



2019 Audited Financial Statements



Ronald McDonald
House Charities®
North Australia

Castle Hill Spinney Ltd T/A Ronald McDonald House Charities North Australia

ABN: 24 254 114 823

Financial Statements

For the Year Ended 31 December 2019

Castle Hill Spinney Ltd T/A Ronald McDonald House Charities North Australia

ABN: 24 254 114 823

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Castle Hill Spinney Ltd T/A Ronald McDonald House Charities North Australia

ABN: 24 254 114 823

Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 31 December 2019

		2019	2018
	Note	\$	\$
Revenue	3	2,856,354	2,393,220
Employee benefits expense		(993,077)	(1,036,066)
Depreciation expense		(168,066)	(168,002)
Finance costs		(2,394)	(3,110)
Other expenses		(637,997)	(557,795)
Surplus before income tax		1,054,820	628,247
Income tax expense		-	-
Surplus for the year		1,054,820	628,247
Other comprehensive income for the year		-	-
Total comprehensive income for the year		1,054,820	628,247

The accompanying notes form part of these financial statements.

Castle Hill Spinney Ltd T/A Ronald McDonald House Charities North Australia

ABN: 24 254 114 823

Statement of Financial Position

As At 31 December 2019

	Note	2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	4,515,273	3,146,731
Trade and other receivables	5	99,037	50,111
Other assets		78,722	39,019
TOTAL CURRENT ASSETS		<u>4,693,032</u>	<u>3,235,861</u>
NON-CURRENT ASSETS			
Property, plant and equipment	6	4,900,970	4,954,352
TOTAL NON-CURRENT ASSETS		<u>4,900,970</u>	<u>4,954,352</u>
TOTAL ASSETS		<u>9,594,002</u>	<u>8,190,213</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	435,744	89,081
Provisions	8	67,874	71,068
TOTAL CURRENT LIABILITIES		<u>503,618</u>	<u>160,149</u>
NON-CURRENT LIABILITIES			
Provisions	8	31,867	26,367
TOTAL NON-CURRENT LIABILITIES		<u>31,867</u>	<u>26,367</u>
TOTAL LIABILITIES		<u>535,485</u>	<u>186,516</u>
NET ASSETS		<u>9,058,517</u>	<u>8,003,697</u>
EQUITY			
Reserves		1,250,000	750,000
Retained surplus		7,808,517	7,253,697
TOTAL EQUITY		<u>9,058,517</u>	<u>8,003,697</u>

The accompanying notes form part of these financial statements.

Castle Hill Spinney Ltd T/A Ronald McDonald House Charities North Australia

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Statement of Changes in Equity For the Year Ended 31 December 2019

2019

	Retained Surplus	Capital Renewal Reserve	Funding Gap Reserve	Total
	\$	\$	\$	\$
Balance at 1 January 2019	7,253,697	500,000	250,000	8,003,697
Transfers from retained surplus to capital renewal reserve	(500,000)	500,000	-	-
Surplus for the year	1,054,820	-	-	1,054,820
Balance at 31 December 2019	7,808,517	1,000,000	250,000	9,058,517

2018

	Retained Surplus	Capital Renewal Reserve	Funding Gap Reserve	Total
	\$	\$	\$	\$
Balance at 1 January 2018	7,375,450	-	-	7,375,450
Transfers from retained surplus to capital renewal reserve	(500,000)	500,000	-	-
Transfers from retained surplus to funding gap reserve	(250,000)	-	250,000	-
Surplus for the year	628,247	-	-	628,247
Balance at 31 December 2018	7,253,697	500,000	250,000	8,003,697

The accompanying notes form part of these financial statements.

Castle Hill Spinney Ltd T/A Ronald McDonald House Charities North Australia

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Statement of Cash Flows For the Year Ended 31 December 2019

	2019	2018
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	2,726,980	2,400,337
Payments to suppliers and employees	(1,320,197)	(1,539,901)
Interest received	80,447	56,142
Net cash provided by operating activities	12 <u>1,487,230</u>	<u>916,578</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	<u>(118,688)</u>	(13,184)
Net cash used by investing activities	<u>(118,688)</u>	<u>(13,184)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of borrowings	<u>-</u>	(150,000)
Net cash used by financing activities	<u>-</u>	<u>(150,000)</u>
Net increase in cash and cash equivalents held	1,368,542	753,394
Cash and cash equivalents at beginning of year	<u>3,146,731</u>	<u>2,393,337</u>
Cash and cash equivalents at end of financial year	4 <u><u>4,515,273</u></u>	<u><u>3,146,731</u></u>

The accompanying notes form part of these financial statements.

Castle Hill Spinney Ltd T/A Ronald McDonald House Charities North Australia

ABN: 24 254 114 823

Notes to the Financial Statements For the Year Ended 31 December 2019

The financial report covers Castle Hill Spinney Ltd T/A Ronald McDonald House Charities North Australia as an individual entity. Castle Hill Spinney Ltd T/A Ronald McDonald House Charities North Australia is a not-for-profit Company, registered and domiciled in Australia.

