

# Audited Financial Report

All About Living Inc

ABN 57 735 061 306

For the year ended 30 June 2017

Prepared by David Thornton

# Contents

|           |  |
|-----------|--|
| <b>3</b>  | Board of Management Declaration                            |
| <b>4</b>  | Board of Management Report                                 |
| <b>7</b>  | Independent Audit Report                                   |
| <b>9</b>  | Statement of Profit or Loss and Other Comprehensive Income |
| <b>10</b> | Statement of Financial Position                            |
| <b>11</b> | Statement of Changes in Equity                             |
| <b>12</b> | Statement of Cash Flows                                    |
| <b>13</b> | Notes to the Financial Statements                          |

# Board of Management Declaration

## All About Living Inc

### For the year ended 30 June 2017

The members of the Board of Management of the association declare that:

1 The financial statements and notes, as set out in the financial report

a. comply with Australian Accounting Standards, to the extent outlined in Note 1 to the financial statements; and

b. give a true and fair view of the financial position as at and of the performance for the year ended on that date of the association.

2 In the members' opinion there are reasonable grounds to believe that the association will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Management.

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Chairperson

Date:

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Treasurer

Date:

# Board of Management Report

## All About Living Inc

### For the year ended 30 June 2017

Your Board Members present their report on the association for the financial year ended .

#### Board Members

The names of the Board Members in office at any time during, or since the end of, the year are:

| Member's Name         | Special Responsibilities |
|-----------------------|--------------------------|
| Mr Edmund (Ted) Flack | President                |
| Mr Darryl McNamara    | Vice President           |
| Ms Carolyn Hunter     | Treasurer                |
| Mrs Leiza Rooney      |                          |
| Mrs Diane Gunton      |                          |
| Mrs Joanne Sutton     |                          |
| Mrs Joan Flack        | Appointed Secretary      |

Board Members have been in office since the start of the financial year to the date of this report unless stated otherwise.

#### Review of Operations

The net deficit of the association for the financial year amounted to \$41,442 (2015 surplus \$31,543).

A review of the operations of the association during the financial year and the results of those operations are as follows:

The association's operations during the year performed as expected in the opinion of the board members.

#### Significant Changes in the State of Affairs

No significant changes in the association's state of affairs occurred during the financial year.

#### Principal Activities

The principal activities of the association during the financial year were:

Service delivery and support to individuals and families to facilitate independent living:

- Basic domestic assistance
- Shopping and meal preparation
- Escorted transport
- Counselling, advocacy and support

A new service commenced during the year:

- In home nursing services

### **Events Subsequent to 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.

### **Likely Developments and Expected Results of Operations**

Likely developments in the operations of the association and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the association in future years.

### **Environmental Regulation**

The association's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

### **Dividends**

The association is prohibited by its Constitution from declaring of dividends or distributing assets to its members.

### **Strategies**

#### **Short Term Goals**

- Promote the image of the association
- Evaluate new revenue streams to facilitate sustainable service delivery
- Improve the profitability of the association

#### **Strategies to Achieve Short Term Goals**

- Respond affirmatively to member and community feedback
- Continued promotion of the association through media channels

### **Indemnification of Officers**

No indemnities have been given or insurance premiums paid, during or since the end of financial year, for any person who is or has been an officer or auditor of the association.

### **Proceedings on Behalf of the Association**

No person has applied for leave of the court to bring proceedings on behalf of the association or intervene in any proceedings to which the association is a party for the purpose of taking responsibility on behalf of the association for all or part of those proceedings.

The association was not a party to such proceedings during the year.

This report is signed in accordance with a resolution of the Board of Management:

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Chairperson

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Treasurer

# Independent Audit Report

## All About Living Inc

### For the year ended 30 June 2017

#### TO THE MEMBERS OF

All About Living Inc

#### Report on the audit of the financial report

I have audited the attached financial report, being a general purpose financial report of All About Living Inc which comprises a Statement of Financial Position as at 30 June 2017, Statement of Profit or Loss and Other Comprehensive Income and Statements of Changes in Equity and Cash Flows for the year then ended, a summary of significant accounting policies, other explanatory notes and the Board of Management's declaration.

#### Auditor's opinion

In my opinion, the accompanying financial report gives a true and fair view of the financial position of All About Living Inc as of 30 June 2017 and of its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements.

#### 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 this report. I am independent of the Association in accordance with the auditor independence and 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.

