



THE  
**LADY MUSGRAVE**  
TRUST

QUEENSLAND'S OLDEST  
CHARITY AND A **CHAMPION**  
**FOR HOMELESS WOMEN**

**FINANCIAL REPORT 2019**

The Lady Musgrave Trust - A Company Limited by Guarantee - ACN 010612272



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## Our Purpose

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*That Queensland's women and their children are free from homelessness – to live safe and fulfilled lives.*

## Our Vision

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## Our Core Values

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Supporting our vision and providing a cohesive identity for our stakeholder groups as follows:

1. Hope and compassion for the safety of others, especially being responsive to women in need.
2. Respect and relevance to the community is essential for the Trust to gain the recognition and support necessary for its continued growth and service to young women.
3. Collaboration wherever the Trust can gain benefits for the homeless.
4. Commitment to drive change and improvement.

## Our Role and Purpose

The Lady Musgrave Trust is committed to helping homeless women and children throughout Queensland to renew their lives. We aim to be innovative and creative as we advocate for the homeless; collaborate with the sector; and inform the community – whilst always focusing on helping to break the cycle of homelessness.

## Our Working Environment and Challenge

There are close to 10,000 women throughout Queensland impacted by homelessness at any time as a result of complex matters such as domestic violence, poverty, mental or physical issues. The homelessness sector continues to face ongoing challenges with continual policy reforms across Government. The shortage of safe accommodation for women remains a challenge, particularly as the prevalence of domestic violence increases. The key to successful progress for the Trust and communities sector is the need to be flexible, self-reliant, innovative and increasingly collaborative.

Since being established in 1885, and as Queensland's oldest charity, our priority has always been to provide accommodation and services to young women in need. Our Queensland-wide Handy Guide for Homeless Women, mobile app, and Forum have created a platform for greater participation by community and state-wide businesses in resolving the homelessness issue. This collaborative approach will ultimately lead to sustainable futures for women and a reduction on State-wide resources.

## Our Service

Every year we work hard to deliver a range of services that will improve the lives of homeless (or near homeless) women and their children through the provision of essential and often life changing accommodation, supporting services and vital information. To facilitate delivery of the Trust's mission, we focus on the following three areas:

1. Accommodating homeless young women safely and cost effectively through partnerships;
2. Empowering women across Queensland by providing them with information about vital and life-saving services available across the State.
3. Strengthening, informing and collaborating with the community and sector to help break the cycle of homelessness for all women in Queensland.

We are diligent about ensuring our sustainability – We strive to be a strong, resilient and sustainable organization that is responsive to change and can maximise its contribution to the people of Queensland.

## Our Effectiveness

We will measure the effectiveness of The Lady Musgrave Trust by the:

- » Successful implementation of our core services to clients
- » Satisfaction with our services by our clients and partners
- » Implementation of partnership activities that will sustain the future of the Trust
- » Expanded visibility and image of the Trust in the community

## Directors' Report

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### Director Details: The names of the Directors of the company in office in 2019 are:

The Directors of The Lady Musgrave Trust present this report with the financial statements of the company for the financial year ended December 31 2019. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

#### Patricia McCormack - *President*

Appointed 17.05.12

Experienced Director, Senior HR Executive in finance and IT industries and a Management Consultant currently managing her own consultancy, People Focus. Holds a Bachelor Degree from Queensland University with a major in Organisational Psychology and Industrial Relations.



#### Joy Williams - *Treasurer*

Appointed 9.2.15

Experienced executive spanning public and private sector organisations in senior financial and operational roles across a wide range of industries. Holds a Bachelor of Commerce, Graduate Diploma in Business Administration, is a Fellow of CPA Australia and a Member of both the Australian Institute of Company Directors and the Queensland Justices Association.



#### David Callaghan - *Director*

Appointed 20.8.15

Partner at Mullins Lawyers and has expertise in corporate and business advisory with a particular focus on mergers and acquisitions. Has provided advice to a number of Boards in the not-for-profit and charity sector, particular with Corporations Act and other regulatory compliance as well as risk minimisation strategies and policy.



