



Queensland
Stoma Association

• ABN 82 438 903 230

QUEENSLAND STOMA ASSOCIATION LTD

FINANCIAL REPORT

For the year ended 30 June 2021

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Profit and Loss Report – 1 July 2020 to 30 June 2021

Profit and Loss**Queensland Stoma Association Ltd
For the year ended 30 June 2021**

| | 2021 | 2020 |
|---------------------------------|-------------------|-------------------|
| Trading Income | | |
| Credit Card Fee | 5,310.78 | 6,075.94 |
| Donations | 16,786.64 | 14,018.36 |
| Invoicing Fee | 1,317.21 | 1,355.91 |
| Membership fees | 205,974.76 | 219,451.53 |
| Postage/Packaging/Handling | 256,026.13 | 207,929.40 |
| Refunds- Bank, Tax, Misc | 1,599.15 | 2,887.63 |
| Rental Income | | |
| Rental Income Unit 4A | 53,341.34 | 38,977.74 |
| Rental of Mezzanine 4B | 27,568.78 | 24,989.76 |
| Total Rental Income | 80,910.12 | 63,967.50 |
| Sales | | |
| Appliances sold | 28,262.56 | 35,332.57 |
| NDIS Sales | 43,709.87 | 6,153.73 |
| Non-listed Items | 3,729.17 | 7,153.78 |
| Total Sales | 75,701.60 | 48,640.08 |
| SAS Handling Fee | 252,737.30 | 230,809.37 |
| Total Trading Income | 896,363.69 | 795,135.72 |
| Cost of Sales | | |
| Opening Stock | 360,329.47 | 202,793.67 |
| Appliances purchased (incl SAS) | 9,063,768.68 | 8,576,202.56 |
| Appliances reimbursed SAS | (9,190,196.87) | (8,393,068.82) |
| Non-listed Items | 1,471.60 | 2,017.93 |
| Reduced by closing stock | (187,004.59) | (360,329.47) |
| Total Cost of Sales | 48,368.29 | 27,615.87 |
| Gross Profit | 847,995.40 | 767,519.85 |
| Operating Expenses | | |
| A.C.S.A Affiliation | 11,230.80 | 6,834.60 |
| A.C.S.A Conferences | - | 1,345.19 |
| Administrative expenses | 6,250.00 | - |
| Allowances - First Aid | 451.83 | 432.27 |
| Audit Fees | 1,000.00 | 800.00 |
| Bank Charges | 466.72 | 341.67 |
| Body Corporate Unit 1 | 10,200.00 | 12,860.00 |
| Cleaning | 8,287.35 | 2,096.34 |
| Computer - Maint and Software | 14,008.63 | 20,228.80 |
| Computer -Purchase Equipment | - | 80.91 |
| Credit Card Merchant Fees | 4,135.45 | 4,583.44 |
| Depreciation | 50,077.38 | 50,077.38 |