#### The responsibility of the Board of Management for the financial report

The Board of Management of the entity is responsible for the preparation and fair presentation of the financial report and has determined that the accounting policies described in Note 1 to the financial statements which form part of the financial report are appropriate to meet the financial reporting requirements of the entity and are appropriate to meet the needs of the members. The Board of Management's responsibility also includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### Auditor's responsibility

My responsibility is to express an opinion on the financial report based on my audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. I conducted the audit in accordance with Australian auditing standards. These auditing standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by All About Living Inc, as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution to members for the purpose of fulfilling the Board of Management's financial reporting responsibilities. I disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

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David Thornton CPA

Unit 3, 2 Wills Street, NORTH LAKES QLD 4509

2 August 2017



# Statement of Profit or Loss and Other Comprehensive Income

## All About Living Inc

For the year ended 30 June 2017

|   | NOTES | 2017            | 2016            |
|---|-------|-----------------|-----------------|
| <b>Comprehensive Income/(Loss) for the period</b>       |       |                 |                 |
| <b>Surplus/(Deficit) for the year</b>                   |       |                 |                 |
| Revenue   | 2     | 850,919         | 805,735         |
| Other Income  | 2     | 1,722,000       | 1,633,712       |
| Expenses excluding Finance Costs                        | 3     | (2,614,001)     | (2,324,362)     |
| Finance Costs   | 4     | (360)           | (138)           |
| <b>Total Surplus/(Deficit) for the year</b>             |       | <b>(41,442)</b> | <b>114,947</b>  |
| <b>Other Comprehensive Income for the year</b>          |       |                 |                 |
| <b>Transfers to Reserves</b>                            |       |                 |                 |
| General Reserve - information technology and upgrades   |       | -               | (2,067)         |
| Property Reserve - Lagoon Street                        |       | -               | (58,530)        |
| Property Reserve - Activity Centre                      |       | -               | (20,927)        |
| Capital Redemption Reserve - Motor Vehicle              |       | -               | (1,880)         |
| <b>Total Transfers to Reserves</b>                      |       | <b>-</b>        | <b>(83,404)</b> |
| <b>Total Other Comprehensive Income for the year</b>    |       | <b>-</b>        | <b>(83,404)</b> |
| <b>Total Comprehensive Income/(Loss) for the period</b> |       | <b>(41,442)</b> | <b>31,543</b>   |

*This statement should be read in conjunction with the notes to the financial statements and the attached audit report of Anselm Accounting and Bookkeeping Services.*

# Statement of Financial Position

## All About Living Inc As at 30 June 2017

|                                      | NOTES | 30 JUN 2017    | 30 JUN 2016    |
|--------------------------------------|-------|----------------|----------------|
| <b>Assets</b>                        |       |                |                |
| <b>Current Assets</b>                |       |                |                |
| Cash and cash equivalents            | 5     | 561,916        | 552,654        |
| Trade and other receivables          | 7     | 93,060         | 157,844        |
| Other current assets                 | 8     | 17,037         | 17,206         |
| <b>Total Current Assets</b>          |       | <b>672,013</b> | <b>727,704</b> |
| <b>Non-Current Assets</b>            |       |                |                |
| Property, plant and equipment        | 9     | 123,073        | 128,534        |
| <b>Total Non-Current Assets</b>      |       | <b>123,073</b> | <b>128,534</b> |
| <b>Total Assets</b>                  |       | <b>795,086</b> | <b>856,237</b> |
| <b>Liabilities</b>                   |       |                |                |
| <b>Current Liabilities</b>           |       |                |                |
| Trade and other payables             | 10    | 16,428         | 19,980         |
| Financial liabilities                | 11    | 23,213         | 3,083          |
| Other liabilities                    | 12    | 160,455        | 206,519        |
| <b>Total Current Liabilities</b>     |       | <b>200,096</b> | <b>229,582</b> |
| <b>Non-Current Liabilities</b>       |       |                |                |
| Other non current liabilities        | 12    | 10,631         | -              |
| <b>Total Non-Current Liabilities</b> |       | <b>10,631</b>  | <b>-</b>       |
| <b>Total Liabilities</b>             |       | <b>210,727</b> | <b>229,582</b> |
| <b>Net Assets</b>                    |       | <b>584,359</b> | <b>626,655</b> |
| <b>Equity</b>                        |       |                |                |
| Reserves                             | 13    | 206,450        | 207,304        |
| Retained earnings                    | 14    | 377,909        | 419,351        |
| <b>Total Equity</b>                  |       | <b>584,359</b> | <b>626,655</b> |

This statement should be read in conjunction with the notes to the financial statements and the attached audit report of Anselm Accounting and Bookkeeping Services.

