

Mates4Mates Limited

ABN 54 160 646 999

Annual Financial Report

For the Year Ended 31 December 2018

Mates4Mates Limited
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Mates4Mates Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2018

	Notes	2018 \$	2017 \$
Revenue	3	5,359,151	5,412,504
Expenses			
Advertising and Promotion		169,197	193,481
Cost of Sales		23,009	82,585
Depreciation		35,727	31,045
Donations and Welfare		-	8,062
Employee Benefits		2,443,162	2,457,406
Meetings and Travel Costs		217,625	303,062
Professional Fees		92,564	145,967
Property Outgoings		656,351	539,989
Psychological Services		820,434	780,652
Service Delivery		666,333	681,816
Other Expenses		70,874	138,044
Total Expenses		5,195,276	5,362,109
Surplus/(deficit) before Income Tax Expense	4	163,875	50,395
Income Tax Expense	1 (d)	-	-
Surplus/(deficit) after Income Tax Expense for the year	13	163,875	50,395
Other Comprehensive Income for the year, net of tax		-	-
Total Comprehensive Surplus/(deficit) for the year		163,875	50,395

The statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes.

Mates4Mates Limited
Statement of Financial Position
As at 31 December 2018

	Notes	2018 \$	2017 \$
Assets			
Current Assets			
Cash and Cash Equivalents	5	411,844	224,968
Trade and Other Receivables	6	54,307	65,140
Inventories	7	6,298	-
Other Current Assets	8	50,292	45,441
Total Current Assets		522,241	335,549
Non-Current Assets			
Property, Plant and Equipment	9	-	50,681
Intangible Assets	10	-	5,046
Total Non-Current Assets		-	35,727
Total Assets		522,241	371,276
Liabilities			
Current Liabilities			
Trade and Other Payables	11	73,384	108,625
Employee Benefits	12	165,292	147,961
Total Current Liabilities		238,676	251,586
Non-Current Liabilities			
Employee Benefits	12	9,980	9,980
Total Non-Current Liabilities		9,980	9,980
Total Liabilities		248,656	261,566
Net Assets		273,585	109,710
Equity			
Retained Surpluses	13	273,585	109,710
Total Equity		273,585	109,710

The statement of financial position is to be read in conjunction with the accompanying notes.

Mates4Mates Limited
Statement of Changes in Equity
For the year ended 31 December 2018

	Retained Surpluses	Total Equity
	\$	\$
Balance at 31 December 2016	59,315	59,315
Surplus/(deficit) after Income Tax Expense for the year	50,395	50,395
Total Comprehensive Surplus/(deficit) for the year	<u>50,395</u>	<u>50,395</u>
Balance at 31 December 2017	<u>109,710</u>	<u>109,710</u>
Surplus/(deficit) after Income Tax Expense for the year	<u>163,875</u>	<u>163,875</u>
Total Comprehensive Surplus/(deficit) for the year	<u>163,875</u>	<u>163,875</u>
Balance at 31 December 2018	<u>273,585</u>	<u>273,585</u>

The statement of changes in equity is to be read in conjunction with the accompanying notes.

Mates4Mates Limited
Statement of Cash Flows
For the year ended 31 December 2018

	Notes	2018 \$	2017 \$
Cash flows from operating activities			
Donations Received		5,115,908	5,067,434
Payments to Suppliers and Employees		(5,183,609)	(5,336,381)
Grants Received		11,981	220,563
Other Receipts		242,096	105,799
Net cash from/(used in) operating activities	18	<u>186,376</u>	<u>57,415</u>
Cash flows from investing activities			
Proceeds on disposal of property, plant & equipment		-	-
Net cash from/(used in) investing activities		<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents		186,376	57,415
Cash and cash equivalents at the beginning of the year		224,968	167,553
Cash and cash equivalents at the end of the year	5	<u>411,344</u>	<u>224,968</u>

The statement of cash flows is to be read in conjunction with the accompanying notes.

Mates4Mates Limited
Notes to the financial statements
For the year ended 31 December 2018

Note 1. Significant accounting policies

Mates4Mates Limited is a company incorporated in Australia. The company is an unlisted public company limited by Guarantee.