Profit and Loss

| | 2021 | 2020 |
|--|-------------------|-------------------|
| Electricity | 6,722.40 | 6,692.01 |
| Employment Expenses | | |
| Employee Expenses-other | 90,221.40 | 85,553.23 |
| Long Service Leave | 5,301.39 | 7,261.92 |
| Superannuation Guarantee | 22,589.10 | 20,078.05 |
| Wages Expenses | 233,950.55 | 218,791.99 |
| Total Employment Expenses | 352,062.44 | 331,685.19 |
| Equipment Purchase | 13,519.59 | 1,251.64 |
| Eway Fees | 2,937.51 | 219.69 |
| Freight of Goods | 2,070.02 | 3,284.91 |
| Improvements - Non Capital | - | 7,745.45 |
| Incorporation Fees | 51.00 | 92.00 |
| Insurances | 6,541.38 | 6,794.03 |
| Internet Services | - | 318.15 |
| Miscellaneous | 4,214.57 | 4,149.35 |
| NDIS Registration | - | 888.00 |
| Office Equipment - non capital | 80.00 | 2,712.51 |
| Packaging Materials | 5,340.61 | 3,088.86 |
| Photocopier Expenses | 1,102.77 | 940.13 |
| Post Box Fee | - | 273.53 |
| Postages | 143,548.33 | 144,162.58 |
| Purchase Puppets (ODSF) | 202.18 | - |
| QLD Association Support | 76,590.91 | - |
| Rates - Unit 1 | 2,922.24 | 3,600.15 |
| Repairs & Maint - Unit 1 | 2,939.09 | 2,090.14 |
| Stationery | 4,320.33 | 5,886.68 |
| STN Study Scholarship | - | 1,500.00 |
| Stomal Therapist Services | 5,275.00 | 3,375.00 |
| Telephone/Facsimile | 3,080.13 | 4,684.03 |
| Unit 4 Outlays and Reimbursements | | |
| Body Corp - Unit 4 | 6,355.00 | 6,430.00 |
| Body Corp reimbursement - U4 | (4,264.67) | (4,064.61) |
| Electricity - Unit 4 | 6,823.20 | 7,044.21 |
| Electricity Reimbursement - U4 | (8,257.11) | (7,679.58) |
| Lease Mgr Expenses Reimburse | 2,340.00 | 3,120.00 |
| Rates - Unit 4 | 2,229.70 | 3,370.60 |
| Rates Reimbursement - U4 | (2,276.97) | (2,153.93) |
| Repairs & Maint - U4 | 1,249.09 | 1,302.27 |
| Repairs & Maint Reimburse - U4 | (1,249.09) | (1,302.28) |
| Water rates Unit 4 | 1,259.65 | 1,542.21 |
| Water Rates Unit 4 Reimburse | (1,091.47) | (978.04) |
| Total Unit 4 Outlays and Reimbursements | 3,117.33 | 6,630.85 |
| Visitors Program | - | 117.92 |
| Volunteer Refresh GST Free | 462.06 | 361.97 |

Profit and Loss

| | 2021 | 2020 |
|----------------------------------|-------------------|-------------------|
| Volunteers Expenses | 27,600.00 | 25,075.00 |
| Volunteers Refreshments | 2,276.32 | 1,644.45 |
| Water Rates- Unit 1 | 417.51 | 1,715.52 |
| Website | 4,267.24 | 470.91 |
| Worker Insurance | 3,353.82 | 2,720.52 |
| Total Operating Expenses | 781,122.94 | 673,851.77 |
| Other Income | | |
| Abnormal Income | 10,035.00 | 2,954.46 |
| Bank Interest | 212.09 | 712.42 |
| Boosting Cash Flow for Employers | 36,235.00 | 13,165.00 |
| Jobkeeper | 81,000.00 | 36,000.00 |
| Member Bequests | 14,694.50 | 42,179.08 |
| QLD Government Grant | 200,000.00 | - |
| Total Other Income | 342,176.59 | 95,010.96 |
| Net Profit | 409,049.05 | 188,679.04 |

Queensland Stoma Association Ltd Balance Sheet – 30 June 2021

Balance Sheet**Queensland Stoma Association Ltd
As at 30 June 2021**

| | 30 JUN 2021 | 30 JUN 2020 |
|---|---------------------|---------------------|
| Assets | | |
| Bank | | |
| Building Inv Acc 10302872 | 859,527.26 | 59,337.02 |
| Gift Fund - 10045781 | 40,920.52 | 45,073.67 |
| Operating A/C 10021069 | 1,001,270.33 | 1,103,792.05 |
| Total Bank | 1,901,718.11 | 1,208,202.74 |
| Current Assets | | |
| Accounts Receivable | 928,082.33 | 699,830.74 |
| ACSA 2021 QLD Conference Prepay | 909.10 | 909.10 |
| Reception Float | 100.00 | 100.00 |
| Stock on Hand | 187,004.59 | 360,329.47 |
| Undeposited cheques clearing account | 20.00 | - |
| Total Current Assets | 1,116,116.02 | 1,061,169.31 |
| Fixed Assets | | |
| Unit 1/10 Valente Close | | |
| Land and Building | | |
| Unit 1/10 Valente Close Land and Building: Cost | 1,350,000.00 | 1,350,000.00 |
| Unit 1/10 Valente Close Land and Building: Depreciation | (162,750.00) | (139,500.00) |
| Total Land and Building | 1,187,250.00 | 1,210,500.00 |
| Telephone Equipment | | |
| Telephone Equipment: Cost | 3,326.00 | 3,326.00 |
| Telephone Equipment: Depreciation | (3,326.00) | (3,326.00) |
| Total Telephone Equipment | - | - |
| Furniture and Fixtures | | |
| Furniture and Fixtures: Cost | 9,648.34 | 9,648.34 |
| Furniture and Fixtures: Depreciation | (6,753.81) | (5,788.98) |
| Total Furniture and Fixtures | 2,894.53 | 3,859.36 |
| Fitout | | |
| Fitout - Cost | 141,286.00 | 141,286.00 |
| Fitout - Depreciation | (98,900.20) | (84,771.60) |
| Total Fitout | 42,385.80 | 56,514.40 |
| Computer Hardware | | |
| Computer Hardware - Cost | 6,829.00 | 6,829.00 |
| Computer Hardware -Depreciation | (6,829.00) | (6,829.00) |
| Total Computer Hardware | - | - |
| Total Unit 1/10 Valente Close | 1,232,530.33 | 1,270,873.76 |
| Unit 4/10 Valente Close | | |
| Mezzanine | | |

