



INCORPORATED AS



AUSTRALIAN
MITOCHONDRIAL
DISEASE FOUNDATION

ABN 84 135 324 391

Annual report for the financial year ended
30 June 2022

Australian Mitochondrial Disease Foundation Limited

Annual report for the financial year ended 30 June 2022

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Directors' Report

The directors of The Australian Mitochondrial Disease Foundation Limited (Mito Foundation) submit herewith the annual financial report of the Foundation for the financial year ended 30 June 2022. The directors report as follows:

Information about the directors and senior management

The names of the directors of the Foundation at the end of the financial year are:

John Christodoulou
Donald Coulthard
Graeme Crampton (resigned 16 May 2022)
Fiona Elmer
Aleksandra Filipovska
Ross Grant (resigned 16 May 2022)
Rick Lee
Douglas Lingard
Sean Murray
Carolyn Sue (resigned 16 May 2022)
David Thorburn
Ross Wall
Ann Whitelock (appointed 16 May 2022)

The above named directors held office during the whole of the financial year (except as otherwise noted) or from the date appointed.

Objectives of the Foundation

The Mito Foundation is the only organisation dedicated to supporting and empowering people affected by mitochondrial disease (mito) in Australia. It provides resources and support services for people impacted by mito, and their families, while increasing awareness and understanding of this devastating disease. The foundation aims to transform outcomes for the mito community by driving meaningful change and funding essential research into the prevention, diagnosis, treatment and cures of mitochondrial disorders.

The Mito Foundation's core purpose is to end suffering from mitochondrial disease.

The Mito Foundation's vision is to be the catalyst for energy, hope and cures for every Australian impacted by mitochondrial disease.

Mito Foundation's work is grouped into four strategic pillars of activity:

Empowerment - Improve the experience for mito patients and families by offering a range of Mito Foundation and community generated activities that result in the mito community feeling cared for, heard, supported and empowered.

Research - Drive research into mito by identifying and funding strategic research initiatives that improve diagnosis and treatment and translate into preventions and cures.

Influence - Transform outcomes for mito patients and families by advocating and educating appropriate stakeholders to achieve equitable access to high quality diagnosis, treatment and support.

Sustainability - Strengthen our organisation through excellent governance, financial security, capacity and capability.

Australian Mitochondrial Disease Foundation Limited

Directors' Report (continued)

Principal activities

The principal revenue activity of the Foundation is to raise funds through donations. The principal expenditure activities during the year were to support the mitochondrial disease community and fund research projects, directed towards understanding more about mitochondrial medicine in an attempt to find a cure, or at the very least some form of meaningful treatment.

Review of operations

The Foundation's net deficit for the financial year was \$96,151 (2021: surplus \$506,045)

A review of the operations of the Foundation during the financial year and the results of those operations found that the Foundation continued to engage in its principal activity, the results of which are disclosed in the attached financial statements.

At the year end, Mito Foundation had approved the payment of research grants totalling \$1,904,544 (2021: \$2,500,723).

The impact from the Covid-19 on the Foundation operations is disclosed in Note 12.

Changes in state of affairs

There was no significant change in the state of affairs of the Foundation during the financial year.

Subsequent events

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Foundation, the results of those operations, or the state of affairs of the Foundation in future financial years.

Future developments

The Foundation expects to maintain the present status and level of operations and hence there are no likely developments in the Foundation's operations.

Dividends

The Foundation is limited by guarantee and is prohibited under its constitution from declaring a dividend.

Indemnification of officers and auditors

During the financial year, the Foundation paid a premium in respect of a contract insuring the directors of the Foundation (as named above), the Foundation secretary, and all executive officers of the Foundation and of any related body corporate against a liability incurred as such a director, secretary or executive officer to the extent permitted by the Australian Charities and Not-for-profits Commission Act 2012. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Foundation has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Foundation or of any related body corporate against a liability incurred as such an officer or auditor.

Australian Mitochondrial Disease Foundation Limited

Directors' Report (continued)

Directors' meetings

The following table sets out the number of directors' meetings held during the financial year and the number of meetings attended by each director (while they were a director). During the financial year, 5 meetings were held.