(a) Basis of preparation

In the directors' opinion, the company is not a reporting entity because there are no users dependent on general purpose financial statements.

These financial statements are special purpose financial statements prepared in order to satisfy the financial reporting requirements of the *Australian Charities and Not-for-profits Commission Act (ACNC Act 2012)*.

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 principal accounting policies adopted in the preparation of the financial statements are set out below. These policies adopt the recognition and measurement requirements of the Australian Accounting Standards and have been consistently applied to all the years presented, unless otherwise stated.

The financial statements were approved by the Board of Directors on 24 April 2019.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

(b) Going Concern

The company is reliant upon financial support from the Returned & Services League of Australia (Queensland Branch) (RSL QLD) to meet its debts as and when they fall due. RSL QLD has confirmed its support in writing provided Mates4Mates submits an annual budget to RSL QLD and that RSL QLD will not unnecessarily withhold such approval so as to impact the operations of Mates4Mates. Therefore, on this basis the directors have continued to adopt the going concern assumption in the preparation of the financial statements.

Note 1. Significant accounting policies(continued)

(c) Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Sales revenue

Events, fundraising and raffles are recognised when received or receivable.

Donations

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

Grants

Grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and all attached conditions have been complied with.

Other revenue

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

(d) Income tax

As the company is a charitable institution in terms of subsection 50-5 of the *Income Tax Assessment Act 1997*, as amended, it is exempt from paying income tax.

(e) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(f) Trade and other receivables

Other receivables are recognised at cost, less any provision for impairment.

(g) Inventories

Inventories comprise of goods for resale. Inventories of goods purchased for resale are valued at cost. The cost of bringing each item to its present location and condition is determined on a first-in, first-out basis. Recoverable amount is based on lower of cost and replaceable cost if the company was deprived of the asset.

Note 1. Significant accounting policies(continued)

(h) Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Furniture and fittings	10-40%
Other equipment	10-40%
Motor vehicles	12-30%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

(i) Intangible assets

Intangible assets include computer software and are stated at cost value less the associated accumulated depreciation and impairment.

Intangible items are depreciated over their useful lives commencing from the time the asset is held ready for use. Depreciation is calculated on a straight-line basis over the expected useful economic life of the assets as follows:

Intangible Assets	25%-40%
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An intangible item is disposed when the item is no longer used in the operations or when the item has no sale value. Any gain or loss arising from disposal of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is disposed.

(j) Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. Where the future economic benefits of an asset are not primarily dependent on the asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of the asset.

Note 1. Significant accounting policies(continued)

(k) Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

(l) Employee benefits

Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Long service leave

The liability for long service leave is recognised in current and non-current liabilities, depending on the unconditional right to defer settlement of the liability for at least 12 months after the reporting date. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

(m) Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Note 1. Significant accounting policies(continued)

(n) New, revised or amending Accounting Standards and Interpretations adopted

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

The company has adopted AASB 9 as at 1 January 2018. AASB 9 addresses the classification, measurement and de-recognition of financial assets and financial liabilities. The adoption of these new standards and interpretations did not have any material effect on the amounts recognised in the financial statements in the current or prior period.

(o) Changes in accounting policies

AASB 9 – Financial Instrument

The requirements of AASB 9 represent a significant change from AASB 139 Financial Instruments: Recognition and Measurement. The nature and effects of the key changes to the company's accounting policies resulting from the adoption of AASB 9 are summaries below:

i) Classification and measurement of financial assets and financial liabilities

On 1 January 2018 (the date of initial application of AASB 9), the company assessed which business models apply to the financial assets held and has classified its financial instruments into the appropriate AASB 9 categories. The adoption of AASB 9 has not impacted the carrying amount of financial assets but has resulted in classification changes on initial application at 1 January 2018 as shown below:

	Original classification under AASB 139	New classification under AASB 9	Original Carrying amount under AASB 139 31 Dec 2017	New Carrying amount under AASB 9 1 January 2018
Financial Assets			\$	\$
Other receivables	Loan and receivables	Financial assets at amortised cost	65,140	65,140
Available for sale financial asset	Available for sale financial asset	Financial assets at fair value through profit and loss	-	-

Loans and receivables are classified and measured at amortised cost. The company holds these financial assets in order to collect contractual cash flows and the contractual terms are solely payments of outstanding principal and interest on the principal amount outstanding.