Queensland Stoma Association Ltd Financial Report for the Year Ended 30 June 2021

Balance Sheet

| | 30 JUN 2021 | 30 JUN 2020 |
|---|---------------------|---------------------|
| Mezzanine 2 & Reception Redevelopment: Cost | 128,668.75 | 128,668.75 |
| Mezzanine 2 & Reception Redevelopment: Depreciation | (62,618.72) | (57,471.97) |
| Total Mezzanine | 66,050.03 | 71,196.78 |
| Land and Building | | |
| Unit 4 Land & Building: Cost | 290,000.00 | 290,000.00 |
| Unit 4 Land & Building: Depreciation | (138,000.00) | (132,000.00) |
| Total Land and Building | 152,000.00 | 158,000.00 |
| Equipment Including Airconditioning | | |
| Equipment inc Aircon Unit 4 - Cost | 5,872.00 | 5,872.00 |
| Equipment inc Aircon Unit 4 - Depreciation | (4,404.00) | (3,816.80) |
| Total Equipment Including Airconditioning | 1,468.00 | 2,055.20 |
| Total Unit 4/10 Valente Close | 219,518.03 | 231,251.98 |
| Total Fixed Assets | 1,452,048.36 | 1,502,125.74 |
| Total Assets | 4,469,882.49 | 3,771,497.79 |
| Liabilities | | |
| Current Liabilities | | |
| Accounts Payable | 737,060.68 | 517,689.38 |
| Bond held for Unit 4/10 Valente | 1,700.00 | 1,700.00 |
| GST | 8,378.54 | 7,529.12 |
| Prepaid Membership fees | 138,796.70 | 71,820.00 |
| Rent Paid in Advance Unit 4A | 7,000.00 | 7,000.00 |
| Superannuation Guarantee Payable | - | 3.07 |
| Tax Payable - PAYG | 8,382.39 | 11,542.48 |
| Total Current Liabilities | 901,318.31 | 617,284.05 |
| Non-current Liabilities | | |
| Provision for Long Service Leave | 40,564.67 | 35,263.28 |
| Total Non-current Liabilities | 40,564.67 | 35,263.28 |
| Total Liabilities | 941,882.98 | 652,547.33 |
| Net Assets | 3,527,999.51 | 3,118,950.46 |
| Equity | | |
| Current Year Earnings | 409,049.05 | 188,679.04 |
| Opening Bal Equity | 3,118,950.46 | - |
| Opening Balance | - | 2,930,271.42 |
| Total Equity | 3,527,999.51 | 3,118,950.46 |

1.

DIRECTORS REPORT

The Directors of Queensland Stoma Association Ltd present their report together with the financial statements for the financial year ended 30 June 2021.