#### Jennifer Clark - *Director*

Appointed 18.10.18

Experienced in development and management of social and affordable housing gained throughout her career in both the Queensland public sector and community organisations. A member of the Queensland Community Housing Standards and Accreditation Council, served as Queensland Director on the Board of the Australasian Housing Institute, and was a long term Director of the Monte Carlo Caravan Park.



#### Dr Louise Kelly - *Director*

Appointed 13.11.2017

Senior Lecturer at the QUT Business School and teaches and researches in the digital advertising and marketing discipline. Her research areas are social media, integrated marketing communications and privacy online. Holds a Bachelor of Business degree majoring in Marketing, a Masters degree, a Doctorate of Philosophy and is a Senior Fellow of the Higher Education Academy.



#### Belinda Carroll - *Director*

Appointed 20.06.2019

National Senior Manager of Events (Corporate Affairs) at the Suncorp Group, and more than 15 years' experience in business development, fundraising, partnership, event coordination, stakeholder engagement, and project management within both the corporate and not-for-profit sectors. Holds a degree in Sport Development and Event Management.



### Allison McKelvie – *Director*

Partner at Hall Browns Accountants and has over 25 years' experience in taxation and business services. Allison provides strategic taxation and business advice to a wide range of clients and knows that playing an active role in client's businesses and focussing on their long term goals and financial well-being is key to any client relationship. Allison holds a Bachelor of Business, is a member of the CPA's, a registered tax agent and licensed SMSF adviser. As a female in business both employing women and supporting female clients, Allison is looking forward to bringing financial skills gained in Public Practice to young women who are less fortunate.



### Mary Mealey - *Director*

Appointed 24.4.14 - Resigned 16.05.2019

Town Planner with extensive experience working in land use planning, development and housing in both government and the private sectors. Holds a Bachelor of Regional and Town Planning from UQ (1979) and a Graduate Diploma of Public Policy from UNE (1998), and is a Fellow of the Planning Institute of Australia.



### Stephanie McMahon – *Director*

Appointed 16.03.17 - Resigned 20.06.2019

Thirty years' experience in corporate strategy, brand management, stakeholder engagement and advocacy. General Manager of Stakeholder Engagement and Corporate Strategy at electricity generator and energy company, Stanwell. Holds a Bachelor of Business Communication, along with post graduate qualifications in management and marketing. A member of the Australian Institute of Company Directors.

### Louise Thorp – *Director*

Appointed 22.07. 2019. Resigned 11.11.2019

## Company Secretary and Business Advisors

### Jeannette Scott- *Company Secretary*

Appointed 21.03.18

Solicitor with over 15 years in the regulatory environment, focusing on the charity and NFP sectors, and including senior in-house counsel roles with the National Heart Foundation, and ADMA (the Association for Data-Driven Marketing and Advertising). Member of various professional bodies including ACLA (Australian Corporate Lawyers Association), GRCI (Governance Risk and Compliance Institute), and iappANZ (International Association of Privacy Professionals Australia New Zealand).



### Pixie Annat – *Business Advisor*

Resigned as Director 19.5.16. Currently Business Advisor.

Experienced Director, former Director of Nursing and CEO of St Andrews War Memorial Hospital, Former Director of TriCare Limited and former Federal President of the Royal Australian Nursing Federation.



# Directors' Report

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## Directors' Meetings

The number of Directors' meetings held during the year and the number of meetings attended by each Director were as follows:

|                    | Eligible | Attended |
|--------------------|----------|----------|
| Patricia McCormack | 7        | 7        |
| Joy Williams       | 7        | 6        |
| Jeanette Scott     | 7        | 6        |
| David Callaghan    | 7        | 6        |
| Louise Kelly       | 7        | 7        |
| Jennifer Clark     | 6        | 6        |
| Belinda Carroll    | 5        | 3        |
| Stephanie McMahon  | 3        | 2        |
| Mary Mealey        | 2        | 2        |
| Louise Thorpe      | 2        | 2        |
| Allison McKelvie   | 0        | 0        |

## Contribution to Winding Up

The Company does not have share capital and no member is entitled to participate in sharing or benefitting from the profits of the company. The liability of the members is limited to an amount which is not to exceed \$100 per member in the event the company is wound up.

## Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is included in this report and forms part of the Directors' Report.

Signed in accordance with the resolution of the Directors On behalf of the Directors



Ms Patricia McCormack  
*Brisbane, 15 May 2020*

## Directors' Declaration

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In the Directors' opinion:

1. There are reasonable grounds to believe that the company is able to pay all of its debts as and when they become due and payable, and
2. The financial statements and notes satisfy the requirements of the Australian Charities and Not-for-Profits Commission Act 2012

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

Director of the Company:



Ms Patricia McCormack  
*Brisbane, 15 May 2020*

# Statement of Financial Position

As at 31 December 2019

|                                  | Note | 2019<br>\$              | 2018<br>\$              |
|----------------------------------|------|-------------------------|-------------------------|
| <b>Current Assets</b>            |      |                         |                         |
| Cash and cash equivalents        | 3    | 1,551,805               | 1,574,619               |
| Trade and other receivables      | 4    | 38,777                  | 31,408                  |
| <b>Total Current Assets</b>      |      | <u>1,590,582</u>        | <u>1,606,027</u>        |
| <b>Non-Current Assets</b>        |      |                         |                         |
| Property Plant and Equipment     | 5    | 2,979,604               | 3,046,510               |
| <b>Total Non-current Assets</b>  |      | <u>2,979,604</u>        | <u>3,046,510</u>        |
| <b>Total Assets</b>              |      | <u>4,570,186</u>        | <u>4,652,537</u>        |
| <b>Current Liabilities</b>       |      |                         |                         |
| Trade and other Payables         | 6    | 78,318                  | 83,605                  |
| <b>Total Current Liabilities</b> |      | <u>78,318</u>           | <u>83,605</u>           |
| <b>Net Assets</b>                |      | <u><b>4,491,868</b></u> | <u><b>4,568,932</b></u> |
| <b>Equity</b>                    |      |                         |                         |
| Capital Reserves                 | 8    | 2,000,000               | 2,000,000               |
| Retained Profits                 |      | 2,491,868               | 2,568,932               |
| <b>Total Equity</b>              |      | <u>4,491,868</u>        | <u>4,568,932</u>        |

The Statement of Financial Position is to be read in conjunction with the attached notes.

# Statement of Profit or Loss and Other Comprehensive Income

For year ended 31 December 2019

|  | Note | 2019<br>\$             | 2018<br>\$             |
|--|------|------------------------|------------------------|
| <b>Revenue</b>                                 |      |                        |                        |
| Grants   | 2    | 66,778                 | 29,351                 |
| Donations and bequests                         | 2    | 82,213                 | 102,870                |
| Interest Income                                | 2    | 41,456                 | 32,371                 |
| All other income                               | 2    | 234,074                | 242,775                |
| Total revenue                                  |      | <u>424,521</u>         | <u>407,727</u>         |
| <b>Operating expenses</b>                      |      |                        |                        |
| Supported accommodation expenses               |      | 142,732                | 116,553                |
| Depreciation expense                           | 2    | 71,359                 | 68,848                 |
| Administration expenses                        |      | 251,122                | 256,012                |
| Marketing expenses                             |      | 36,372                 | 33,678                 |
| <b>Total expenses</b>                          |      | <u>501,585</u>         | <u>475,091</u>         |
| <b>Surplus/(deficit) for the period</b>        |      | <u><b>(77,064)</b></u> | <u><b>(67,364)</b></u> |
| <b>Other Comprehensive Income</b>              |      |                        |                        |
| Total other comprehensive income for the year  |      | -                      | -                      |
| <b>Total comprehensive income for the year</b> |      | <u><b>(77,064)</b></u> | <u><b>(67,364)</b></u> |

The Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the attached notes.