AASB9 requires that all financial liabilities be subsequently classified at amortised costs, except in certain circumstances. None of these circumstances apply to the company and accordingly there is no change to the classification and measurement of the company's payable and borrowings on adoption of AASB 9.

ii) Impairment of financial assets

AASB 9 replaces the 'incurred loss' model in AASB 139 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at fair value through other comprehensive income (FVOCI), but not to investments in equity instruments. Under AASB 9, credit losses are recognised earlier than under AASB 139. The company has assessed the impact of the adoption of an ECL model under AASB 9 and identified that the impairment loss was immaterial.

Note 1. Significant accounting policies(continued)

iii) Accounting policies

Policy applicable from 1 January 2018

AASB 9 contains three principal classification categories for financial assets:

- Measured at amortised costs
- Fair value through other comprehensive income (FVOCI); and
- Fair value through profit and loss (FVTPL).

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Financial assets at amortised costs

Loans and receivables

Loans and receivables are initially recognised at fair value and subsequently at amortised cost using the effective interest rate method less any allowance under the ECL model.

All loans and receivables with maturities greater than 12 months after the balance date are classified as non-current assets.

Recoverability of loans and receivables

At each reporting date, the company assess whether financial assets carried at amortised cost are 'credit-impaired'. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The company recognises loss allowances at an amount equal to lifetime ECL on trade and other receivables. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Lifetime ECLs are the ECLs that result from all default events over the expected life of the trade receivable and are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the company in accordance with the contract and the cash flows that the company expects to receive).

The company analyses the age of outstanding receivable balances and applies historical default percentages adjusted for other current observable data as a mean to estimate lifetime ECL. Other current observable data may include:

- Forecasts of economic conditions such as unemployment, interest rates, gross domestic product and inflation;
- Financial difficulties of a counter party or probability that a counterparty will enter bankruptcy; and
- Conditions specific to the asset to which the receivable relates.

Debts that are known to be uncollectable are written off when identified.

Note 1. Significant accounting policies(continued)

iv) Transitional impact on implementation of AASB 9

The impact on the company's previously reported financial position as at 31 December 2017, as a result of the adoption of AASB 9 and its application retrospectively is not significantly to the company.

(p) New Accounting Standards and Interpretations not yet mandatory or early adopted

The following standards, amendments to standards and interpretations have been issued, but are not mandatory for financial years ended 31 December 2018. They have not been adopted in preparing the financial statements for the year ended 31 December 2018. The organisation is assessing the impact of the new standards:

AASB 15 – Revenue from Contracts with Customers

This new revenue standard will apply for the first time to the 31 December 2019 year end and supersedes all existing revenue-related Accounting Standards and Interpretations. The core principle of AASB 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This means that revenue will be recognised when control of goods or services is transferred, rather than on transfer of risks and rewards as is currently the case under AASB 118 Revenue.

An initial assessment of the impact of AASB15 has indicated that it is unlikely to have a material impact on the financial position of the company.

AASB 1058 – Income of Not-for-Profit Entities

This new standard will apply for the first time to the 31 December 2019 year. AASB 1058 establishes principles and guidance when accounting for:

- Transactions where the consideration to acquire an asset is significantly less than the fair value, principally to enable a NFP to further its objectives, and
- The receipt of volunteer services.

AASB 1058 supersedes all current income recognition requirements for private sector not-for-profit entities (NFPs), and most of the requirements for public sector NFPs currently contained in AASB 1004 Contributions.

An initial assessment of the impact of AASB1058 has indicated that it is unlikely to have a material impact on the financial position of the company.

AASB 16 – Leases

AASB 16 eliminates the operating and finance lease classifications for lessees currently accounted for under AASB 117 Leases. It instead requires an entity to bring most leases onto its balance sheet in a similar way to how existing finance leases are treated under AASB 117. An entity will be required to recognise a lease liability and a right of use asset in its balance sheet for most leases.

