



Queensland
Stoma Association

• ABN 82 438 903 230

QUEENSLAND STOMA ASSOCIATION LTD

FINANCIAL REPORT

For the year ended 30 June 2020

(formerly Queensland Stoma Association Inc)

Contents

Queensland Stoma Association Ltd Profit and Loss Report – 1 July 2019 to 30 June 2020.....	3
Queensland Stoma Association Ltd Balance Sheet as at 30 June, 2020.....	6
DIRECTORS REPORT.....	9
STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2020.....	12
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020	13
STATEMENT OF CHANGES IN EQUITY FOR THE TWO YEARS ENDED 30 JUNE 2020.....	14
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020	15
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020	16
Directors Declaration	30
Auditor’s Declaration of Independence	31
Independent Auditors Review Report.....	32

Queensland Stoma Association Ltd Profit and Loss Report – 1 July 2019 to 30 June 2020

	<u>Jul 19 - Jun 20</u>	<u>Jul 18 - Jun 19</u>
Revenue		
Bank Interest	23.15	24.85
Bank Interest -Isaver	689.27	1,777.22
Credit Card Fee	6,075.94	5,762.77
Donations	14,018.36	6,981.82
Invoicing Fee	1,355.91	1,092.00
Membership fees	219,451.53	198,330.31
Postage/Packaging/Handling	207,929.40	172,604.95
Refunds- Bank, Tax, Misc	2,887.63	2,698.61
Rental Income		
Rental Income Unit 4A	38,977.74	40,671.93
Rental of Mezzanine 4B	24,989.76	24,475.00
Total Rental Income	<u>63,967.50</u>	<u>65,146.93</u>
Rounding	0.00	0.00
Sale of Puppets (ODSF)	0.00	638.80
Sales		
Appliances sold	35,332.57	25,280.98
NDIS Sales	6,153.73	0.00
Non-listed Items	7,153.78	8,528.08
Total Sales	<u>48,640.08</u>	<u>33,809.06</u>
SAS Handling Fee	230,809.37	211,582.17
Total Revenue	<u>795,848.14</u>	<u>700,449.49</u>
Cost of Goods Sold		
Opening Stock	202,793.67	311,772.33
Purchases		
Appliances purchased (incl SAS)	8,576,202.56	7,613,885.65
Appliances reimbursed SAS	-8,393,068.82	-7,693,744.91
Non -listed Items	2,017.93	2,944.09
Total Purchases	<u>185,151.67</u>	<u>-76,915.17</u>
Reduced by closing stock	-360,329.47	-202,793.67
Total COGS	<u>27,615.87</u>	<u>32,063.49</u>
Gross Surplus	768,232.27	668,386.00
Expense		
A.C.S.A Affiliation	6,834.60	6,485.40
A.C.S.A Conferences	1,345.19	3,874.43
Administration Services	0.00	3,339.18
Audit Fees	800.00	854.55
Bank Charges	341.67	563.32
Christmas Party - Members	0.00	0.00
Cleaning	1,837.90	262.73
Computer - Maint and Software	20,228.80	6,298.54
Computer -Purchase Equipment	80.91	0.00

Credit Card Charges	4,583.44	4,150.32
Depreciation	50,077.38	50,077.38
Electricity	6,692.01	6,940.00
Employer Expenses		
Allowances - First Aid	432.27	392.80
Employee Expenses-other	85,553.23	72,768.72
Long Service Leave	7,261.92	6,350.23
Long Service Leave Paid	0.00	-2,169.42
Superannuation	20,078.05	17,086.30
Wages Expenses	218,791.99	188,517.33
Total Employer Expenses	332,117.46	282,945.96
Equipment Purchase	1,251.64	1,158.34
Eway Fees	219.69	0.00
Freight of Goods	3,284.91	2,218.56
Incorporation Fees	92.00	479.25
Insurances	6,794.03	5,189.10
Internet Services	318.15	545.40
Maintenance and Equipment	0.00	718.64
Miscellaneous	4,149.35	4,500.18
NDIS Registration	888.00	0.00
Packaging Materials	3,088.86	1,898.36
Photocopier Expenses	940.13	954.20
Post Box Fee	273.53	177.27
Postages	144,162.58	113,256.84
Purchase Puppets (ODSF)	0.00	25.00
Stationery	5,886.68	5,307.94
STN Study Scholarship	1,500.00	0.00
Stomal Therapist Services	3,375.00	5,075.00
Telephone/Facsimile	4,684.03	3,621.55
Unit 1 Outlays		
Body Corporate Unit 1	12,860.00	10,342.00
Cleaning	258.44	263.98
Improvements - Non Capital	7,745.45	0.00
Office Equipment - non capital	2,712.51	1,031.85
Rates - Unit 1	3,600.15	5,042.05
Repairs and Maintenance	2,090.14	5,724.54
Water Rates- Unit 1	1,715.52	1,520.15
Total Unit 1 Outlays	30,982.21	23,924.57
Unit 4 Outlays		
Body Corp - Unit 4	6,430.00	5,171.00
Body Corp reimburse	-4,064.61	-2,518.56
Electricity	7,044.21	8,385.65
Electricity Reimbursement	-7,679.58	-6,381.14
Lease Mgr Expenses		
Reimburse	3,120.00	3,120.00
Rates - Unit 4	3,370.60	2,685.80
Rates Reimbursement	-2,153.93	-1,501.04
Repairs and Maint	1,302.27	2,060.18
Repairs and Maint		
Reimbursement	-1,302.28	-946.00
Water rates Unit 4	1,542.21	1,430.51