Director Name	16.08.21	15.11.21	21.02.22	11.05.22	16.05.22	Meetings Attended (Meetings Available)
John Christodoulou	✓	✓	✓	✓	✓	5 (5)
Don Coulthard	-	✓	✓	-	✓	3 (5)
Graeme Crampton	✓	✓	-	✓		3 (4)
Fiona Elmer	✓	✓	✓	-	✓	4 (5)
Aleksandra Filipovska	✓	✓	✓	-	-	3 (5)
Ross Grant	-	-	-	-		0 (4)
Rick Lee	✓	✓	-	✓	-	3 (5)
Douglas Lingard	✓	✓	✓	✓	✓	5 (5)
Sean Murray	✓	✓	✓	✓	✓	5 (5)
Carolyn Sue	✓	✓	-	-		2 (4)
David Thorburn	✓	✓	✓	✓	✓	5 (5)
Ross Wall	✓	✓	✓	✓	✓	5 (5)
Ann Whitelock					✓	1 (1)

Auditor's independence declaration

The auditor's independence declaration is included on page 5 of the annual report.

This directors' report is signed in accordance with a resolution of directors.

On behalf of the Directors



Sean Murray

Director

Sydney, 17 April 2023

Board of Directors
Australian Mitochondrial Disease Foundation Limited
Suite 804, Level 8
28 Foveaux Street
Surry Hills NSW 2010

17 April 2023

Dear Board of Directors

Australian Mitochondrial Disease Foundation Limited

In accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012 (Cth)*, I am pleased to provide the following declaration of independence to the directors of Australian Mitochondrial Disease Foundation Limited.

As lead audit partner for the audit of the financial statements of Australian Mitochondrial Disease Foundation Limited for the financial year ended 30 June 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012 (Cth)* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



Alfred Nehama
Partner
Chartered Accountants

Independent Auditor's Report to the Members of Australian Mitochondrial Disease Foundation Limited

Qualified Opinion

We have audited the financial report of Australian Mitochondrial Disease Foundation Limited (the "Entity") which comprises the statement of financial position as at 30 June 2022, 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 statements, including a summary of significant accounting policies and the declaration by the directors' as set out on pages 9 to 25. In addition, we have audited the Entity's compliance with specific requirements of the *Charitable Fundraising Act 1991*.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph,

a) the accompanying financial report of the Entity is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* (the "ACNC Act"), including:

- (i) giving a true and fair view of the Entity's financial position as at 30 June 2022 and of its financial performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 2, and Division 60 of the ACNC Act;

b) the financial report agrees to the underlying financial records of the Entity, that have been maintained, in all material respects, in accordance with the *Charitable Fundraising Act 1991* and its regulations for the year ended 30 June 2022; and

c) monies received by the Entity as a result of fundraising appeals conducted during the year ended 30 June 2022, have been utilised for, and applied, in all material respects, in accordance with the *Charitable Fundraising Act 1991* and its regulations.

We have obtained all the necessary information required in connection with our audit in respect of the financial year ended 30 June 2022.

Basis for Qualified Opinion

Voluntary revenue is a significant source of revenue for Australian Mitochondrial Disease Foundation Limited. Australian Mitochondrial Disease Foundation Limited has determined that it is impracticable to establish control over the collection of donations prior to entry into its financial records. Accordingly, as the evidence available to us regarding revenue from this source was limited, our audit procedures with respect to voluntary revenue had to be restricted to the amounts recorded in the financial records. We therefore are unable to express an opinion whether the voluntary revenue Australian Mitochondrial Disease Foundation Limited has collected is complete.

Other Information

The directors are responsible for the other information. The other information comprises the directors' report for the year ended 30 June 2022, 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 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 the Directors for the Financial Report and for Compliance with the Charitable Fundraising Act 1991

The directors of the Entity are responsible for compliance with the *Charitable Fundraising Act 1991* and the preparation of the financial report that gives a true and fair view, and have determined that the basis of preparation described in Note 2 to the financial report is appropriate to meet the requirements of the ACNC Act and the *Charitable Fundraising Act 1991* and the needs of the members. The director's 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, and to enable compliance with the *Charitable Fundraising Act 1991*.

