

Housing for the Aged Action Group Inc

ABN: 80 348 538 001

Statement of Income and Expenditure and Other Comprehensive Income

For the year ended 30 June 2018

	Notes	2018 \$	2017 \$
Income			
Revenue	2	2,045,175	2,113,873
Total Income		2,045,175	2,113,873
Expenses			
Employee benefits expense		1,465,471	1,418,474
Depreciation and amortisation expense		32,230	21,470
Client Brokerage		226,669	154,986
Rent		57,164	52,879
Office expenses		60,920	65,598
Motor Vehicle Expenses		45,450	42,543
Project costs		0	136,688
Accounting & Consultancy fees		103,194	99,285
Travel and Accommodation		19,057	14,835
Training & Development		36,548	10,183
Meeting expenses		11,032	16,299
Other expenses		20,503	36,290
Total Expenses		2,078,238	2,069,530
Surplus/(Deficit) for the year		(33,063)	44,343
Other Comprehensive Income		0	0
Total Comprehensive Income for the year		(33,063)	44,343

The accompanying notes form part of these financial statements

Housing for the Aged Action Group Inc

ABN: 80 348 538 001

Statement of Financial Position

As at 30 June 2018

	Notes	2018 \$	2017 \$
Assets			
Current Assets			
Cash and Cash Equivalents	3	690,384	675,907
Receivables	4	0	45,357
Total Current Assets		690,384	721,264
Non-Current Assets			
Plant & Equipment	5	49,682	75,658
Total Non-Current Assets		49,682	75,658
Total Assets		740,066	796,922
Liabilities			
Current			
Trade and other payables	6	65,381	74,815
Financial Liabilities	7	17,293	15,315
Employee Benefits	8	143,239	141,795
Total Current Liabilities		225,913	231,925
Non Current Liabilities			
Financial liabilities	7	25,621	42,915
Employee benefits	8	26,504	26,992
Total Non Current Liabilities		52,125	69,907
Total Liabilities		278,038	301,832
Net Assets		462,028	495,090
Equity			
Retained Earnings		462,028	495,090
Total Equity		462,028	495,090

The accompanying notes form part of these financial statements

Housing for the Aged Action Group Inc

ABN: 80 348 538 001

Statement of Changes in Equity

For the year ended 30 June 2018

	2018	2017
	\$	\$
Retained Earnings		
Opening Balance	495,091	450,747
Surplus (loss) for the Period	(33,063)	44,343
Closing Balance of Retained Earnings	462,028	495,090

The accompanying notes form part of these financial statements

Housing for the Aged Action Group Inc

ABN: 80 348 538 001

Statement of Cash Flows

For the year ended 30 June 2018

	Notes	2018 \$	2017 \$
Cash from operating activities:			
Receipts from grants, trust income, donations and other sources		2,261,330	2,259,510
Payments to suppliers & employees		(2,226,512)	(2,246,412)
Interest received		5,236	5,651
Interest and finance costs paid		(4,008)	(3,861)
Net cash provided by operating activities	11	36,046	14,888
Cash flows from investing activities:			
Payment for purchase of plant and equipment		(6,254)	(70,967)
Proceeds from sale of property, plant and equipment		0	5,724
Net cash used by investing activities		(6,254)	(65,243)
Cash flows from financing activities:			
Lease procured (repaid)		(15,316)	58,230
Net cash used by financing activities		(15,316)	58,230
Net increase / (decrease) in cash and cash equivalents held		14,476	7,875
Cash and cash equivalents at beginning of year		675,907	668,032
Cash & cash equivalents at end of financial year	3	<u>690,383</u>	<u>675,907</u>

The accompanying notes form part of these financial statements

Housing for the Aged Action Group Inc

ABN: 80 348 538 001

Notes to the Financial Statements

For the year ended 30 June 2018

1 Summary of Significant Accounting Policies

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

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, AASB107 Statement of Cash Flows, AASB108 Accounting Policies, Changes in Accounting Estimates and Errors and AASB 1054 Australian Additional Disclosures.

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs unless otherwise stated in the notes. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise. The amounts presented in the financial statements have been rounded to the nearest dollar.

(a) 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 Association and specific criteria relating to the type of revenue as noted below, has been satisfied.