Water Rates Unit 4		
Reimburse	-978.04	-698.44
Total Unit 4 Outlays	<u>6,630.85</u>	<u>10,807.96</u>
Visitors Program	117.92	210.02
Volunteer Refresh GST Free	361.97	488.99
Volunteers Expenses	25,075.00	22,510.96
Volunteers Refreshments	1,644.45	1,563.04
Website	470.91	0.00
Worker Insurance	<u>2,720.52</u>	<u>3,111.12</u>
Total Expense	<u>673,851.77</u>	<u>573,534.10</u>
Net Ordinary Income	94,380.50	94,851.90
Other Income/Expense		
Other Income		
Abnormal Income	2,954.46	0.00
Boosting Cash Flow for Employer	13,165.00	0.00
Job Keeper	36,000.00	0.00
Member Bequests	<u>42,179.08</u>	<u>0.00</u>
Total Other Income	<u>94,298.54</u>	<u>0.00</u>
Net Other Income	<u>94,298.54</u>	<u>0.00</u>
Net Surplus	<u><u>188,679.04</u></u>	<u><u>94,851.90</u></u>

Queensland Stoma Association Ltd Balance Sheet as at 30 June, 2020

	<u>Jun 30, 20</u>	<u>Jun 30, 19</u>
ASSETS		
Current Assets		
Chequing/Savings		
Building Fund Investment A/C	59,337.02	608,647.75
Gift Fund - 10045781	45,073.67	47,726.52
Operating A/C 10021069	1,103,792.05	450,446.26
Reception Float	100.00	100.00
Total Chequing/Savings	<u>1,208,302.74</u>	<u>1,106,920.53</u>
Accounts Receivable		
Accounts Receivable	699,830.74	722,493.69
Total Accounts Receivable	<u>699,830.74</u>	<u>722,493.69</u>
Other Current Assets		
Deposit ACSA 2021 QLD		
Conference	909.10	0.00
SAMSON User Group payments	0.00	1,000.00
Stock on Hand	360,329.47	202,793.67
Total Other Current Assets	<u>361,238.57</u>	<u>203,793.67</u>
Total Current Assets	2,269,372.05	2,033,207.89
Fixed Assets		
Unit 1/10 Valente Close		
Computer Hardware		
At Cost	6,829.00	6,829.00
Depreciation	-6,829.00	-6,829.00
Total Computer Hardware	<u>0.00</u>	<u>0.00</u>
Fitout		
Cost	141,286.00	141,286.00
Depreciation	-84,771.60	-70,643.00
Total Fitout	<u>56,514.40</u>	<u>70,643.00</u>
Furniture and Fixtures		
Cost	9,648.34	9,648.34
Depreciation	-5,788.98	-4,824.15
Total Furniture and Fixtures	<u>3,859.36</u>	<u>4,824.19</u>
Land and Building at cost 1/10		
Cost	1,350,000.00	1,350,000.00
Depreciation	-139,500.00	-116,250.00
Total Land and Building at cost 1/10	<u>1,210,500.00</u>	<u>1,233,750.00</u>
Telephone Equipment		
Cost	3,326.00	3,326.00
Depreciation	-3,326.00	-3,326.00
Total Telephone Equipment	<u>0.00</u>	<u>0.00</u>