## Statement of Changes in Equity

### For year ended 31 December 2019

|   | Note     | 2019<br>\$       | 2018<br>\$       |
|---|----------|------------------|------------------|
| Capital Reserve                         |          |                  |                  |
| Balance as at 1 January 2019            |          | 2,000,000        | 2,000,000        |
| Movement                                |          | -                | -                |
| Balance as at 31 December 2019          | <b>8</b> | <b>2,000,000</b> | <b>2,000,000</b> |
| Retained Profits                        |          |                  |                  |
| <b>Retained Profits</b>                 |          |                  |                  |
| Balance as at 1 January 2019            |          | 2,568,932        | 2,636,296        |
| Deficit for the year                    |          | (77,064)         | (67,364)         |
| Other comprehensive income for the year |          | -                | -                |
| Total Comprehensive Income              |          | (77,064)         | (67,364)         |
| Balance as at 31 December 2019          |          | 2,491,868        | 2,568,932        |
| <b>Total</b>                            |          | <b>4,491,868</b> | <b>4,568,932</b> |

The Statement of Changes in Equity is to be read in conjunction with the attached notes.

## Statement of Cash Flows

### For year ended 31 December 2019

|   | Note      | 2019<br>\$ | 2018<br>\$ |
|---|-----------|------------|------------|
| <b>Cash flows from operating activities</b>             |           |            |            |
| Receipts from members and customers                     |           | 410,790    | 391,098    |
| Interest received                                       |           | 37,344     | 26,019     |
| Payments to suppliers                                   |           | (466,495)  | (374,645)  |
| <b>Net cash provided (used) by operating activities</b> | <b>9b</b> | (18,361)   | 42,472     |
| <b>Cash flows from investment activities</b>            |           |            |            |
| Purchase of property, plant and equipment               |           | (4,453)    | (28,076)   |
| <b>Net cash used in investment activities</b>           |           | (4,453)    | (28,076)   |
| <b>Total Cash Provided By (used in) from Activities</b> |           | (22,814)   | 14,396     |
| <b>Cash Held at Beginning of Financial Year</b>         |           | 1,574,619  | 1,560,223  |
| <b>Cash Held at End of Financial Year</b>               | <b>9a</b> | 1,551,805  | 1,574,619  |

The Statement of Cash Flows is to be read in conjunction with the attached notes.

For year ended 31 December 2019

## Company Information

The Lady Musgrave Trust's principal activities were to help homeless women and their children renew their lives. Such activities included providing appropriate accommodation and support services through partnerships, providing appropriate information to homeless women, influencing the development of government policies about housing and collaborating with sector providers in a way that improves homelessness outcomes.

The financial statements cover The Lady Musgrave Trust as an individual entity, incorporated and domiciled in Australia. The Lady Musgrave Trust is a company limited by guarantee.

The financial statements for the year ended 31 December 2019 were authorised for issue by the company on 15 May 2020.

## 1. Summary of Accounting Policies

### **Basis of Preparation**

The company have prepared the financial statements on the basis that the company is a non-reporting entity because there are no users who are dependent on its general purpose financial statements. These financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the Australian Charities and Not-for-profits Commission Act 2012. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') 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', AASB 1048 'Interpretation of Standards' and AASB 1054 'Australian Additional Disclosures', as appropriate for not-for-profit oriented entities.

The financial statements are prepared on a going concern and accruals basis. The financial statements are prepared on the historical cost basis unless otherwise stated in the notes. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise. All amounts are presented in Australian Dollars and have been rounded to the nearest dollar.

### **(a) Going concern**

The financial report has been prepared on a going concern basis which contemplates the continuity of normal business conditions and the realisation of assets and discharge of liabilities in the ordinary course of business.

The directors consider it appropriate to prepare the financial statements on a going concern basis at 31 December 2019 after taking into consideration that The Lady Musgrave Trust has sufficient cash resources to maintain core operations for at least the next twelve months.

