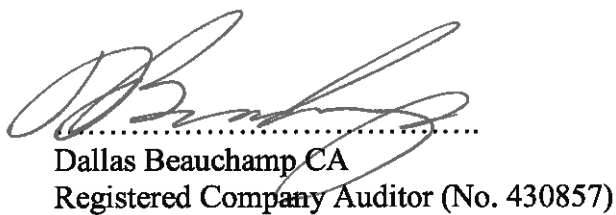
In our opinion, the financial report of MDA Ltd is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the company's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
- b) complying with Australian Accounting Standard – Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

Integrated Audit Service Pty Ltd  
Authorised Audit Company (No. 342 577)



.....  
Dallas Beauchamp CA  
Director



.....  
Dallas Beauchamp CA  
Registered Company Auditor (No. 430857)

Fortitude Valley, 2 October 2014