Total Unit 1/10 Valente Close	1,270,873.76	1,309,217.19
Unit 4/10 Valente Close		
Automatic Sliding Door		
Cost	0.00	5,550.00
Depreciation	0.00	-5,550.00
Total Automatic Sliding Door	0.00	0.00
Equipment inc Aircon		
Cost	5,872.00	5,872.00
Depreciation	-3,816.80	-3,229.60
Total Equipment inc Aircon	2,055.20	2,642.40
Land and Building At Cost 4/10		
Cost	290,000.00	290,000.00
Depreciation	-132,000.00	-126,000.00
Total Land and Building At Cost 4/10	158,000.00	164,000.00
Mezzanine 2 & Reception Redevel		
Cost	128,668.75	128,668.75
Depreciation	-57,471.97	-52,325.22
Total Mezzanine 2 & Reception Redevel	71,196.78	76,343.53
Total Unit 4/10 Valente Close	231,251.98	242,985.93
Total Fixed Assets	1,502,125.74	1,552,203.12
TOTAL ASSETS	3,771,497.79	3,585,411.01
LIABILITIES		
Current Liabilities		
Accounts Payable		
Accounts Payable	517,689.38	501,894.49
Total Accounts Payable	517,689.38	501,894.49
Other Current Liabilities		
Bond held for Unit 4/10 Valente Fees in Advance	1,700.00	1,700.00
Prepaid Membership fees	71,820.00	95,301.00
Total Fees in Advance	71,820.00	95,301.00
Rent Paid in Advance Unit 4A	7,000.00	7,000.00
Superannuation Sal Sac	0.00	1,137.50
Superannuation Guarantee	3.07	3,242.39
Tax Payable - GST	7,529.12	9,076.64
Tax Payable - PAYG	11,542.48	7,786.21
Total Other Current Liabilities	99,594.67	125,243.74
Total Current Liabilities	617,284.05	627,138.23

Long Term Liabilities		
Provision for Long Service Leav	35,263.28	28,001.36
Total Long Term Liabilities	<u>35,263.28</u>	<u>28,001.36</u>
TOTAL LIABILITIES	<u>652,547.33</u>	<u>655,139.59</u>
NET ASSETS	<u>3,118,950.46</u>	<u>2,930,271.42</u>
EQUITY		
Opening Balance	2,930,271.42	2,835,419.52
Net Income	<u>188,679.04</u>	<u>94,851.90</u>
TOTAL EQUITY	<u>3,118,950.46</u>	<u>2,930,271.42</u>

DIRECTORS REPORT

The Directors of Queensland Stoma Association Ltd present their report together with the financial statements for the financial year ended 30 June 2020.

DIRECTORS

The names of Board members throughout the year and at the date of this report unless otherwise stated are:

Gerald Barry AM Chairperson

David Munro Director

Geoffrey Melton Director

Verda McMahon Director

Jenny Spencer Director

The Board Members as stated were appointed in the Queensland Stoma Association Ltd establishment documents which took effect on 1 July, 2019 following the transition from Queensland Stoma Association Inc. (the Incorporated Association) to Queensland Stoma Association Ltd (a Company Limited by Guarantee).

CHANGE OF STRUCTURE AND NAME

On 1 July 2019, the entity known as Queensland Stoma Association changed its structure from an Incorporated Association to a Company a Limited by Guarantee. The change in structure was passed by a special resolution of the members of Queensland Stoma Association Inc at a special general meeting of members held on 30th March 2019.

PRINCIPAL ACTIVITIES

Queensland Stoma Association Ltd is a not for profit Company Limited by Guarantee providing support to members who have undergone surgery resulting in a Colostomy, Ileostomy, Urostomy / Ileal Conduit or other external pouch procedure. The principal activity of the association during the financial year ended 30 June 2020 was to supply ostomy products on behalf of the Commonwealth Government to members. The cost of ostomy products distributed to members is reimbursed by the Commonwealth Government through the Stoma Appliance Scheme. No significant change in this activity occurred during the year.

OBJECTIVES

The key objectives of Queensland Stoma Association Ltd are:

Short term objectives

- To promote the general wellbeing of persons who live with a stoma
- To maintain a Board, staff and volunteers trained and capable of meeting the ostomy support needs of members including the distribution of ostomy products to those members through the Stoma Appliance Scheme

Long term objectives:

- To help people living with a stoma to return to a normal quality of life and to provide information, encouragement, and support concerning all aspects of stoma care.
- To be sustainable and to strive for continuous improvement so that the association can deliver the best possible outcomes for members and others requiring stoma related assistance.

Strategies for achieving short and long term objectives

- Queensland Stoma Association Ltd is committed to attracting and retaining quality staff and volunteers who have an interest in working with people in need. The success of this strategy is evidenced by low staff turnover and consistent growth in membership.
- Queensland Stoma Association Ltd staff and volunteers make every effort to meet standards of best practice and to provide clear expectations of professional accountabilities and responsibilities to all stakeholders.
- Queensland Stoma Association Ltd has acquired and maintains suitable premises, and has applied appropriate financial modelling towards long term viability with capacity for growth.

OPERATING RESULTS

The surplus from activities was \$188,679 being the surplus from ordinary activities of \$94,380 (including net rent from Unit 4 of \$57,336.65) and extraordinary revenue from bequests, grants and government assistance of \$94,298.

No income tax is payable by Queensland Stoma Association Ltd.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

No significant changes in the Company's state of affairs occurred during the financial year.