There are some optional exemptions for leases with a period of 12 months or less and for low value leases. This standard applies to reporting periods beginning on or after 1 January 2019.

Note 1. Significant accounting policies(continued)

On initial adoption of the standard, the organisation will be required to recognise a right of use asset and a corresponding lease liability measured at the present value of future lease payments on the balance sheet for all leases. A depreciation and finance charge will be recognised over the term of the lease.

If adopted at year end, it would have the effect of recognising a right of use asset and lease liability of approximately \$1,000,000 with respect to premises lease the organisation has entered. The organisation intends to apply the modified retrospective approach on adoption of the standard and expects that there will be no material impact to opening retained earnings as at 1 January 2019. Future profit or loss is also not expected to be materially impacted by the adoption of this standard.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Estimation of useful lives of assets

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

Mates4Mates Limited
Notes to the financial statements
For the year ended 31 December 2018

Note 3. Revenue

	2018 \$	2017 \$
<i>Sales Revenue</i>		
Merchandise	13,900	15,634
	<u>13,900</u>	<u>15,634</u>
<i>Other Revenue</i>		
Donations - RSL Queensland	4,655,900	4,586,500
Donations - Other	460,008	480,934
Grants	11,981	220,563
Sponsorship	-	43,127
Other Revenue	217,362	65,746
	<u>5,345,251</u>	<u>5,396,870</u>
	<u>5,359,151</u>	<u>5,412,504</u>

Note 4. Expenses

	2018 \$	2017 \$
Surplus/(deficit) before income tax includes the following specific expenses:		
Superannuation expense	255,687	252,273
Depreciation Expense	35,727	31,045
Lease/Rental Expenses	539,584	475,815

Mates4Mates Limited
Notes to the financial statements
For the year ended 31 December 2018

Note 5. Current assets - cash and cash equivalents

	2018 \$	2017 \$
Cash at bank	<u>411,344</u>	<u>224,968</u>
	<u>411,344</u>	<u>224,968</u>

Note 6. Current assets - trade and other receivables

	2018 \$	2017 \$
Other receivables	6,895	15,145
GST receivable	<u>47,412</u>	<u>49,996</u>
	<u>54,307</u>	<u>65,140</u>

Note 7. Current assets - inventories

	2018 \$	2017 \$
Inventory at cost	44,345	67,420
Prov - Stock Obsolescence	<u>(38,047)</u>	<u>(67,420)</u>
	<u>6,298</u>	<u>-</u>

Note 8. Current assets – other assets

	2018 \$	2017 \$
Prepayments	<u>50,293</u>	<u>45,441</u>
	<u>50,293</u>	<u>45,441</u>

Mates4Mates Limited
Notes to the financial statements
For the year ended 31 December 2018

Note 9. Non-current assets - property, plant and equipment

	2018	2017
	\$	\$
Furniture & Fittings - at cost	111,736	111,736
Less: Accumulated depreciation	<u>(111,736)</u>	<u>(87,568)</u>
	<u>-</u>	<u>24,168</u>
Other Equipment - at cost	29,227	29,227
Less: Accumulated depreciation	<u>(29,227)</u>	<u>(22,714)</u>
	<u>-</u>	<u>6,513</u>
	<u>-</u>	<u>30,681</u>

Note 10. Intangible Assets

	2018	2017
	\$	\$
Intangibles - at cost	7,967	7,967
Less: Accumulated depreciation	<u>(7,967)</u>	<u>(2,921)</u>
	<u>-</u>	<u>5,046</u>

Note 11. Current liabilities - trade and other payables

	2018	2017
	\$	\$
Trade payable	13,323	13,601
PAYG payable	47,989	42,869
Other payables	<u>12,072</u>	<u>47,155</u>
	<u>73,384</u>	<u>103,625</u>

Mates4Mates Limited
Notes to the financial statements
For the year ended 31 December 2018