The principal accounting policies adopted in the preparation of the financial statements are set out here within. These policies have been consistently applied to all the years presented, unless otherwise stated except for the change accounting policies stated below.

### **(b) New and amended standards and interpretations adopted**

The Lady Musgrave Trust has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. There are no other new interpretations expected to have any significant impact on the company's financial report that are issued and not yet

applicable. The following Accounting Standards and Interpretations have been adopted The Lady Musgrave Trust for the reporting period ended 31 December 2019:

#### **AASB 15 Revenue from Contracts with Customers**

This standard was adopted from 1 January 2019. AASB 15 establishes a comprehensive five-step framework for recognising revenue. AASB 15 applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. Under AASB 15, revenue is recognised when a performance obligation has been satisfied at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgment, taking into consideration all the relevant facts and circumstances when applying each step of the model to contracts with their customers.

The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Contracts with customers are presented in the statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

#### Impact of AASB 15 adoption

AASB 15 was adopted using the modified retrospective approach and as such comparatives have not been restated. In accordance with the transitional guidance, AASB 15 has been applied to contracts that are incomplete as at 1 January 2019. The adoption of AASB 15 had no material impact on the amounts recognised in the financial statements.

#### **AASB 1058 Income of Not-for-Profit Entities**

The company has adopted AASB 1058 from 1 January 2019. The standard replaces AASB 1004 Contributions in respect to income recognition requirements for not-for-profit entities. The timing of income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other performance obligation at the time of receipt. Income under the standard is recognised where: an asset is received in a transaction, such as by way of grant, bequest or donation; there has either been no consideration transferred, or the consideration paid is significantly less than the asset's fair value; and where the intention is to principally enable the entity to further its objectives.

For transfers of financial assets to the entity which enable it to acquire or construct a recognisable non-financial asset, the entity must recognise a liability amounting to the excess of the fair value of the transfer received over any related amounts recognised. Related amounts recognised may relate to contributions by owners, AASB 15 revenue or contract liability recognised, lease liabilities in accordance with AASB 16, financial instruments in accordance with AASB 9, or provisions in accordance with AASB 137. The liability is brought to account as income over the period in which the entity satisfies its performance obligation.

If the transaction does not enable the entity to acquire or construct a recognisable non-financial asset to be controlled by the entity, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income immediately. Where the fair value of volunteer services received can be measured, a private sector not-for-profit entity can elect to recognise the value of those services as an asset where asset recognition criteria are met or otherwise recognise the value as an expense.

#### Impact of AASB 1058 adoption

AASB 1058 were adopted using the modified retrospective approach and as such comparatives have not been restated. The adoption of AASB 1058 had no material impact on the financial statements.

#### **AASB 16 Leases**

This standard has been adopted from 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position.

AASB 16 was adopted using the modified retrospective approach and as such the comparatives have not been restated. The company elected to measure right-of-use asset is recognised at the date of initial application at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments that existed at the date of transition. Therefore, there was no impact on opening accumulated surplus at the date of initial application at 1 January 2019. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening statement of financial position on 1 January 2019.

#### Impact of AASB 16 adoption

AASB 16 were adopted using the modified retrospective approach and as such comparatives have not been restated. The adoption of AASB 16 had no material impact on the financial statements.

#### **(c) Revenue Recognition**

##### **Accounting policy applicable from 1 January 2019**

#### Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

#### Rental Income

Rental income on properties is accounted for on a straight-line basis over the lease term. Contingent rentals are recognised as income in the periods when they are earned.

#### Fundraising and Donations

Revenue from fundraising, including donations, is recognised when received or receivable.

#### Interest

Interest income is recognised as interest accrues using the effective interest method. The effective interest method uses the effective interest rate which is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial asset.

#### Grants

Revenue from government grants received under enforceable agreements, where there are sufficiently specific performance obligations imposed, is deferred until the obligations are satisfied. If the performance obligations are not sufficiently specific, revenue will be recognised upon receipt.