MEETINGS OF DIRECTORS

During the financial year ended 30 June 2020, 9 meetings of directors were held. Attendances by each director were as follows:

	Number eligible to attend	Number attended
Gerald Barry	9	9
David Munro	9	9
Geoffrey Melton	9	9
Verda McMahon	9	8
Jenny Spencer	9	9

DIRECTORS BENEFITS

No Director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the association with a Director, a firm of which a Director is a member, or an entity in which a Director has a substantial financial interest.

MEMBERS LIABILITY

Queensland Stoma Association Ltd is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$5 each towards meeting any outstanding obligations of the entity. At 30 June 2020, the total amount that members of the company are liable to contribute if the company is wound-up is \$131/88,625.

VALUE OF VOLUNTEERS, DONATIONS AND PRO-BONO BENEFITS

The Board would like to formally acknowledge the value that is attributable to those persons who are involved in assisting the association to meet its objectives, and to express that value in dollar terms.

During the period under review these can be classified as follows;

Estimated volunteer services	\$192,500
Donations and Bequests	\$56,197
Total	\$248,697

The Board, on behalf of all members, expresses a deep gratitude for the generosity of our volunteers and donors.

GOING CONCERN

This financial report has been prepared on a going concern basis which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The ability of the association to continue to operate as a going concern is dependent upon the ability of the association to generate sufficient cash flows from operations to meet its liabilities. The Directors of Queensland Stoma Association Ltd believe that the going concern assumption is appropriate.

AUDITORS INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration as required under s.60-40 of the Australian Charities and Not-for-profits Commission Act 2012 is included on page 31 of this financial report.

Signed on behalf the Directors of the Board



Gerald A Barry AM
Chairperson

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR
THE YEAR ENDED 30 JUNE 2020

	Note	2020	2019
		\$	\$
Revenue	5	890,147	700,449
Cost of goods sold	6	<u>27,616</u>	<u>32,063</u>
Gross Surplus		862,531	668,386
Employee Benefits Expense		332,117	282,946
Depreciation and Amortisation Expense		50,077	50,077
Finance Costs		-	-
Freight and Cartage		147,447	115,475
Other operating expenses		<u>144,211</u>	<u>125,036</u>
Surplus before income tax	7	<u>188,679</u>	<u>94,852</u>
Income Tax expense		<u>-</u>	<u>-</u>
Surplus/ (Loss) for the year		<u>188,679</u>	<u>94,852</u>
Other comprehensive income for the year, net of tax		<u>-</u>	<u>-</u>
Total comprehensive income/ (loss) for the year		<u><u>188,679</u></u>	<u><u>94,852</u></u>

This statement should be read in conjunction with the notes to the financial accounts

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	Note	2020 \$	2019 \$
CURRENT ASSETS			
Cash and cash equivalents	8	1,208,303	1,106,920
Trade and other receivables	9	699,830	722,494
Inventories	10	360,329	202,794
Other current assets	11	909	1,000
TOTAL CURRENT ASSETS		2,269,371	2,033,208
NON-CURRENT ASSETS			
Property, plant and equipment	12	1,502,126	1,552,203
TOTAL NON-CURRENT ASSETS		1,502,126	1,552,203
TOTAL ASSETS		3,771,497	3,585,411
CURRENT LIABILITIES			
Trade and other payables	13	517,689	501,894
Other current liabilities	14	99,595	125,244
TOTAL CURRENT LIABILITIES		617,284	627,138
NON CURRENT LIABILITIES			
Provisions	15	35,263	28,001
TOTAL NON CURRENT LIABILITIES		35,263	28,001
TOTAL LIABILITIES		652,547	655,139
NET ASSETS		3,118,950	2,930,271
EQUITY			
Reserves		-	-
Retained earnings		3,118,950	2,930,271
TOTAL EQUITY		3,118,950	2,930,271

This statement should be read in conjunction with the notes to the financial statements

STATEMENT OF CHANGES IN EQUITY FOR THE TWO YEARS ENDED 30 JUNE 2020

	Reserves	Retained Earnings	Total
	\$	\$	\$
Balance at 1 July 2018	-	2,835,419	2,835,419
Surplus/(Loss) for the year	-	94,852	94,852
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	<u>94,582</u>	<u>94,582</u>
Balance at 30 June 2019	-	2,930,271	2,930,271
Balance at 1 July 2019	-	2,930,271	2,930,271
Surplus/(Loss) for the year	-	188,679	188,679
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	<u>188,679</u>	<u>188,679</u>
Balance at 30 June 2020	<u>-</u>	<u>3,118,950</u>	<u>3,119,950</u>

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020

CASH FLOW	2020	2019
	\$	\$
Receipts from members and sundry activities	889,434	698,647
Interest received	712	1,802
SAS Reimbursements from Services Australia	8,393,069	7,693,745
Payments	<u>(9,044,460)</u>	<u>(8,249,265)</u>
Net cash provided by operating activities	238,755	144,929
(Increase)/Decrease in Debtors	22,754	(30,803)
(Increase)/Decrease in inventory	(157,535)	108,978
Increase/(decrease) in Creditors	(2,591)	(129,495)
Payments for property, plant and equipment	<u>-</u>	<u>-</u>
Net increase/(decrease) in cash held	101,383	93,609
Cash and cash equivalents at beginning of financial year	<u>1,106,920</u>	<u>1,013,311</u>
Cash and cash equivalents at end of financial year	<u>1,208,303</u>	<u>1,106,920</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

This financial report covers Queensland Stoma Association Ltd as an individual entity. Queensland Stoma Association Ltd is a not-for-profit Company, registered and domiciled in Australia.