DIRECTORS

The Directors of Queensland Stoma Association Ltd in office at any time during or since the end of the previous financial year were

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 |

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 2021 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 distributing 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 \$409,049.05 being the surplus from ordinary activities of \$66,873 (including net rent from Unit 4 of \$77,792.79) and extraordinary revenue from bequests, grants and government assistance of \$341,964.50

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 2021, 6 meetings of directors were held. Attendances by each director were as follows:

| | Number eligible to attend | Number attended |
|-----------------|---------------------------|-----------------|
| Gerald Barry | 6 | 6 |
| David Munro | 6 | 6 |
| Geoffrey Melton | 6 | 6 |
| Verda McMahon | 6 | 6 |
| Jenny Spencer | 6 | 6 |

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 \$10 each towards meeting any outstanding obligations of the entity. At 30 June 2021, the total amount that members of the company are liable to contribute if the company is wound-up is \$40,920.

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 | \$146,076 |
| Donations and Bequests | \$31,480 |
| Total | \$177,556 |

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 in page 29 of this financial report.

Signed in accordance with a resolution of 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 2021

| | Note | 2021 \$ | 2020 \$ |
|--|------|------------------------------|------------------------------|
| Revenue | 5 | 896,364 | 890,147 |
| Cost of goods sold | 6 | <u>48,368</u> | <u>27,616</u> |
| Gross Surplus | | 847,996 | 862,531 |
| Employee Benefits Expense | | 352,514 | 332,117 |
| Depreciation and Amortisation Expense | | 50,077 | 50,077 |
| Finance Costs | | - | - |
| Freight and Cartage | | 145,618 | 147,447 |
| Other operating expenses | | <u>232,914</u> | <u>144,211</u> |
| Surplus from operations before income tax | 7 | <u>66,873</u> | <u>188,679</u> |
| Income Tax expense | | <u>-</u> | <u>-</u> |
| Operating Surplus/(Loss) for the year | | <u>66,873</u> | <u>188,679</u> |
| Extraordinary receipts for the year | | <u>342,176</u> | <u>-</u> |
| Total Surplus/ (loss) for the year | | <u><u>409,049</u></u> | <u><u>188,679</u></u> |

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

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

| | Note | 2021 \$ | 2020 \$ |
|--------------------------------------|------|------------------|------------------|
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 8 | 1,901,838 | 1,208,303 |
| Trade and other receivables | 9 | 928,082 | 699,830 |
| Inventories | 10 | 187,005 | 360,329 |
| Other current assets | 11 | 909 | 909 |
| TOTAL CURRENT ASSETS | | 3,017,834 | 2,269,371 |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 12 | 1,452,048 | 1,502,126 |
| TOTAL NON-CURRENT ASSETS | | 1,452,048 | 1,502,126 |
| TOTAL ASSETS | | 4,469,882 | 3,771,497 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 13 | 737,061 | 517,689 |
| Other current liabilities | 14 | 164,257 | 99,595 |
| TOTAL CURRENT LIABILITIES | | 901,318 | 617,284 |
| NON CURRENT LIABILITIES | | | |
| Provisions | 15 | 40,565 | 35,263 |
| TOTAL NON CURRENT LIABILITIES | | 40,565 | 35,263 |
| TOTAL LIABILITIES | | 941,883 | 652,547 |
| NET ASSETS | | 3,527,999 | 3,118,950 |
| EQUITY | | | |
| Reserves | | - | - |
| Retained earnings | | 3,527,999 | 3,118,950 |
| TOTAL EQUITY | | 3,527,999 | 3,118,950 |

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 2021

| | Reserves | Retained Earnings | Total |
|---|-----------------|------------------------------|------------------|
| | \$ | \$ | \$ |
| Balance at 1 July 2019 | - | 2,930,271 | 2,930,271 |
| Surplus/(Loss) from operations for the year | - | 188,679 | 188,679 |
| Other extraordinary receipts for the year, net of tax | - | - | - |
| Total surplus for the year | - | 188,679 | 188,679 |
| Balance at 30 June 2020 | - | 3,118,950 | 3,118,950 |
| | | | |
| Balance at 1 July 2020 | - | 3,118,950 | 3,118,950 |
| Surplus/(Loss) from operations for the year | - | 66,873 | 66,873 |
| Other extraordinary receipts for the year, net of tax | - | 342,176 | 342,176 |
| Total surplus for the year | - | 409,049 | 409,049 |
| Balance at 30 June 2021 | - | 3,527,999 | 3,527,999 |