Capital grants are recognised as income when (or as) it satisfies its obligations under the transfer. Capital grants are type of grants where the company receives a financial asset to acquire or construct a non-financial asset to identified specifications; retains control of the non-financial asset (i.e. for its own use); and the transaction is enforceable.

#### 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 (GST).

#### **Revenue recognition policy applicable until 31 December 2018**

Revenue is measured at the fair value of consideration received or receivable.

Rental income from operating leases where the entity is a lessor is recognised in profit or loss on a straight-line basis over the lease term.

Non-reciprocal grant revenue is recognised in the profit or loss when the entity obtains control of the grant and 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. If conditions are attached to the grant which must be satisfied before the entity is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied. When grant revenue is received whereby the entity 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.

Donations collected are recognised as revenue when the company gains control, economic benefits are probable and the amount of the donation can be reliably measured.

Interest revenue is recognised on an accruals basis using the effective interest rate method.

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

#### **(d) Expenditure**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Supported accommodation expenses are those incurred in providing support services and maintaining the premises.

Depreciation expense pertains to depreciation charged in respect of the accommodation premises including the building and furniture and fittings.

Administration expenses are those incurred in the administration of the company and compliance with constitutional and statutory requirements.

Marketing expenses are those incurred in communications and public relations activities. Fundraising activities are those incurred in seeking voluntary contributions by donation. As well as any events held throughout the year.

#### **(e) Income Tax**

The company is a charitable institution for the purposes of Australian taxation legislation and is therefore exempt from income tax. This exemption has been confirmed by the Australian Taxation Office. The company holds deductible gift recipient status.

#### **(f) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

Cash flows are presented in the Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

**(g) Accounts Payable**

Trade payables and other accounts payable are recognised when the company becomes obliged to make future payments resulting from the purchase of goods and services.

**(h) Property, Plant and Equipment**

Each class of property, plant and equipment is carried at cost less, where applicable, accumulated depreciation and impairment losses. Depreciation is calculated on the diminishing value basis over the asset's useful life. The depreciation rates used are as follows:

|                        |      |
|------------------------|------|
| Buildings              | 2.5% |
| Furniture and Fittings | 25%  |

**(i) Impairment of Property Plant and Equipment**

At each reporting date, the group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the Statement of Comprehensive Income.

**(j) Cash on Hand**

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

**(k) Trade and Other Receivables**

Trade accounts receivable, amounts due from related parties and other receivables represent the principal amounts due at balance date plus accrued interest and less, where applicable, any unearned income and provisions for doubtful accounts.

The collectability of debts is assessed at balance date. A provision is raised against this balance to cover any accounts considered doubtful.

# Continued... Notes to the Financial Report

For year ended 31 December 2019

## 2. Revenue, Other Income and Expenses

|                           | <b>2019</b>    | <b>2018</b>    |
|---------------------------|----------------|----------------|
|                           | <b>\$</b>      | <b>\$</b>      |
| <b>Revenue</b>            |                |                |
| Rent received             | 136,603        | 136,727        |
| Interest                  | 41,456         | 32,731         |
| Donations                 | 82,213         | 102,870        |
| Membership                | 340            | 436            |
| Grant                     | 66,778         | 29,351         |
| Fundraising               | 97,131         | 105,612        |
|                           | <b>424,521</b> | <b>407,727</b> |
| <b>Operating expenses</b> |                |                |
| Depreciation - Building   | 64,407         | 64,201         |
| Depreciation - Furniture  | 6,952          | 4,647          |
|                           | <b>71,359</b>  | <b>68,848</b>  |

## 3. Cash and Cash Equivalents

|   | <b>2019</b>      | <b>2018</b>      |
|---|------------------|------------------|
|   | <b>\$</b>        | <b>\$</b>        |
| Bank accounts and bank deposits at an average interest rate of 1.86% (2018: 2.2%) | 1,551,805        | 1,574,619        |
|   | <b>1,551,805</b> | <b>1,574,619</b> |