In preparing the financial report, the directors are responsible for assessing the ability of the Entity 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 Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report and Compliance with Specific Requirements of the Charitable Fundraising Act 1991

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 the Entity complied, in all material respects, with specific requirements of the *Charitable Fundraising Act 1991*, 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 non-compliance with the specific requirements of the *Charitable Fundraising Act 1991* and 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 the directors.
- Conclude on the appropriateness of director'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 our 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.

Because of the inherent limitations of any compliance procedure, it is possible that fraud, error or non-compliance with the *Charitable Fundraising Act 1991* may occur and not be detected. An audit is not designed to detect all weaknesses in the Entity's compliance with the *Charitable Fundraising Act 1991* as an audit is not performed continuously throughout the period and the tests are performed on a sample basis. Any projection of the evaluation of the compliance procedures to future periods is subject to the risk that the procedures, may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

We communicate with the directors 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 our audit.



DELOITTE TOUCHE TOHMATSU



Alfred Nehama
Partner
Chartered Accountants
Sydney, 17 April 2023

Australian Mitochondrial Disease Foundation Limited

Directors' Declaration

The directors declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the Foundation will be able to pay its debts as and when they become due and payable; and
- (b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012 (Cth)* and *Charitable Fundraising Act 1991*, including compliance with accounting standards, and giving a true and fair view of the financial position and performance of the Foundation.

Signed in accordance with a resolution of the directors made pursuant to S.60.15 of the *Australian Charities and Not-for-profits Commission Regulations 2013*.

On behalf of the Directors



Sean Murray

CEO

Sydney, 17 April 2023

Australian Mitochondrial Disease Foundation Limited

Declaration under the Charitable Fundraising Act

I, Sean Murray, Director of the Australian Mitochondrial Disease Foundation Limited declare that in my opinion:

1. The financial statements give a true and fair view of all income and expenditure of the Foundation with respect to the fundraising appeals;
2. The statement of financial position gives a true and fair view of the status of affairs with respect to fundraising appeals.
3. The internal controls exercised by the Foundation are appropriate and effective in accounting for all income received and applied by the Foundation from any of its fundraising appeals.



Sean Murray
CEO
Sydney, 17 April 2023

Australian Mitochondrial Disease Foundation Limited

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Australian Mitochondrial Disease Foundation Limited

Statement of Profit and Loss and Other Comprehensive Income for the financial year to 30 June 2022

	Note	2022 \$	2021 \$
Income			
Donations			
Grant revenue		30,000	10,000
Fundraising and donations		3,283,493	4,231,152
Other Income			
Event registration		1,469,099	899,106
Interest		9,011	18,736
Government stimulus and subsidies		92,921	432,550
Total income		4,884,524	5,591,544
Expenses			
Fundraising expenses		212,122	190,715
Research outgoings		1,139,833	1,265,389
Support outgoings		56,470	100,295
Education and events outgoings		1,682,326	2,139,027
Advocacy outgoings		196,913	116,251
Administration			
Employment costs		1,486,268	1,141,926
Depreciation of property, plant and equipment		5,539	5,909
Depreciation of right-of-use assets	2(h)	79,267	-
Interest expense/reversed- ROU asset	2(h)	14,577	(6,918)
Rent		22,347	69,547
Other expenses		85,013	63,179
Total Expenses		4,980,675	5,085,498
(Deficit)/Surplus for the year		(96,151)	506,045
Other comprehensive income			
		-	-
Total comprehensive (loss) income for the year		(96,151)	506,045

Notes to the financial statements are included on pages 16 to 25.