The principal activities of the Company for the year ended 31 December 2019 were to provide a home away from home for seriously ill children and their families.

The functional and presentation currency of Castle Hill Spinney Ltd T/A Ronald McDonald House Charities North Australia is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

In the Directors opinion 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*.

The financial statements have been prepared on an accruals basis and are based on historical costs.

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 Association's accounting policies.

2 Summary of Significant Accounting Policies

(a) Income Tax

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

(b) Revenue and other income

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.

Grant and donation income is recognised when the entity obtains control over the funds, which is generally at the time of receipt. If conditions are attached to the grant that must be satisfied before the Company is eligible to receive the contribution, recognition of the grant as revenue will be deferred until those conditions are satisfied.

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

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

Notes to the Financial Statements

For the Year Ended 31 December 2019

2 Summary of Significant Accounting Policies

(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) Property, plant and equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment.

Depreciation

Property, plant and equipment is depreciated on a straight-line basis over the assets useful life to the Company, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Buildings	2-10%
Plant and Equipment	5-33%
Furniture, Fixtures and Fittings	10-20%
Computer Software	20-50%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(e) 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. The recoverable amount of an asset 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.

Notes to the Financial Statements

For the Year Ended 31 December 2019

2 Summary of Significant Accounting Policies

(f) Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the association during the reporting period that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(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.

(h) Employee Provisions

Provision is made for the association's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

(i) Trade and other receivables

Trade and other receivables include amounts due from members as well as amounts received from donors. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

(j) Adoption of new and revised accounting standards

The Company has adopted all standards which became effective for the first time at 31 December 2019, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company.

Castle Hill Spinney Ltd T/A Ronald McDonald House Charities North Australia

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Notes to the Financial Statements For the Year Ended 31 December 2019

3 Revenue

	2019	2018
	\$	\$
- Accommodation income	680,280	622,600
- Sales & commissions	28,035	24,067
- RMHC funding	557,555	465,784
- Events income	636,129	647,482
- Major donors	9,000	6,000
- Individual donations	87,102	33,153
- Community donations	246,636	206,767
- Corporate donations	225,792	130,489
- McDonald's & licensees income	149,260	144,598
- Interest received	80,447	56,142
- Other income	11,724	30,138
- Insurance claim reimbursements	26,519	-
- Donations - in kind	21,284	6,640
- Grants	96,591	19,360
Total revenue	2,856,354	2,393,220

4 Cash and Cash Equivalents

	2019	2018
	\$	\$
Cash on hand	900	900
Bank balances	1,014,373	645,831
Term deposits	3,500,000	2,500,000
Total cash and cash equivalents	4,515,273	3,146,731

5 Trade and Other Receivables

	2019	2018
	\$	\$
Trade receivables	87,889	45,964
GST receivable	11,148	4,147
Total trade and other receivables	99,037	50,111

Castle Hill Spinney Ltd T/A Ronald McDonald House Charities North Australia

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Notes to the Financial Statements For the Year Ended 31 December 2019

6 Property, plant and equipment

	2019	2018
	\$	\$
<i>Capital works in progress</i>		
At cost	79,700	-
Total capital works in progress	<u>79,700</u>	<u>-</u>
<i>Buildings</i>		
At cost	6,060,542	6,066,411
Accumulated depreciation	(1,301,067)	(1,150,789)
Total buildings	<u>4,759,475</u>	<u>4,915,622</u>
<i>Plant and equipment</i>		
At cost	80,026	60,199
Accumulated depreciation	(48,805)	(41,932)
Total plant and equipment	<u>31,221</u>	<u>18,267</u>
<i>Furniture, fixtures and fittings</i>		
At cost	20,843	10,713
Accumulated depreciation	(3,506)	(1,507)
Total furniture, fixtures and fittings	<u>17,337</u>	<u>9,206</u>
<i>Computer software</i>		
At cost	37,561	28,530
Accumulated depreciation	(24,324)	(17,273)
Total computer software	<u>13,237</u>	<u>11,257</u>
Total property, plant and equipment	<u><u>4,900,970</u></u>	<u><u>4,954,352</u></u>

Castle Hill Spinney Ltd T/A Ronald McDonald House Charities North Australia

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Notes to the Financial Statements

For the Year Ended 31 December 2019

6 Property, plant and equipment

(a) Movements 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:

	Capital Works in Progress	Buildings	Plant and Equipment	Furniture, Fixtures and Fittings	Computer Software	Total
	\$	\$	\$	\$	\$	\$
Year ended 31 December 2019						
Balance at the beginning of year	-	4,915,622	18,267	9,206	11,257	4,954,352
Additions	79,700	-	19,827	10,130	9,031	118,688
Depreciation expense	-	(152,143)	(6,873)	(1,999)	(7,051)	(168,066)
Write offs	-	(4,004)	-	-	-	(4,004)
Balance at the end of the year	79,700	4,759,475	31,221	17,337	13,237	4,900,970