The principal activity of the Company for the year ended 30 June 2020 was to purchase ostomy products on behalf of the Commonwealth Government, to distribute purchased ostomy products to members, and to seek reimbursement for the cost of distributed products from the Commonwealth Government through the Stoma Appliance Scheme.

The functional and presentation currency of Queensland Stoma Association Ltd is Australian Dollars. Comparatives are consistent with prior years, unless otherwise stated.

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 the financial statements who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs. These special purpose financial statements have been prepared to meet the reporting requirements of the Australian Charities and Not-for-profits Commission Act 2012 and *Australian Accounting Standards First-time Adoption of Australian Accounting Standard AASB1, Australian Accounting Standards Application of Tiers of Australian Accounting Standards AASB 1053, Australian Accounting Standards Simplified Disclosures for For-Profit and Not-For-Profit Tier 2 Entities AASB 1060* and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial statements have been prepared on an accruals basis and are based on historic costs and do not take into account changing money values or, except where stated specifically, current valuations of non-current assets. The amounts presented in the financial statements have been rounded to the nearest dollar

The financial statements for the financial year 1 July 2019 to 30 June 2020 were approved and authorised for issue by the Board of Queensland Stoma Association Ltd on **31 August 2020**.

2. Changes in Accounting Policies

Effective 1 July, 2019 Queensland Stoma Association Ltd changed structure from an Incorporated Association to a Company Limited by Guarantee. The company adopted the following Australian Accounting Standards applicable to a company limited by guarantee from the commencement of trading as a company, having previously applied general accepted accounting principles for the incorporated association.

It is the opinion of those charged with Governance, that the change in accounting policy has not had a material impact on the company's financial position, financial performance, or cash flow.

a. Revenue from Contracts with Customers - Adoption of AASB 15

The Company has adopted AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities for the first time in the current year with a date of initial application of 1 July 2019.

The Company has applied AASB 15 and AASB 1058 using the cumulative effect method which means the comparative information has not been restated and continues to be reported under AASB 111, AASB 118, AASB 1004 and related interpretations. All adjustments on adoption of AASB 15 and AASB 1058 have been taken to retained earnings at 1 July 2019.

The Company has determined that there are no significant changes to the way revenue is currently been recognised. Therefore, no significant changes are been made to the books and processes. However, it is noted that there may be some changes to certain disclosures which are required under the new accounting standards.

3. Summary of Accounting Policies

(a) Revenue and other income

For comparative year

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.

Sale of goods

Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

Grant revenue

Grant revenue is recognised in the statement of profit or loss and other comprehensive income when the Company obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

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

Revenue from contracts with customers

For current year

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 service 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.

Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Company are:

a. Annual Subscriptions

Annual subscriptions paid by members are recognised in the financial year for which the subscription relates. Payments of annual subscriptions made in a financial year prior to the financial year for which the subscription relates are carried forward as a liability to the association until the beginning of the financial year for which the annual subscription was paid.

b. Donations and bequests

Donations and bequests are recognised at the time they are received.

c. Interest

Interest revenue is recognised when it is received.

d. Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

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

(b) Cash and cash equivalents

Cash on hand and in banks and short-term deposits are stated at nominal value. For the purposes of the statement of cash flows, cash consists of cash at bank and investments which can readily be converted into cash. Queensland Stoma Association Ltd had no bank overdrafts at 30 June 2020 and 30 June, 2019.

(c) Cost of goods sold

Cost of goods sold are reported net of payments received from Services Australia for the reimbursement of products purchased on the Commonwealth Governments behalf for distribution through the Stoma Appliance Scheme (SAS reimbursements).

(d) Employee Benefits

All employees have elected to be paid on a part time casual basis and are paid at a rate which includes an allowance for annual leave and sick leave which they would otherwise be entitled to receive as a permanent employee under the National Employment Standards. Accordingly no provision has been made for future liability for these items.

Provision for long service leave is made from the commencement of employment and adjusted each year to the present value of the liability. The provision is adjusted back in the event that an employee leaves before any liability arises under legislation.

Association employees have the option of taking advantage of the Fringe Benefits exemption available to employees of Public Benevolent Institutions endorsed by the ATO. Five employees have negotiated a remuneration package in accordance with this arrangement and the association does not have any associated tax liability.