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

Grant revenue

Non-reciprocal grant revenue is recognised in profit or loss when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably. If conditions are attached to the grant that must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue in the statement of profit or loss will be recognised as income received in advance in the statement of financial position until such time where the conditions or contracted services are satisfied and delivered.

Donations

Donations and bequests are recognised as revenue when received.

Interest revenue

Interest is recognised using the effective interest method.

Other income

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

(b) Plant and equipment

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

Items of plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

Plant and equipment are measured using the cost model. Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Housing for the Aged Action Group Inc

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Notes to the Financial Statements

For the year ended 30 June 2018

1 Summary of Significant Accounting Policies

(b) Plant and equipment

Depreciation

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

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

Plant and Equipment - 4 years

Motor Vehicles - 4 years

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.

(c) Leases

Finance leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to the Association are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Operating leases

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

(d) Impairment of assets

At the end of each reporting period, the Association 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.

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.

(e) Employee benefits

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

(f) 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.

(g) 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.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

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

Housing for the Aged Action Group Inc

ABN: 80 348 538 001

Notes to the Financial Statements

For the year ended 30 June 2018

1 Summary of Significant Accounting Policies

(h) Trade and Other Receivables

Trade and Other Receivables include amounts due from members as well as amounts receivable from donors. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets.

(i) 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.

(j) Income Tax

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

The Association is registered with the Australian Charities and Not-for-profits Commission as a Public Benevolent Institution and is endorsed as a Deductible Gift Recipient.

(k) Critical Accounting Estimates and Judgements

The members of the committee evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the association.

Key Estimates - Impairment

The association assesses impairment at the end of each reporting period by evaluating conditions and events specific to the association that may be indicative of impairment triggers.

(l) Economic dependence

The Housing For The Aged Action Group Inc is dependent grants and trust income for the majority of its revenue used to operate the business. At the date of this report the members of the committee have no reason to believe funders will not continue to support The Housing For The Aged Action Group Inc.

(m) New Accounting Standards for Application in Future Periods

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Association has decided not to early adopt these Standards. The following summarises those future requirements, and their impact on the Association where the standard is relevant:

AASB 16: Leases (applicable to annual reporting periods beginning on or after 1 January 2019)

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard are as follows:

- recognition of a right-of-use asset and liability for all leases(excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-of-use assets in line with AASB 116: Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;
- inclusion of variable lease payments that depend on an index or a rate in the initial measurement of the lease liability using the index or rate at the commencement date;

Housing for the Aged Action Group Inc

ABN: 80 348 538 001

Notes to the Financial Statements

For the year ended 30 June 2018

1 Summary of Significant Accounting Policies

(m) New Accounting Standards for Application in Future Periods

- application of a practical expedient to permit a lessee to elect not to separate non-lease components and instead account for all components as a lease; and
- inclusion of additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

Although the members of the committee anticipate that the adoption of AASB 16 will impact the association's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

AASB1058: Income of Not-for-Profit Entities (applicable to annual reporting periods beginning on or after 1 January 2019).

This Standard is applicable to transactions that do not arise from enforceable contracts with customers involving performance obligations. The significant accounting requirements of AASB 1058 are as follows:

- Income arising from an excess of the initial carrying amount of an asset over the related contributions by owners, increases in liabilities, decreases in assets and revenue should be immediately recognised in profit or loss. For this purpose, the assets, liabilities and revenue are to be measured in accordance with other applicable Standards.
- Liabilities should be recognised for the excess of the initial carrying amount of a financial asset (received in a transfer to enable the entity to acquire or construct a recognisable non-financial asset that is to be controlled by the entity) over any related amounts recognised in accordance with the applicable Standards. The liabilities must be amortised to profit or loss as income when the entity satisfies its obligations under the transfer.

An entity may elect to recognise volunteer services or a class of volunteer services as an accounting policy choice if the fair value of those services can be measured reliably, whether or not the services would have been purchased if they had not been donated. Recognised volunteer services should be measured at fair value and any excess over the related amounts (such as contributions by owners or revenue) immediately recognised as income in profit or loss.