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

| CASH FLOW | 2021 | 2020 |
|---|-------------------------|-------------------------|
| | \$ | \$ |
| Receipts from members and sundry activities | 1,238,328 | 889,434 |
| Interest received | 212 | 712 |
| SAS Reimbursements from Services Australia | 9,190,197 | 8,393,069 |
| Payments | <u>(9,969,611)</u> | <u>(9,044,460)</u> |
| Net cash provided by operating activities | 459,126 | 238,755 |
| (Increase)/Decrease in Debtors | (228,251) | 22,754 |
| (Increase)/Decrease in inventory | 173,325 | (157,535) |
| Increase/(decrease) in Creditors | 289,335 | (2,591) |
| Payments for property, plant and equipment | <u>-</u> | <u>-</u> |
| Net increase/(decrease) in cash held | 693,535 | 101,383 |
| Cash and cash equivalents at beginning of financial year | <u>1,208,303</u> | <u>1,106,920</u> |
| Cash and cash equivalents at end of financial year | <u>1,901,838</u> | <u>1,208,303</u> |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

The 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 2021 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.

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

2. Changes in Accounting Policies

There has been no change in accounting policies during the financial year.

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.

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

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:

I. Donations

Donations and bequests are recognised as revenue when received.

II. Rendering of services

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period.

III. Contract assets and liabilities

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

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

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

IV. Contract cost assets

The Company recognises assets relating to the costs of obtaining a contract and the costs incurred to fulfil a contract or set up / mobilisation costs that are directly related to the contract provided they will be recovered through performance of the contract.

Costs to obtain a contract

Costs to obtain a contract are only capitalised when they are directly related to a contract and it is probable that they will be recovered in the future. Costs incurred that would have been incurred regardless of whether the contract was won are expensed, unless those costs are explicitly chargeable to the customer in any case (whether or not the contract is won).

The capitalised costs are amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates.

Set-up / mobilisation costs

Costs required to set up the contract, including mobilisation costs, are capitalised provided that it is probable that they will be recovered in the future and that they do not include expenses that would normally have been incurred by the Company if the contract had not been obtained. They are recognised as an expense on the basis of the proportion of actual output to estimated output under each contract. If the above conditions are not met, these costs are taken directly to profit or loss as incurred.

Costs to fulfil a contract

Where costs are incurred to fulfil a contract, they are accounted for under the relevant accounting standard (if appropriate), otherwise if the costs relate directly to a contract, the costs generate or enhance resources of the Company that will be used to satisfy performance obligations in the future and the costs are expected to be recovered then they are capitalised as contract costs assets and released to the profit or loss on a systematic basis consistent with the transfer to the customer of the goods or services to which the asset relates.

V. Other income

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

(b) Income Tax

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

(c) 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 acquired at no cost, or for nominal consideration are valued at the current replacement cost as at the date of acquisition, which is the deemed cost.

(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 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 assets has increased significant 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 assets 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 an 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.

(g) Cash and cash equivalents

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

4. Critical Accounting Estimates and Judgments

Those charged with governance make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

5. Revenue and other income

2021

2020

| | \$ | \$ |
|---|-----------------------|-----------------------|
| Revenue from contracts with customers (AASB 15) | | |
| Sales | 75,702 | 48,640 |
| Revenue recognised on receipt (not enforceable or no sufficiently specific performance obligations - AASB 1058) | | |
| Annual subscriptions | 205,975 | 219,451 |
| Cartage Income | 256,026 | 207,929 |
| Bank Interest | 212 | 712 |
| Donations | 16,787 | 14,018 |
| Rental Income | 80,910 | 63,967 |
| SAS Handling Fee | 252,737 | 230,809 |
| Other income | <u>8,227</u> | <u>104,621</u> |
| Total revenue | <u>896,576</u> | <u>890,147</u> |