Australian Mitochondrial Disease Foundation Limited

Statement of Financial Position as at 30 June 2022

	Note	2022 \$	2021 \$
ASSETS			
Current assets			
Cash and cash equivalents	9(a)	2,739,212	4,109,675
Trade and other receivables		14,606	3,579
Other assets	4	3,285,288	1,953,730
Total current assets		6,039,107	6,066,984
Non-current assets			
Property Plant and Equipment	5	5,093	10,632
Right-of-use assets	2(h)	396,336	-
Total non-current assets		401,429	10,632
Total assets		6,440,536	6,077,616
LIABILITIES			
Current liabilities			
Trade and other payables		493,866	180,855
Employee provisions		69,547	104,588
Revenue received in advance	2(h)	193,245	480,217
Lease liabilities	2(h)	86,927	-
Total current liabilities		843,931	765,660
Non-current liabilities			
Employee provisions		68,547	-
Lease liabilities		312,253	-
Total non-current liabilities		380,800	-
Total liabilities		1,224,731	765,660
Net assets		5,215,806	5,311,956
Equity			
Contributed Equity	7	1,300	1,300
Retained earnings		5,214,505	5,310,656
Total equity		5,215,805	5,311,956

Notes to the financial statements are included on pages 16 to 25.

Australian Mitochondrial Disease Foundation Limited

Statement of Changes in Equity for the financial year ended 30 June 2022

	Note	Issued capital \$	Retained earnings \$	Total \$
Balance at 1 July 2020		1,300	4,804,611	4,805,911
Total comprehensive profit for the year		-	506,045	506,045
Balance at 30 June 2021	7	1,300	5,310,656	5,310,956
Total comprehensive profit for the year		-	(96,151)	(96,151)
Balance at 30 June 2022	7	1,300	5,214,505	5,215,805

Notes to the financial statements are included on pages 16 to 25.

Australian Mitochondrial Disease Foundation Limited

Statement of Cash Flows for the financial year ended 30 June 2022

	Note	2022 \$	2021 \$
Cash flows from operating activities			
Receipts from customers		4,782,592	5,140,257
Government stimulus and grants		92,921	432,550
Payments to suppliers		(4,832,429)	(4,765,890)
Interest received		9,011	18,736
Interest paid/reversed		(14,577)	6,918
GST refunded		39,644	22,227
Net cash provided by operating activities	9(b)	<u>77,162</u>	<u>854,799</u>
Cash flows from investing activities			
Investment in term deposits and guarantees		(1,371,202)	(1,539,056)
Payment for Property Plant & Equipment		-	(7,143)
Net cash used in investing activities		<u>(1,371,202)</u>	<u>(1,546,199)</u>
Cash flows from financing activities			
Repayments of lease liabilities		(76,423)	(6,923)
		(81,900)	(6,923)
Net increase in cash and cash equivalents		<u>(1,370,462)</u>	<u>(698,323)</u>
Cash and cash equivalents at the beginning of the financial year		<u>4,109,675</u>	<u>4,807,998</u>
Cash and cash equivalents at the end of the financial year	9(a)	<u>2,739,212</u>	<u>4,109,675</u>

Notes to the financial statements are included on pages 16 to 25.

Australian Mitochondrial Disease Foundation Limited

Notes to the financial statements for the financial year ended 30 June 2022

1. General information

The Australian Mitochondrial Disease Foundation Limited (the Foundation) is an entity limited by guarantee, incorporated and operating in Australia.

The Australian Mitochondrial Disease Foundation Limited's registered office and principal place of business is as follows:

Registered office and principal place of business

Suite 804, Level 8
28 Foveaux Street
Surry Hills NSW 2010

The principal activity of the Foundation is to raise funds through donations. The principal expenditure activities during the year were to support and fund research projects, directed towards understanding more about mitochondrial medicine in an attempt to find a cure, or at the very least some form of meaningful treatment.

2. Significant accounting policies

Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, Australian Auditing Standards – Reduced Disclosure Requirements, and complies with other requirements of the law. Accordingly, this 'general purpose financial report' has been prepared to satisfy the directors' reporting requirements under the Charitable Fundraising Acts.

For the purpose of preparing the financial statements the Company is a not-for-profit entity.

Basis of preparation

The financial report has been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Foundation's accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

Significant accounting policies

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(a) Revenue

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

Donations

Donations and collections are recognised when control passes to the Foundation which is normally on receipt.

Event registration

Revenue from event registration is recorded the day the event takes place. There are no tickets that are valid for more than one event and revenue is therefore recognised at a point in time.

