

# MFR GUIDING STATEMENT 2

## THE DIFFERENCE BETWEEN ANNUAL REPORTING AND MFR REPORTS

EFFECTIVE OCTOBER 2023

### Annual Reporting requirements

Annual reporting is a quick financial health check once a year.

For licensees in categories 1-3, it is their internal management accounts including a balance sheet, profit & loss statement, aged debtors and creditors listing and a statement of cashflow (information can be sourced straight from the business's internal bookkeeping records such as MYOB, Quickbooks, Xero etc). For SC1 or SC2 contractors, it is a 3 page annual reporting form.

No accounting standards are required, and an accountant is not required to prepare or submit the information.

It is a once-a-year submission based on the information for your current licence category. The information provided is for your last financial year (for most licensees, this is 30 June each year).

The annual reporting due dates are set at 31 December each year for mid to large licensees (categories 1 to 7), and 31 March each year for SC1 and SC2 contractors. The online system for licence categories 1 to 7 opens for lodgements on 1 August each year, and opens for SC1 and SC2 lodgements on 31 October each year.

You can lodge the information anytime after 30 June (once the system opens, and when you have the information ready) and before the due date.

You can lodge your annual reporting submission via the online portal (myQBCC).

Annual reporting information does not change your maximum revenue or last approved net tangible asset amount (you need to separately provide an MFR Report to do that).

### MFR Reports

An MFR Report is NOT required for annual reporting purposes.

You only need to provide an MFR Report in certain circumstances, including:

- Applying for a new licence;
- If your net tangible assets decrease by 20% (for categories 4-7) or 30% (for categories 1-3);
- If your turnover goes 10% over your maximum revenue, or you want to increase your maximum revenue amount;
- If a significant change to your business structures occurs (in certain circumstances);
- If we request it.

For an MFR Report, all relevant accounting standards need to be applied, and the financial information can't be any older than 4 months in age. The MFR Report is signed by both the licensee and the accountant, and is accompanied by signed financial statements.

An MFR Report cannot be lodged using the online portal, it needs to be submitted to the email address on the MFR Report ([MFRQueries@qbcc.qld.gov.au](mailto:MFRQueries@qbcc.qld.gov.au)), by post, or in person to a QBCC office.

### Can my financial information be used for both annual reporting purposes and MFR Reporting?

If you need to provide an MFR Report because of one of the circumstances outlined above, you can use the financial information for 30 June financials for both annual reporting and to provide the MFR Report if you need to.

An MFR Report based on financials of 30 June would need to be signed off by the accountant no later than 31 October to comply with the 4 month rule. If it is outside of those times, then your 30 June financials would be used for annual reporting, but you would need to provide more recent financial information to be used in an MFR Report.