# Statement of Changes in Equity

All About Living Inc

For the year ended 30 June 2017

|   | NOTES | 2017            | 2016           |
|---|-------|-----------------|----------------|
| <b>Equity</b>   |       |                 |                |
| <b>Equity</b>   |       |                 |                |
| Opening Balance                                       |       | 626,655         | 511,708        |
| <b>Comprehensive income for the year</b>              |       |                 |                |
| Profit / (Loss) for the year                          |       | (41,442)        | 31,543         |
| <b>Total Comprehensive income for the year</b>        |       | <b>(41,442)</b> | <b>31,543</b>  |
| <b>Other increases / (decreases)</b>                  |       |                 |                |
| Beg. Bal. Information Technology Reserve              |       | -               | 24,500         |
| Beg. Bal. Insurance Provision Reserve                 |       | -               | 30,000         |
| General Reserve - Information Technology and Upgrades |       | (854)           | (22,433)       |
| General Reserve - Insurance                           |       | -               | (30,000)       |
| Motor Vehicle Replacement                             |       | -               | 1,880          |
| Property Reserve - Activity Centre                    |       | -               | 20,927         |
| Property Reserve - Lagoon St                          |       | -               | 58,530         |
| <b>Total Other increases / (decreases)</b>            |       | <b>(854)</b>    | <b>83,404</b>  |
| <b>Total Equity</b>                                   |       | <b>584,359</b>  | <b>626,655</b> |

*This statement should be read in conjunction with the notes to the financial statements and the attached audit report of Anselm Accounting and Bookkeeping Services.*

# Statement of Cash Flows

## All About Living Inc

For the year ended 30 June 2017

|  | NOTES | 2017            | 2016            |
|--|-------|-----------------|-----------------|
| <b>Cash flows from Operating Activities</b>                        |       |                 |                 |
| <b>Net cash provided by / (used in) operating activities</b>       |       |                 |                 |
| Receipts from customers  |       | 2,624,111       | 2,306,803       |
| Payments to suppliers and employees                                |       | (2,639,145)     | (2,311,164)     |
| Interest received  |       | 15,020          | 17,856          |
| Finance costs  |       | (360)           | (138)           |
| <b>Total Net cash provided by / (used in) operating activities</b> |       | <b>(375)</b>    | <b>13,357</b>   |
| <b>Total Cash flows from Operating Activities</b>                  |       | <b>(375)</b>    | <b>13,357</b>   |
| <b>Cash flows from Investing Activities</b>                        |       |                 |                 |
| <b>Net cash provided by / (used in) investing activities</b>       |       |                 |                 |
| Proceeds from sales of property, plant and equipment               |       | 5,773           | 9,403           |
| Payment for property, plant and equipment                          |       | (18,090)        | (35,342)        |
| <b>Total Net cash provided by / (used in) investing activities</b> |       | <b>(12,317)</b> | <b>(25,939)</b> |
| <b>Total Cash flows from Investing Activities</b>                  |       | <b>(12,317)</b> | <b>(25,939)</b> |
| <b>Cash flows from Financing Activities</b>                        |       |                 |                 |
| <b>Net cash provided by / (used in) financing activities</b>       |       |                 |                 |
| Proceeds from borrowing  |       | 21,954          | -               |
| <b>Total Net cash provided by / (used in) financing activities</b> |       | <b>21,954</b>   | <b>-</b>        |
| <b>Total Cash flows from Financing Activities</b>                  |       | <b>21,954</b>   | <b>-</b>        |
| <b>Net change in cash and cash equivalents held</b>                |       | <b>9,262</b>    | <b>(12,582)</b> |
| <b>Cash Balances</b>   |       |                 |                 |
| Opening cash balance   |       | 552,654         | 565,236         |
| Closing cash balance   |       | 561,916         | 552,654         |
| Movement in cash   |       | 9,262           | (12,582)        |

This statement should be read in conjunction with the notes to the financial statements and the attached audit report of Anselm Accounting and Bookkeeping Services.

# Notes to the Financial Statements

## All About Living Inc

### For the year ended 30 June 2017

The financial report includes the financial statements and notes of All About Living Inc, an incorporated association under the *Associations Incorporation Act (QLD)* and domiciled in Australia.

#### 1. Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board (AASB). The entity is a not for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards (IFRS). Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

#### (a) Revenue

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

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

#### (b) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

#### (c) 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 settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employees may not satisfy vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

#### (d) Plant and Equipment

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

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(g) for details of impairment).

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*These notes should be read in conjunction with the attached audit report of Anselm Accounting and Bookkeeping Services*

## **(e) Trade and Other Receivables**

Trade receivables are recognised initially at the transaction price (i.e. cost) and are subsequently measured at cost less provision for impairment. 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.