	Capital Works in Progress	Buildings	Plant and Equipment	Furniture, Fixtures and Fittings	Computer Software	Total
	\$	\$	\$	\$	\$	\$
Year ended 31 December 2018						
Balance at the beginning of year	-	5,067,817	24,658	447	16,247	5,109,169
Additions	-	-	1,344	9,600	2,240	13,184
Depreciation expense	-	(152,196)	(7,735)	(841)	(7,230)	(168,002)
Balance at the end of the year	-	4,915,622	18,267	9,206	11,257	4,954,352

Castle Hill Spinney Ltd T/A Ronald McDonald House Charities North Australia

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Notes to the Financial Statements For the Year Ended 31 December 2019

7 Trade and Other Payables

	2019	2018
	\$	\$
Trade payables	99,287	22,282
Capital campaign - Mackay family room	113,400	-
PAYG payables	12,235	13,520
Accrued expenses	9,872	4,467
Deferred income	46,757	20,998
Credit cards	9,051	9,225
Unearned income	136,000	-
Charlie Bell Scholarship Fund	-	10,000
Superannuation payable	9,202	8,174
Other payables	(60)	415
Total trade and other payables	435,744	89,081

8 Provisions

	2019	2018
	\$	\$
CURRENT		
Provision for annual leave	67,874	71,068
Total current provisions	67,874	71,068
NON-CURRENT		
Provision for long service leave	31,867	26,367
Total non-current provisions	31,867	26,367

9 Capital and Leasing Commitments

(a) Operating Leases

	2019	2018
	\$	\$
Minimum lease payments under operating leases:		
- not later than one year	1	1
- between one year and five years	4	4
- later than five years	8	9
	13	14

Castle Hill Spinney Ltd and the State of Queensland entered a lease for the land on which the House has been constructed on the 31st December 2002. The lease payments are \$1 per annum for 30 years. After the period of 30 years or upon termination of the lease, the State of Queensland may demolish the improvements provided that the lessor pays an amount of compensation to the lessee in accordance with the lease agreement.

Castle Hill Spinney Ltd T/A Ronald McDonald House Charities North Australia

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Notes to the Financial Statements For the Year Ended 31 December 2019

10 Auditors' Remuneration

	2019	2018
	\$	\$
Remuneration of the auditor for:		
- auditing or reviewing the financial statements	<u>7,700</u>	<u>5,500</u>

During the financial year the above fees were paid or payable for services provided by Crowe Audit Australia, the auditor of the Company.

11 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 31 December 2019 (31 December 2018: None).

12 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2019	2018
	\$	\$
Surplus for the year	1,054,820	628,247
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	168,066	168,002
- write-off of obsolete equipment	4,004	-
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(48,926)	63,259
- increase in prepayments	(39,704)	(8,483)
- increase in trade and other payables	346,664	26,353
- increase in employee benefits	2,306	39,200
Cashflows from operations	<u>1,487,230</u>	<u>916,578</u>

13 Events after the reporting period

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

Castle Hill Spinney Ltd T/A Ronald McDonald House Charities North Australia

ABN: 24 254 114 823

Notes to the Financial Statements For the Year Ended 31 December 2019

14 Statutory Information

The registered office and principal place of business of the company is:

Castle Hill Spinney Ltd T/A Ronald McDonald House Charities North
Australia

100 Angus Smith Drive

DOUGLAS QLD 4814

AUSTRALIA

Castle Hill Spinney Ltd T/A Ronald McDonald House Charities North Australia


ABN: 24 254 114 823

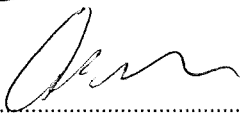
Responsible Persons' Declaration

The responsible persons declare that in the responsible persons' opinion:

- there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
- 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-profit Commission Regulation 2013*.

Responsible person 

Responsible person 

Dated this 19th day of February 2020

Independent Auditor's Report

to the Members of Castle Hill Spinney Ltd T/A Ronald McDonald
House Charities North Australia

Opinion

We have audited the special purpose financial report of Castle Hill Spinney Ltd T/A Ronald McDonald House Charities North Australia (the Company), which comprises the statement of financial position as at 31 December 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the responsible persons' declaration.

In our opinion, the accompanying financial report of the Company has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of the Company's financial position as at 31 December 2019 and of its financial performance and cash flows for the year then ended; and
- (b) 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 Company in accordance with 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 directors' financial reporting responsibilities under the *Australian Charities and Not-for-profits Commission Act 2012*. 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 the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the needs of the members. The directors' responsibility also includes such internal control as the directors 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 directors are responsible for assessing the ability of the Company 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 Company or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report

to the Members of Castle Hill Spinney Ltd T/A Ronald McDonald House Charities
North Australia (cont.)

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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by those charged with governance.
- Conclude on the appropriateness of those charged with governance's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit.

Crowe Audit Australia

CROWE AUDIT AUSTRALIA



Mark Andrejic

Partner

Townsville, 25 / 02 / 2020.