Note 12. Current liabilities - employee benefits

	2018 \$	2017 \$
Current		
Employee benefits	<u>165,292</u>	<u>147,961</u>
Non-Current		
Employee benefits	<u>9,980</u>	<u>9,980</u>
	<u>175,272</u>	<u>157,941</u>

Note 13. Equity - retained surpluses

	2018 \$	2017 \$
Retained Surpluses at the beginning of the year	109,710	59,315
Surplus/(deficit) after Income Tax Expense for the year	<u>163,875</u>	<u>50,395</u>
Retained surpluses at the end of the year	<u>273,585</u>	<u>109,710</u>

Note 14. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by BDO, the auditor of the company:

	2018 \$	2017 \$
Audit services	<u>4,500</u>	<u>4,500</u>
	<u>4,500</u>	<u>4,500</u>

Mates4Mates Limited
Notes to the financial statements
For the year ended 31 December 2018

Note 15. Contingent liabilities

The company had no contingent liabilities as at 31 December 2018.

Note 16. Commitments

The company had no capital commitments for expenditure as at 31 December 2018.

	2018	2017
	\$	\$
Operating Lease Commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements		
Payable - minimum lease payments		
- not later than 12 months	432,666	422,113
- later than 12 months but not later than 5 years	630,164	1,062,830
- greater than 5 years	-	-
	<u>1,062,830</u>	<u>1,484,943</u>

Note 17. Events after the reporting period

No matter or circumstance has arisen since 31 December 2018 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Mates4Mates Limited
Notes to the financial statements
For the year ended 31 December 2018

Note 18. Reconciliation of surplus after income tax to net cash from operating activities

	2018	2017
	\$	\$
Surplus/(Deficit) after income tax expense for the year	163,875	50,395
Adjustments for:		
Depreciation and amortisation	35,727	31,045
Provision / (reversal of provision) - stock obsolescence	(29,373)	67,420
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	10,833	(18,709)
Decrease/(increase) in inventories	23,075	2,033
Decrease/(increase) in prepayments	(4,851)	(19,780)
Increase/(decrease) in trade and other payables	(30,241)	(108,402)
Increase/(decrease) in employee benefits	17,331	53,413
	<hr/>	<hr/>
Net cash from/(used in) operating activities	<u>186,376</u>	<u>57,415</u>

Mates4Mates Limited
Directors' declaration

The directors have determined that Mates4Mates Limited is not a reporting entity and that these special purpose financial statements have been prepared in accordance with the accounting policies described in Note 1 to the financial statements:

The directors of Mates4Mates Limited declare that:

1. The financial statements, comprising the statement of profit or loss and other comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity, and accompanying notes, are in accordance with the *Australian Charities and Not-for-profits Commission Act (ACNC Act 2012)* and:
 - a. comply with Accounting Standards as described in Note 1 to the financial statements and the *Australian Charities and Not-for-profits Commission Regulation 2013*; and
 - b. give a true and fair view of the entity's financial position as at 31 December 2018 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.
2. In the directors' opinion, there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

The company is reliant upon financial support from the Returned and Services League of Australia (Queensland Branch) (RSL QLD) to meet its debts as and when they fall due. RSL QLD has confirmed its support in writing provided Mates4Mates submits an annual budget to RSL QLD and confirmed that RSL QLD will not unnecessarily hold such approval so as to impact the operations of Mates4Mates. Therefore, on this basis the directors have continued to adopt the going concern assumption in the preparation of the financial statements.

On behalf of the directors by:



Rickman Ralph
Chair

Date: 24 April 2019
Brisbane

INDEPENDENT AUDITOR'S REPORT

To the members of Mates4Mates Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Mates4Mates Limited (the registered entity), which comprises the statement of financial position as at 31 December 2018, 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 directors' declaration.

In our opinion the accompanying financial report of Mates4Mates Limited, 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 2018 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* (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.

Responsibilities of directors for the Financial Report

The directors 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 directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the registered entity's ability to continue as a going concern, disclosing, as applicable, matters relating 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 have 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_responsibilities/ar4.pdf

This description forms part of our auditor's report.

BDO Audit Pty Ltd

BDO


Anthony Whyte

Director

Brisbane, 24 April 2019