# Continued... Notes to the Financial Report

For year ended 31 December 2019

## 4. Trade and Other Receivables

|                                   | <b>2019</b>   | <b>2018</b>   |
|-----------------------------------|---------------|---------------|
|                                   | <b>\$</b>     | <b>\$</b>     |
| Interest accrued                  | 18,673        | 14,560        |
| Prepayments                       | 16,286        | 12,894        |
| Refundable goods and services tax | 3,818         | 3,954         |
|                                   | <u>38,777</u> | <u>31,408</u> |

## 5. Property, Plant and Equipment

|  | <b>2019</b>             | <b>2018</b>             |
|--|-------------------------|-------------------------|
|  | <b>\$</b>               | <b>\$</b>               |
| Land at Cost                                 | <u>611,809</u>          | <u>611,809</u>          |
| Building at Cost                             | 2,568,039               | 2,568,039               |
| Accumulated Depreciation                     | <u>(225,338)</u>        | <u>(160,931)</u>        |
| Written Down Value                           | <u>2,342,701</u>        | <u>2,407,108</u>        |
| Furniture & Fittings at Cost                 | 53,122                  | 48,669                  |
| Accumulated Depreciation                     | <u>(28,028)</u>         | <u>(21,076)</u>         |
| Written Down Value                           | <u>25,094</u>           | <u>27,593</u>           |
| <b>Total Land, Buildings &amp; Equipment</b> | <u><u>2,979,604</u></u> | <u><u>3,046,510</u></u> |

# Continued... Notes to the Financial Report

For year ended 31 December 2019

## 6. Trade and other Payables

|                        | <b>2019</b>   | <b>2018</b>   |
|------------------------|---------------|---------------|
|                        | <b>\$</b>     | <b>\$</b>     |
| Accounts Payable       | 1,107         | 6,550         |
| PAYG Payable           | 2,999         | 2,955         |
| Superannuation Payable | 2,949         | 2,920         |
| Accruals               | 21,263        | 43,252        |
| Income in Advance      | 50,000        | 27,928        |
|                        | <b>78,318</b> | <b>83,605</b> |

## 7. Contributed Equity

The company does not have share capital and no member is entitled to participate in sharing or benefitting from the profits of the company. The liability of the members is limited to an amount which is not to exceed \$100 per member in the event the company is wound up. The members of the company, by virtue of its Articles of Association, are to pay an annual subscription of an amount determined by the company.

## 8. Capital Reserve

Following a judgement made by the Supreme Court of Queensland in 1985, the Committee of the Lodge, at the time and prior to the formation of the company, resolved to maintain a reserve fund of at least \$300,000. During previous years, amounts have been transferred to this fund taking into account inflation and the sale of the company's property assets. The balance at the end of the previous financial year was \$2,000,000. There has been no movement during the current financial year.

## 9. Notes to Statement of Cash Flow

### (a) Reconciliation of Cash

For the purpose of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments. Cash at the end of the financial year as shown in these statements of cash flows is reconciled to the related items in the statement of financial position as follows:

|                          | <b>2019</b>      | <b>2018</b>      |
|--------------------------|------------------|------------------|
|                          | <b>\$</b>        | <b>\$</b>        |
| <b>Cash on deposit</b>   |                  |                  |
| Cash at bank and on hand | 1,551,805        | 874,619          |
| Term deposit             | -                | 700,000          |
|                          | <b>1,551,805</b> | <b>1,574,619</b> |

**(b) Reconciliation of Profit from ordinary activities after related income tax to net cash flows from operating activities**

|   | <b>2019</b>     | <b>2018</b>   |
|---|-----------------|---------------|
|   | <b>\$</b>       | <b>\$</b>     |
| Defecit for the year                                    | (77,064)        | (67,364)      |
| Depreciation  | 71,359          | 68,848        |
| Increase/(Decrease) in payables                         | (5,151)         | 46,226        |
| (Increase)/Decrease in receivables (including deposits) | (7,505)         | (5,238)       |
| <b>Net Cash from (used) in operating activities</b>     | <b>(18,361)</b> | <b>42,472</b> |

## 10. Auditors Remuneration

|                               | <b>2019</b>  | <b>2018</b>  |
|-------------------------------|--------------|--------------|
|                               | <b>\$</b>    | <b>\$</b>    |
| Auditing the financial report | 1,650        | 1,600        |
|                               | <b>1,650</b> | <b>1,600</b> |

## 11. Related Parties and Related Party Transactions

The Directors act in an honorary capacity. During the year, the Directors received no compensation for their services.