The transitional provisions of this Standard permit an entity to either: restate the contracts that existed in each prior period presented in accordance with AASB 108 (subject to certain practical expedients); or recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application. For this purpose, a completed contract is a contract or transaction for which the entity has recognised all of the income in accordance with AASB 1004: Contributions.

Although the members of the committee anticipate the adoption of AASB 1058 may have an impact on the association's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

Housing for the Aged Action Group Inc

ABN: 80 348 538 001

Notes to the Financial Statements For the year ended 30 June 2018

	2018 \$	2017 \$
2. Revenue and other income		
<i>Grants</i>		
Assistance with Care and Housing for the Aged	303,135	299,245
CAV Funding	258,867	321,587
DHHS Funding	1,188,964	1,146,744
Other Grants	0	1,000
<i>Total Grants</i>	<u>1,750,966</u>	<u>1,768,576</u>
<i>Trust Income</i>		
Wicking Trust Income	250,081	243,149
CALD Project Income	4,900	0
Street Smart Income	10,921	18,500
Lord Mayors Income	3,500	36,314
<i>Total Trust Income</i>	<u>269,402</u>	<u>297,963</u>
<i>Other income</i>		
Interest	5,236	5,650
Other	19,571	41,684
<i>Total Other income</i>	<u>24,807</u>	<u>47,334</u>
Total Revenue and other income	<u>2,045,175</u>	<u>2,113,873</u>
3. Cash and cash equivalents		
Cash at bank and in Hand	690,384	675,907
Cash at bank and in Hand	<u>690,384</u>	<u>675,907</u>
4. Trade and other receivables		
<i>Current</i>		
Pledges Receivable	0	45,357
Total Trade and other receivables	<u>0</u>	<u>45,357</u>
5. Plant & equipment		
Furniture & Fixtures at Cost	25,442	24,600
Furniture & Fixtures Accumulated Depreciation	(21,839)	(15,103)
Total Furniture & Fixtures	<u>3,603</u>	<u>9,497</u>
Office Equipment At Cost	66,447	61,035
Office Equipment Accumulated Depreciation	(57,127)	(47,879)
Total Office Equipment	<u>9,320</u>	<u>13,156</u>
Motor Vehicles at Cost	64,987	64,987
Motor Vehicles Accumulated Depreciation	(28,228)	(11,982)
Total Motor Vehicles	<u>36,759</u>	<u>53,005</u>
Total Plant & equipment	<u>49,682</u>	<u>75,658</u>

Housing for the Aged Action Group Inc

ABN: 80 348 538 001

Notes to the Financial Statements For the year ended 30 June 2018

	2018	2017
	\$	\$
6. Trade and other payables		
Trade Payables	4,348	8,233
Other payables	61,033	66,582
Total Trade and other payables	65,381	74,815
7. Financial liabilities		
<i>Current</i>		
Chattel Mortgage	19,323	19,324
Less unexpired charges	(2,030)	(4,009)
<i>Total Current</i>	<u>17,293</u>	<u>15,315</u>
<i>Non Current</i>		
Chattel mortgage	27,371	46,695
Less unexpired charges	(1,750)	(3,780)
<i>Total Non Current</i>	<u>25,621</u>	<u>42,915</u>
Total Financial liabilities	42,914	58,230
8. Employee Benefits		
<i>Current</i>		
Provision Annual Leave	117,462	121,896
Provision for LSL - current	25,777	19,899
<i>Total Current</i>	<u>143,239</u>	<u>141,795</u>
<i>Non Current</i>		
Provision for LSL - noncurrent	26,504	26,992
<i>Total Non Current</i>	<u>26,504</u>	<u>26,992</u>
Total Employee Benefits	169,743	168,787
9. Capital and Leasing Commitments		
Finance Leases		
<i>Minimum lease payments</i>		
- not later than one year	46,694	66,018
Total Minimum lease payments	46,694	66,018
Less: Finance charges	(3,780)	(7,788)
Present value of minimum lease payments	42,914	58,230
Operating Leases		
At 30 June 2018, the Association was committed to making operating lease payments for property over the following term:		
Less than one year	61,076	55,524
Total Commitments	61,076	55,524
10. Contingencies		
In the opinion of those charged with governance, the Association did not have any contingencies at 30 June 2018 (30 June 2017 : None).		