Notes to the financial statements for the financial year ended 30 June 2022

2. Significant accounting policies (continued)

(a) Revenue (continued)

Government grants

Government grants are not recognised until there is reasonable assurance that the Foundation will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in the profit or loss on a systematic basis over the periods in which the Foundation recognises as expenses for the related costs for which the grants are intended to compensate.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Foundation with no future related costs are recognised as other income in profit or loss in the period in which they become receivable.

Interest

Interest is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

(b) Income tax

The foundation is income tax exempt pursuant to Section 50-5 of the Income Tax Assessment Act 1997.

(c) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii. for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified within operating cash flows.

(d) Financial instruments

Debt and equity instruments

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

(e) Comparative amounts

Where applicable, comparative amounts in the prior year are reclassified to conform with the current year's presentation.

Australian Mitochondrial Disease Foundation Limited

Notes to the financial statements for the financial year ended 30 June 2022

2. Significant accounting policies (continued)

(f) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Foundation assesses whether a contract is or contains a lease, at inception of the contract. The Foundation recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Foundation recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Foundation uses its incremental borrowing rate.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

(h) New Accounting Standards and interpretations

AASB 1058 Income of Not-for-Profit Entities and AASB 15 Revenue from Contracts with Customers

In the current year, the Foundation has applied AASB 1058 Income of Not-for-Profit Entities and AASB 15 Revenue from Contracts with Customers effective for the year commencing 1 July 2019. The Foundation has applied AASB 1058 and AASB 15 in accordance with the modified retrospective (cumulative catch-up) method where the comparative years are not restated.

AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, in conjunction with AASB 15. The new income recognition requirements shift the focus from a reciprocal/non-reciprocal basis to a basis of assessment that considers the enforceability of a contract and the specificity of performance obligations.

3. Members' guarantee

The Foundation is an entity limited by guarantee and the liability of the members is limited. As per the Constitution, every member of the Foundation undertakes to contribute an amount not exceeding \$100 to the property of the Foundation in the event of its being wound up. The number of members at year end was 13 (2019: 12).

4. Other Assets

	2022	2021
	\$	\$
<u>Current</u>		
Term deposits	3,180,057	1,817,516
Security bond	9,210	549
GST refund due	87,715	97,747
Prepayments	8,306	37,918
	<u>3,285,288</u>	<u>1,953,730</u>

Australian Mitochondrial Disease Foundation Limited

Notes to the financial statements for the financial year ended 30 June 2022

5. Plant and Equipment

	2022 \$	2021 \$
Office equipment	354	354
Less: Accumulated depreciation	(354)	(349)
Office equipment at written down value	-	5
Computer equipment	6,369	6,369
Less: Accumulated depreciation	(6,369)	(3,837)
Computer equipment at written down value	-	2,532
Event equipment	38,439	38,439
Less: Accumulated depreciation	(33,346)	(30,344)
Event equipment at written down value	5,093	8,095
Total property plant and equipment	5,093	10,632

The following depreciation rates have been used in the calculation of depreciation.

Office equipment	37.50%
Computer equipment	18.75% - 37.50%
Event equipment	37.50%

6. Right of use assets

Gross Amount:

Balance at 1 July 2021	-	-
Additions during the year	475,603	-
Right of use assets as at 30 June 2022	475,603	-

Accumulated depreciation

Accumulated depreciation at 1 July 2021	-	-
Depreciation from the year	(79,267)	-
Accumulated depreciation	(79,267)	-

Carrying amount at 30 June 2022

396,336 -

7. Key management personnel compensation

	2022 \$	2021 \$
<u>Current</u>		
Employee benefits	1,436,509	1,114,641

Aggregate paid or payable to a director of the Australian Mitochondrial Disease Foundation Limited was \$165,916 (2021: \$180,542)

8. Contributed equity

	2022 \$	2021 \$
Membership shares	1,300	1,300

Australian Mitochondrial Disease Foundation Limited

Notes to the financial statements for the financial year ended 30 June 2022

9. Auditors remuneration

	2022 \$	2021 \$
Audit of the financial report	18,000	18,000

Deloitte Touche Tohmatsu is the auditor of the Foundation.