Contributions are made by the association to an employee's nominated superannuation fund and are charged as expenses when incurred.

(e) Income Tax

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

(f) 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.

(d) Inventories

Inventories are measured at the lower of cost and net realisable value. Inventories acquired at no cost or for nominal consideration are measured at the current replacement cost as at date of acquisition

(e) 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).

i. 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
- fair value through profit or loss - FVTPL (Not applicable to entity)

- fair value through other comprehensive income - equity instrument (FVOCI - equity) (Not applicable to entity)
- fair value through other comprehensive income - debt investments (FVOCI - debt) (Not applicable to entity)

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 statement of financial position.

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.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost
- debt investments measured at FVOCI (Not applicable to entity)

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

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.

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.

ii. 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 payables.

(f) Impairment of non-financial assets

At the end of each reporting period the Company determines whether there is evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

4. Critical Accounting Estimates and Judgments

The preparation of the financial statements requires the Board and association management to make judgements, estimates and assumptions that effect the reported amounts in the financial statements. The Board and association management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Judgements, estimates and assumptions are based on historical experience and on other various factors, including expenses of future events that are believed to be reasonable under the circumstances.

The judgements estimate and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

a. Employee benefits provision

The liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the liability. Estimates of attrition rates and pay increases through inflation have been considered.

b. Estimation of useful lives of assets

The Board determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated, or when the asset becomes technically obsolete or when non-strategic assets that have been abandoned or sold are written off or written down.

c. Economic Dependence

The association is dependent on the Department of Health (DHS) through Services Australia for much of the operating revenue used to operate its activity. At the date of this report the Board has no reason to believe that this dependence is at risk or likely to change significantly.

The association is also dependant on lease arrangements with tenants of Unit 4/10 Valente Close, Chermside for some of its operating revenue. The lease for Unit 4A is for a term of five years commencing 1 May, 2020. The lease of unit 4A is registered on the title. The lease of Unit 4B is an unregistered lease for two years commencing on 23 February, 2020. The Board has no reason to believe that this dependency is at risk or likely to change significantly, other than the fact that rental of premises is inherently subject to the possible loss of a tenant and a potential period of vacancy.

5. Revenue and other income

	2020	2019
	\$	\$
Revenue from contracts with customers (AASB 15)		
Sales	48,640	33,809
Revenue recognised on receipt (not enforceable or no sufficiently specific performance obligations - AASB 1058)		

Annual subscriptions	219,451	198,330
Cartage Income	207,929	172,605
Bank Interest	712	1,802
Donations	14,018	6,982
Rental Income	63,967	65,147
SAS Handling Fee	230,809	211,582
Other income	<u>104,621</u>	<u>10,192</u>
Total revenue	<u>890,147</u>	<u>700,449</u>

6. Cost of Goods Sold

	2020	2019
	\$	\$
Opening Stock	202,794	311,772
Purchases including SAS products	8,576,202	7,613,886
SAS reimbursements	(8,393,069)	(7,693,745)
Other purchases	2,018	2,944
Closing stock	<u>(360,329)</u>	<u>(202,794)</u>
Cost of Sales	<u>27,616</u>	<u>32,063</u>

7. Result for the Year

The surplus for the year includes the following specific expenses:

	2020	2019
	\$	\$
Employee Benefit Expense	332,117	282,946
Depreciation	50,077	50,077

8. Cash and Cash equivalents

	2020	2019
	\$	\$
Building Fund Investment A/C	59,337	608,648
Gift Fund Account	45,074	47,726
Operating Account	1,103,792	450,446
Float	<u>100</u>	<u>100</u>
Total Cash and Cash Equivalents	<u>1,208,303</u>	<u>1,106,920</u>

9. Trade and other receivables

	2020	2019
	\$	\$
CURRENT		
Accounts Receivable	<u>699,830</u>	<u>722,494</u>
Total Trade and other receivable	<u>699,830</u>	<u>722,494</u>

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

10. Inventories

	2020	2019
	\$	\$
CURRENT		
Goods held at cost	<u>360,329</u>	<u>202,794</u>
Total Inventories	<u>360,329</u>	<u>202,794</u>

Write downs of inventories to net realisable value during the year were \$ NIL (2019: \$ NIL).