## 12. Capital Commitments

As at 31 December 2019 and 31 December 2018, the company had no capital commitments.

## 13. Events After the Reporting Date

On 31 January 2020, the World Health Organisation (WHO) announced a global health emergency because of a new strain of coronavirus (COVID-19) and the risks to the international community as the virus spreads globally beyond its point of origin. Because of the rapid increase in exposure globally, on 11 March 2020, the WHO classified the COVID-19 outbreak as a pandemic.

The outbreak could have a continued material adverse impact on economic and market conditions and trigger a period of global economic slowdown, which is expected to depress the values of the Company's land and buildings.

Management is actively monitoring the global situation and its impact on the Company's financial condition, liquidity, and operations. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Company is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for the 2020 financial year.

As the Company has sufficient cash reserves, the directors are however of the view that Company is likely to continue for the next twelve months from the signing of the accounts.

## 14. Additional Company Information

The Lady Musgrave Trust is a company limited by guarantee and operates in Queensland, Australia

**Registered Office and Principal Place of Business**  
C/- Suite 154, 16-18 Beenleigh Redland Bay Road  
Loganholme QLD 4129  
Phone 07 3806 1220

# Auditor's Independence Declaration

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GPO Box 457 Brisbane QLD 4001  
Australia

## DECLARATION OF INDEPENDENCE BY K L COLYER TO THE DIRECTORS OF THE LADY MUSGRAVE TRUST

As lead auditor of The Lady Musgrave Trust for the year ended 31 December 2019, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of section 60-40 of the *Australian Charities and Not-for-profit Commission Act 2012* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read 'K L Colyer', is enclosed within a thin black rectangular border.

**K L Colyer**  
Director

**BDO Audit Pty Ltd**

Brisbane, 15 May 2020

BDO Audit Pty Ltd ABN 33 134 022 870 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.

## INDEPENDENT AUDITOR'S REPORT

To the members of The Lady Musgrave Trust

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of The Lady Musgrave Trust (the registered entity), which comprises the statement of financial position as at 31 December 2019, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the responsible entities' declaration.

In our opinion the accompanying financial report of The Lady Musgrave Trust, is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) Giving a true and fair view of the registered entity's financial position as at 31 December 2019 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards to the extent described in Note 1 and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the registered entity in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

#### Emphasis of matter - Basis of accounting

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

#### Emphasis of matter - Events after the reporting date

We draw attention to Note 13 of the financial report, which describes the non-adjusting subsequent event on the impact of the COVID-19 outbreak on the registered entity. Our opinion is not modified with respect to this matter.

and Not-for-profits Commission Act 2012 (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

#### **Emphasis of matter - Basis of accounting**

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

#### **Other information**

The responsible entities of the registered entity are responsible for the other information. The other information comprises the information in the registered entity's annual report for the year ended 31 December 2016, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Responsibilities of responsible entities' 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 to the financial report is appropriate to meet the requirements of the ACNC Act. The responsible entities' responsibility also includes such internal control as the responsible entities determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the responsible entities are responsible for assessing the registered entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the registered entity or to cease operations, or has no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at: [http://www.auasb.gov.au/auditors\\_files/ar3.pdf](http://www.auasb.gov.au/auditors_files/ar3.pdf).

This description forms part of our auditor's report.

#### **BDO Audit Pty Ltd**



K L Colyer

Director

Brisbane, 24 March 2017



THE  
**LADY MUSGRAVE**  
TRUST



[www.ladymusgravetrust.org.au](http://www.ladymusgravetrust.org.au)