10. Notes to the statement of cash flows

(a) Reconciliation of cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows are reconciled to the related items in the statement of financial position as follows:

	2022 \$	2021 \$
Cash at bank	2,739,212	4,109,675
	2,739,212	4,109,675

(b) Reconciliation of surplus for the year to net cash flows from operating activities

	2022 \$	2021 \$
Surplus (Deficit) for the year	(96,151)	506,047
Depreciation charge for the year	5,539	5,909
Depreciation of right-of-use assets	79,267	-
<i>Changes in net assets and liabilities:</i>		
(Increase)/decrease in assets:		
Trade and other receivables	(11,027)	47,955
Other assets	39,644	22,227
(Decrease)/increase in liabilities:		
Trade and other payables	(313,012)	(108,661)
Revenue received in advance	(286,972)	358,422
Employee provisions	33,851	22,900
Net cash provided by operating activities	77,162	854,799

11. Subsequent Events

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

Australian Mitochondrial Disease Foundation Limited

Notes to the financial statements for the financial year ended 30 June 2022

12. Contingent Liabilities

In addition to the liabilities listed in the Statement of Financial Position at 30 June 2022, the Mito Foundation management team monitors contingent liabilities - those funds approved by the Mito Foundation for earmarked support services, education and advocacy projects (programs), and for payment to successful research and medical funding applicants, but not yet paid

	2022	2021
	\$	\$
Program Commitments		
Patient Pathways Program	0	10,500
Mito Information Days	985	0
Evaluation Methodology Program	0	41,550
Total Program Commitments	985	51,550
Research & Medical Funding Commitments		
Commitment for approved Mito Foundation Clinical Trial Support Grants	225,000	225,000
Commitment for approved Mito Foundation Incubator Grants	24,984	25,000
Commitment for approved Mito Foundation Partnership Grants	174,073	192,160
Commitment for approved Mito Foundation PhD Scholarships	160,338	160,743
Commitment for approved Mito Foundation Project Grants	300,000	300,000
Commitment for approved Mito Foundation Research Fellowship	373,494	550,000
Commitment for approved Mito Foundation Translational Research Grants	521,655	735,320
Commitment for approved Mito Foundation Clinical Fellowships	125,000	312,500
Total Research & Medical Funding Commitments	1,904,544	2,500,723
Total Contingent Liabilities	1,905,529	2,552,273

13. Additional information required under the Charitable Fundraising Act 1991

- (a) Information and declarations to be furnished under the Charitable Fundraising Act 1991. Details of aggregate gross income and total expenses of fundraising.

	2022	2021
	\$	\$
Gross proceeds from fundraising		
Special events and donations	4,782,592	5,140,258
Direct costs of fundraising		
Fundraising expenses	(212,122)	(190,715)
Net surplus from fundraising	4,570,471	4,949,543

Australian Mitochondrial Disease Foundation Limited

Notes to the financial statements for the financial year ended 30 June 2022

(b) Application of funds for charitable purposes

	2022	2021
	\$	\$
Net surplus from fundraising	4,570,471	4,949,543
This was applied to the charitable purposes in the following manner:		
Expenditure on services	2,853,998	3,404,415
Expenditure on administration, marketing and indirect costs	1,914,556	1,490,369
Total operating expenditure	4,768,554	4,894,784
(Deficit) Surplus between fundraising and expenditure	(198,083)	54,759
The deficit of \$198,083 (30 June 2021: surplus of \$54,759) was decreased by income from the following sources:		
Interest received	9,011	18,736
Government stimulus and grants	92,921	432,550
Total income from other sources	101,932	451,286
Operating surplus	(96,151)	506,045

(c) Comparison of certain monetary figures and percentage

	Fundraising	Gross income from fundraising	2022	2021
	\$	\$	%	%
Fundraising costs as % of gross income	212,122	4,782,592	4	4
	Net Surplus	Gross income from fundraising	2022	2021
	\$	\$	%	%
Net surplus from fundraising as % of gross income from fundraising	4,570,471	4,782,592	96	96
	Total costs of services	Total expenditure	2022	2021
	\$	\$	%	%
Cost of services as % of total expenditure	2,853,998	4,980,498	57	67
	Total costs of services	Total income received	2022	2021
	\$	\$	%	%
Cost of services as % of income received	2,853,998	4,884,524	58	61