11. Other current assets

	2020	2019
	\$	\$
Other current assets	<u>909</u>	<u>1,000</u>
Total other current Assets	<u>909</u>	<u>1,000</u>

Reconciliation of Current Assets

Reconciliation of other current assets at the beginning and end of the current financial year are set out below:

Opening Balance at 1 July 2019	\$
SAMSON User Group Prepayments	1,000
19/02/2020 Deposit for 2021 ACSA Conference	909

	1,909
30/6/2020 SAMSON User Group – write back to profit and loss	-1,000
Closing balance 30 June 2020	909

12. Property, plant and equipment

	2020	2019
	\$	\$
Freehold Land and Buildings		
Unit 1/10 Valente Close		
At Cost	1,491,286	1,491,286
Accumulated Depreciation	-224,272	-186,893
	<u>1,267,014</u>	<u>1,304,393</u>
Unit 4/10 Valente Close		
At Cost	418,669	418,669
Accumulated Depreciation	-189,472	-178,325
	<u>229,197</u>	<u>240,344</u>
Total Freehold Land and Buildings	1,496,211	1,544,737
Plant and Equipment		
Unit 1/10 Valente Close		
At cost	19,803	19,803
Accumulated Depreciation	-15,944	-14,979
	<u>3,859</u>	<u>4,824</u>
Unit 4/10 Valente Close		
At cost	5,872	11,422
Accumulated Depreciation	-3,817	-8780
	<u>2,055</u>	<u>2,642</u>
Total plant and equipment	5,914	7,466
Total Property Plant and Equipment	<u>1,502,125</u>	<u>1,522,203</u>

Movement in carrying amounts of Property Plant and Equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Freehold land and buildings	Plant and Equipment	Total
	\$	\$	\$
Opening balance at 1/7/2019			
At cost	1,909,955	31,225	1,941,180
Additions			

Disposals

Unit 4 Automatic sliding door		(5,550)	(5,550)
Total	1,909,955	25,675	1,935,630
Less Accumulated depreciation to 30/6/2019	(365,218)	(23,759)	(388,977)
Add back assets disposed		5,550	5,550
Less Depreciation expense 1/7/2019 to 30/6/2020	<u>(48,526)</u>	<u>(1,552)</u>	<u>(50,078)</u>
Balance at end of year	1,496,211	5,914	1,502,125

13. Trade and Other payables

	2020	2019
	\$	\$
CURRENT		
Trade Creditors	<u>517,689</u>	<u>501,894</u>
Total trade and other payables	<u>517,689</u>	<u>501,894</u>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

14. Other current liabilities

	2020	2019
	\$	\$
Bond held for Unit 4B/10 Valente	1,700	1,700
Prepaid Membership fees	71,820	95,301
Rent Paid in Advance Unit 4A (2 months)	7,000	7,000
Superannuation Payable	3	4,380
GST Payable	7,529	9,077
PAYG Payable	<u>11,543</u>	<u>7,786</u>
Total Trade and other payables	<u>99,595</u>	<u>125,244</u>

15. Provisions

	2020	2019
	\$	\$
Provision for Long Service Leave	<u>35,263</u>	<u>28,001</u>
Total Provisions	<u>35,263</u>	<u>28,001</u>

16. Members' Guarantee

The Company is incorporated under the Australian Charities and Not-for-profits Commission Act 2012 and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$5 each towards meeting any outstanding and obligations of the Company. At 30 June 2020, the number of members was 3,725.

17. Auditors remuneration

	2020	2019
	\$	\$
Remuneration of the Auditor		
-auditing or reviewing the financial statement	800	855

18. Contingencies

In the opinion of those charged with governance, the Company did not have any contingencies at 30 June 2020 (30 June 2019: None).

19. Events after the reporting period

The Company evaluates its financial year ended 30 June 2020 for subsequent events through to the date of issuance of the financial report. As a result of the spread of the Coronavirus (COVID-19), COVID-19 has had a direct financial and operational impact on the Entity's normal business activities.

The Entity has considered the impact of the outbreak, however, as of the date of issuance of the financial report, it is not possible to accurately determine the nature or extent of the impacts or the time over which the entity will be impacted. Based on the current available information, the Board believe that the entity will remain a going concern.

20. Key management personnel compensation

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel.

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

	2020	2019
	\$	\$
Short term employee benefits	105,899	86,902
Lease Management Reimbursement Expense	3,120	3,120
Total Key Personnel compensation	109,019	90,022

21. Other related party transactions

AASB 124 Related Party Disclosures describes a related party as a person or entity that is related to the entity that is preparing its financial statements. A person or a close member of that person's family is related to a reporting entity if that person:

- (i) has control or joint control of the reporting entity;
- (ii) has significant influence over the reporting entity; or
- (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged. In considering each possible related party relationship, attention has been directed to the substance of the relationship and not merely the legal form.

During the year ended 30 June, 2020 Queensland Stoma Association Ltd had the following related party transactions as described below.

Goods and Services

During the year, Queensland Stoma Association Ltd engaged the services of an electrical contractor and a handyman, both of whom were related to key personnel. The amounts of \$1,339 and \$737 were billed for services rendered, and were fully paid at the reporting date.

Professional Services

Queensland Stoma Association also engaged the services of an insurance brokerage firm, an employee of whom is related to key personnel. Total brokerage fees of \$102 were paid to the broker for services rendered during the year and were fully paid at the reporting date.