Housing for the Aged Action Group Inc

ABN: 80 348 538 001

Notes to the Financial Statements

For the year ended 30 June 2018

	2018	2017
	\$	\$
11. Cash Flow Information		
<i>Reconciliation of Cash Flow from Operations with Profit after Income Tax</i>		
Net income/(loss) for the period	(33,063)	44,343
<i>Non-cash flows in profit</i>		
- Depreciation and amortisation	32,230	21,470
- Net gain on disposal of plant and equipment	0	3,327
<i>Changes in assets and liabilities:</i>		
- (Increase)/decrease in trade and other receivables	45,357	92
- (Increase)/decrease in current assets	0	4,888
- Increase/(decrease) in income in advance	0	(27,314)
- Increase/(decrease) in trade and other payables	(9,434)	(54,904)
- Increase/(decrease) in employee benefits	956	22,986
Cash Flows from operations	36,046	14,888

12. Events after the end of 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 Association, the results of those operations or the state of affairs of the Association in future financial years.

13. Association Details

The financial report is for Housing For the Aged Action Group Inc Limited as an individual entity, incorporated and domiciled in Victoria, Australia. The financial report is presented in Australian dollars.

The registered office of the association is:

1st Floor, Ross House
247-251 Flinders Lane
Melbourne, Vic, 3000

Housing for the Aged Action Group Inc

ABN: 80 348 538 001

Statement by Members of the Committee

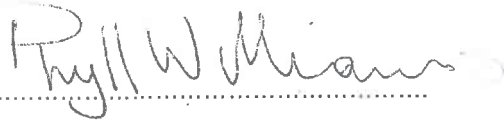
For the year ended 30 June 2018

In the opinion of the committee members:

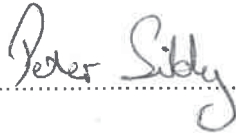
- 1 there are reasonable grounds to believe that the registered entity will be able to pay its debts, as and when they become due and payable; and
- 2 The financial statements and notes are in accordance with the Australian Accounting Standards to the extent described in Note 1, the *Association Incorporation Reform Act 2012* (VIC) and 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*.

Committee Member.....



Committee Member.....



Dated this

26

Day of

September

2018

SUPER AUDIT SERVICES

Certified Practising Accountants

PO Box 552, Dromana, Victoria, 3936

Telephone: (03) 5987 1908

ABN 44 942 769 277

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

Report on the Audit of the Financial Report

I have audited the financial report, being a special purpose financial report, of Housing for the Aged Action Group Inc, which comprises the statement of financial position as at 30 June 2018, the statement of income and expenditure 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 statement by the members of the Committee.

In my opinion, the accompanying financial report of Housing for the Aged Action Group Inc presents fairly, in all material respects, including:

- (i) giving a true and fair view of the Association's financial position as at 30 June 2018 and of its financial performance for the year ended; and
- (ii) complying with the Australian Accounting Standards to the extent described in Note 1, the *Association Incorporation Reform Act 2012* of Victoria, the *Australian Charities and Not-for-profits Commission Act 2012* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of my report. I am independent of the association in accordance with the auditor independence requirements of Division 60 of the Australian Charities and Not-for-profits Commission Act 2012 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 my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter - Basis of Accounting

I 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 association's financial reporting responsibilities under the *Associations Incorporations Reform Act 2012* of Victoria and the *Australian Charities and Not-for-profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose. My opinion is not modified in respect of this matter.

Responsibilities of the Committee for the Financial Report

The Members of the Committee are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the *Associations Incorporation Reform Act 2012* of Victoria and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the committee determines 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 committee are responsible for assessing the association'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 committee either intend to liquidate the association or to cease operations, or have no realistic alternative but to do so. They are also responsible for overseeing the association's financial reporting process.

SUPER AUDIT SERVICES

Certified Practising Accountants

PO Box 552, Dromana, Victoria, 3936

Telephone: (03) 5987 1908

ABN 44 942 769 277

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS (Continued)

Auditor's Responsibilities for the Audit of the Financial Report

My 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 my 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 the financial report.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I 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 my 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 controls 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 fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of committee'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 fund's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My 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 fund 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.

I communicate with the committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.



PAUL FOX, CPA

Dated this 26th day of September 2018