6. Cost of Goods Sold

| | 2021 | 2020 |
|----------------------------------|----------------------|----------------------|
| | \$ | \$ |
| Opening Stock | 360,329 | 202,794 |
| Purchases including SAS products | 9,063,769 | 8,576,202 |
| SAS reimbursements | (9,190,197) | (8,393,069) |
| Other purchases | 1,472 | 2,018 |
| Closing stock | <u>(187,005)</u> | <u>(360,329)</u> |
| Cost of Sales | <u>48,368</u> | <u>27,616</u> |

7. Result for the Year

The surplus for the year includes the following specific expenses:

| | 2021 | 2020 |
|--------------------------|-------------|-------------|
| | \$ | \$ |
| Employee Benefit Expense | 352,514 | 332,117 |
| Depreciation | 50,077 | 50,077 |

8. Cash and Cash equivalents

| | 2021 | 2020 |
|------------------------------|-------------|-------------|
| | \$ | \$ |
| Building Fund Investment A/C | 859,527 | 59,337 |

| | | |
|--|-------------------------|-------------------------|
| Gift Fund Account | 40,921 | 45,074 |
| Operating Account | 1,001,270 | 1,103,792 |
| Float | 100 | 100 |
| Undeposited Funds | 20 | - |
| Total Cash and Cash Equivalents | <u>1,901,838</u> | <u>1,208,303</u> |

9. Trade and other receivables

| | 2021 | 2020 |
|---|-----------------------|-----------------------|
| | \$ | \$ |
| CURRENT | | |
| Accounts Receivable | <u>928,082</u> | <u>699,830</u> |
| Total Trade and other receivable | <u>928,082</u> | <u>699,830</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

| | 2021 | 2020 |
|--------------------------|-----------------------|-----------------------|
| | \$ | \$ |
| CURRENT | | |
| Goods held at cost | <u>187,005</u> | <u>360,329</u> |
| Total Inventories | <u>187,005</u> | <u>360,329</u> |

Write downs of inventories to net realisable value during the year were \$ NIL (2020: \$ NIL).

11. Other current assets

| | 2021 | 2020 |
|-----------------------------------|-------------------|-------------------|
| | \$ | \$ |
| Other current assets | <u>909</u> | <u>909</u> |
| Total other current Assets | <u>909</u> | <u>909</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 2020 | \$ |
| 19/02/2020 Deposit for 2021 ACSA Conference | 909 |
| | <u>909</u> |
| Closing balance 30 June 2021 | <u>909</u> |

12. Property, plant and equipment

| | 2021 | 2020 |
|---|-------------------------|-------------------------|
| | \$ | \$ |
| Freehold Land and Buildings | | |
| Unit 1/10 Valente Close | | |
| At Cost | 1,491,286 | 1,491,286 |
| Accumulated Depreciation | <u>-261,650</u> | <u>-224,272</u> |
| | 1,229,636 | 1,267,014 |
| Unit 4/10 Valente Close | | |
| At Cost | 418,669 | 418,669 |
| Accumulated Depreciation | <u>-200,619</u> | <u>-189,472</u> |
| | 218,050 | 229,197 |
| Total Freehold Land and Buildings | 1,447,686 | 1,496,211 |
| Plant and Equipment | | |
| Unit 1/10 Valente Close | | |
| At cost | 19,803 | 19,803 |
| Accumulated Depreciation | <u>-16,909</u> | <u>-15,944</u> |
| | 2,894 | 3,859 |
| Unit 4/10 Valente Close | | |
| At cost | 5,872 | 5,872 |
| Accumulated Depreciation | <u>-4,404</u> | <u>-3,817</u> |
| | 1,468 | 2,055 |
| Total plant and equipment | 4,362 | 5,917 |
| Total Property Plant and Equipment | <u>1,452,048</u> | <u>1,502,125</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 1/7/2020 | | | |
| At cost | 1,909,955 | 25,675 | 1,935,630 |
| Additions | | | |
| Disposals | | | |
| Total | 1,909,955 | 25,675 | 1,935,630 |
| Less Accumulated depreciation to 30/6/2020 | (413,744) | (19,761) | (433,505) |
| Less Depreciation expense 1/7/2020 to 30/6/2021 | <u>(48,525)</u> | <u>(1,552)</u> | <u>(50,077)</u> |
| Balance at end of year | 1,447,686 | 4,362 | 1,452,048 |