Employee Benefits

One employee of Queensland Stoma Association Ltd is a close family member of key personnel. During the year ended 30 June 2020 the employee received total employee benefits of \$37,603. The conditions of employment for the employee are no more favourable than other association employees.

Transactions between related parties are on normal commercial terms and conditions no more favourable to those available to other persons unless otherwise stated.

Compensation is inclusive of GST where applicable.

22. Financial Risk Management

The association financial instruments consist mainly of deposits with banks, accounts receivable and accounts payable.

The carrying amounts for each category of financial instruments, measured in accordance with *AASB 139 Financial Instruments* are as follows:

2020

2019

	\$	\$
Financial assets		
Cash and cash equivalents	1,208,303	1,106,920
Trade and other receivables	<u>699,830</u>	<u>722,494</u>
Total Financial Assets	1,908,133	1,829,414
Financial liabilities		
Financial liabilities at invoiced cost:		
Trade and other payables	<u>517,689</u>	<u>501,894</u>
Total financial liabilities	517,689	501,894

23. Statutory Information

The registered office and principal place of business of Queensland Stoma Association Ltd is:

Unit 1, 10 Valente Close,
Chermside QLD 4032, Australia.

Directors Declaration

The Directors of Queensland Stoma Association Ltd declare that, in the director's opinion:

1. The financial statements and notes as set out in pages 12 to 26 are in accordance with the *Australian Charities and Not for Profit Commission Act 2012* and:
 - a) Comply with the Australian Accounting Standards - First-time Adoption of Australian Accounting Standard AASB1;
 - b) Give a true and fair view of the financial position of the company as at 30 June 2020 and of its performance for the year ended on that date.
2. 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 signed in accordance with subsection 60.15 (2) of the *Australian Charities and Not for Profit Commission Regulation 2013*.



Gerald A Barry
Director



Geoffrey K Melton
Director

Dated this 3rd day of September, 2020

Auditor's Declaration of Independence

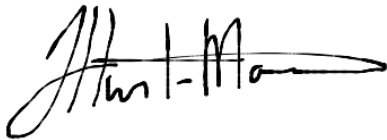
To the directors of Queensland Stoma Association Limited

In relation to our audit of Queensland Stoma Association Limited for the year ended 30 June 2020, we declare that, to the best of our knowledge, there have been:

- (a) no contravention of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contravention of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Queensland Stoma Association Limited

Leddy's & Associates Pty Ltd

A handwritten signature in black ink, appearing to read 'Jonathon Hunt-Mason', with a long horizontal flourish extending to the right.

Jonathon Hunt-Mason, CPA 9890220

31st August 2020

Independent Auditors Review Report

Report on the Financial Report

I have reviewed the accompanying financial report, being a special purpose financial report of Queensland Stoma Association Ltd which comprises the statement of financial position as at 30 June 2020 the statement of profit and loss and other comprehensive income, statements of financial position, statement of changes in equity and statement of cash flows for the year 30 June 2020 ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the responsible entities declaration.

Responsible Entities' Responsibility for the Financial Report

The responsible entities of the registered entity 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 1.2 to the financial report is appropriate to meet the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the needs of the members.

The responsible entities' responsibility also includes such internal control that 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.

Auditor's Responsibility

My responsibility is to express a conclusion on the financial report based on my review. I conducted my review in accordance with Auditing Standard on Review Engagements ASRE 2415 *Review of a Financial Report: Company Limited by Guarantee or an Entity Reporting under the ACNC Act or Other Applicable Legislation or Regulation*, in order to state whether, on the basis of the procedures described, anything has come to my attention that causes me to believe that the financial report does not satisfy the requirements of Division 60 of the ACNC Act including: giving a true and fair view of the registered entity's financial position as at 30 June 2020 and its performance for the year 30 June 2020 ended on that date; and complying with the Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Regulation 2013* (ACNC Regulation). ASRE 2415 requires that I comply with the ethical requirements relevant to the review of the financial report.

A review of a financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

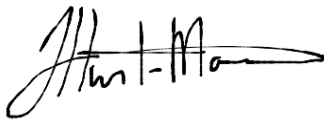
Conclusion

Based on my review, which is not an audit, nothing has come to my attention that causes me to believe that the financial report of Queensland Stoma Association Ltd does not satisfy the requirements of Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* including:

- (a) giving a true and fair view of the registered entity's financial position as at 30 June 2020 and of its financial performance and cash flows for the year 30 June 2020 ended on that date; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1.4, and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis of Accounting

Without modifying my conclusion, I draw attention to Note 1.2 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the responsible entities' financial reporting responsibilities under the ACNC Act. As a result, the financial report may not be suitable for another purpose.



Jonathon Hunt-Mason, CPA 9890220

31st August 2020

3/78 Basnett Street, Chermside West, QLD, 4032