13. Trade and Other payables

| | 2021 | 2020 |
|---------------------------------------|-----------------------|-----------------------|
| | \$ | \$ |
| CURRENT | | |
| Trade Creditors | <u>737,061</u> | <u>517,689</u> |
| Total trade and other payables | <u>737,061</u> | <u>517,689</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

| | 2021 | 2020 |
|---|-----------------------|----------------------|
| | \$ | \$ |
| Bond held for Unit 4B/10 Valente | 1,700 | 1,700 |
| Prepaid Membership fees | 138,797 | 71,820 |
| Rent Paid in Advance Unit 4A (2 months) | 7,000 | 7,000 |
| Superannuation Payable | - | 3 |
| GST Payable | 8,379 | 7,529 |
| PAYG Payable | 8,382 | 11,543 |
| Total Trade and other payables | <u>164,258</u> | <u>99,595</u> |

15. Provisions

| | 2021 | 2020 |
|----------------------------------|----------------------|----------------------|
| | \$ | \$ |
| Provision for Long Service Leave | <u>40,565</u> | <u>35,263</u> |
| Total Provisions | <u>40,565</u> | <u>35,263</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 \$ 10 each towards meeting any outstanding and obligations of the Company. At 30 June 2021, the number of members was 4,092

17. Auditors remuneration

| | 2021 | 2020 |
|--|-------------|-------------|
| | \$ | \$ |
| Remuneration of the Auditor | | |
| -auditing or reviewing the financial statement | 1000 | 800 |

18. Contingencies

In the opinion of those charged with governance, the Company did not have any contingencies at 30 June 2021 (30 June 2020: None).

19. Events after the reporting period

During the course of the 2020/2021 financial year, the Department of Health through AusTender called for Expressions of Interest for the operation of the Stoma Appliance Scheme from interested parties with the view to proceeding to public tender.

Since the end of the reporting period, the Department of Health have advised that the Expression of Interest will not proceed to public tender, and that the distribution of products provided through the Stoma Appliance Scheme will remain with the Australian Stoma Associations. As a result of this decision, Queensland Stoma Association Ltd will remain an approved provider of products to members.

20. Key management person 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:

| | 2021 | 2020 |
|---|----------------|----------------|
| | \$ | \$ |
| Short term employee benefits | 94,440 | 105,899 |
| Lease Management Reimbursement Expense | 2,340 | 3,120 |
| Administration Expenses | 6,250 | |
| Total Key Personnel compensation | 103,030 | 109,019 |

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, 2021 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 who is related to key personnel. The amounts of \$1,900 was 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 \$33 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 2021 the employee received total employee benefits of \$34,531. 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:

| | 2021 | 2020 |
|-------------------------|------|------|
| | \$ | \$ |
| Financial assets | | |

| | | |
|---|------------------|------------------|
| Cash and cash equivalents | 1,901,838 | 1,208,303 |
| Trade and other receivables | <u>928,082</u> | <u>699,830</u> |
| Total Financial Assets | 2,829,920 | 1,908,133 |
| Financial liabilities | | |
| Financial liabilities at invoiced cost: | | |
| Trade and other payables | <u>737,061</u> | <u>517,689</u> |
| Total financial liabilities | 737,061 | 517,689 |

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 11 to 27 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 2021 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 11th day of September, 2021

AUDITOR'S DECLARATION OF INDEPENDENCE

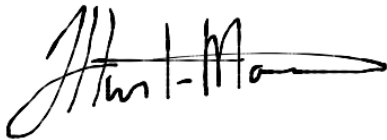
To the directors of Queensland Stoma Association Limited

In relation to our audit of Queensland Stoma Association Limited for the year ended 30 June 2021, 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

2nd September 2021

INDEPENDENT AUDITOR'S 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 2021 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 2021 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 2021 and its performance for the year 30 June 2021 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:

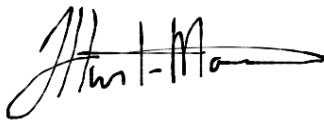
- (a) giving a true and fair view of the registered entity's financial position as at 30 June

2021 and of its financial performance and cash flows for the year 30 June 2021 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

2nd September 2021

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