At the end of each reporting period, the carrying amount of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in statement of comprehensive income.

## **(f) Financial Instruments**

### **Initial Recognition and Measurement**

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

### **Classification and Subsequent Measurement**

Finance instruments are subsequently measured at fair value, amortised cost using the effective interest method or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

#### *(i) Financial assets at fair value through profit or loss*

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

#### *(ii) Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iv) *Available-for-sale investments*

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

(v) *Financial liabilities*

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

At the end of each reporting period, the association assesses whether there is objective evidence that a financial asset has been impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence that impairment as a result of one or more events (a "loss event") has occurred, which has an impact on the estimated future cash flows of the financial asset(s).

### **Impairment**

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance accounts.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

### **Derecognition**

Financial assets are derecognised when the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged or cancelled, or have expired. The difference between the carrying amount of the financial liability, which is extinguished or transferred to another party, and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

### **(g) Impairment of Assets**

At the end of each reporting period, the entity assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

### **(h) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

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

Cash flows are presented net of GST. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

### **(i) Income Tax**

No provision for income tax has been raised as the entity is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

### **(j) Provisions**

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

### **(k) Comparative Figures**

Where required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

### **(l) Trade and Other Payables**

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



**(m) Critical Accounting Estimates and Judgments**

The Board of Management evaluate estimates and judgments 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**

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

Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

**Key judgements***Available-for-sale investments*

The association holds no available for sale investments (2012: none)

**(n) Leases**

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the association as lessee are classified as operating leases. Payments made under operating leases (net of any incentive received from the lessor) are charged to profit and loss on a straight-line basis over the period of lease. The association does not have any finance leases.

**(o) Financial risk management**

The association has exposure to the following risks from its use of financial instruments:

Credit Risk  
Liquidity Risk  
Market Risk  
Operational Risk

Further details in respect of each of these risks are set out in note 17 Financial Risk Management. The Board of Management has overall responsibility for the establishment and oversight of the risk management framework. Risk management policies are established to identify and analyse the risks faced by the association, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the association's activities. The Board, through training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

*Capital Management*

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. There were no changes in the association's approach to capital management during the year. The association is not subject to externally imposed capital requirements.

2017                      2016

**2. Revenue****Sales Revenue**

|                                |                |                |
|--------------------------------|----------------|----------------|
| Members Fees, Fees for Service | 850,919        | 805,735        |
| <b>Total Sales Revenue</b>     | <b>850,919</b> | <b>805,735</b> |

**Other Income****Grant Revenue**

|                                |         |         |
|--------------------------------|---------|---------|
| Grant Revenue - CHSP Recurrent | 818,405 | 804,274 |
| Grant Revenue - Community Care | 256,886 | 250,156 |
| Grant Revenue - Medicare Local | 340,311 | 323,535 |

*These notes should be read in conjunction with the attached audit report of Anselm Accounting and Bookkeeping Services*

|                            |                  |                  |
|----------------------------|------------------|------------------|
| Grant Revenue - Other      | 2,500            | 21,760           |
| <b>Total Grant Revenue</b> | <b>1,418,102</b> | <b>1,399,726</b> |
| Interest Received          | 15,020           | 17,856           |
| Other Revenue              | 288,878          | 216,131          |
| <b>Total Other Income</b>  | <b>1,722,000</b> | <b>1,633,712</b> |
| <b>Total Revenue</b>       | <b>2,572,919</b> | <b>2,439,448</b> |
|                            | 2017             | 2016             |

### 3. Expenses

|                            |                  |                  |
|----------------------------|------------------|------------------|
| Employee benefits expenses | 1,648,377        | 1,345,253        |
| Direct service expenses    | 714,919          | 740,334          |
| Audit fees                 | 2,472            | 2,620            |
| Bad debts                  | 983              | 672              |
| Depreciation               | 17,777           | 15,612           |
| Expense                    | 220,127          | 218,133          |
| Fringe Benefits Tax        | 871              | 1,738            |
| Travel and accomodation    | 8,475            | -                |
| <b>Total Expenses</b>      | <b>2,614,001</b> | <b>2,324,362</b> |
|                            | 2017             | 2016             |

### 4. Finance Costs

|                              |            |            |
|------------------------------|------------|------------|
| Interest and finance charges | 360        | 138        |
| <b>Total Finance Costs</b>   | <b>360</b> | <b>138</b> |
|                              | 2017       | 2016       |

### 5. Cash and Cash Equivalents

#### Cash and Cash Equivalents

|  |                |                |
|--|----------------|----------------|
| Cash at Bank - CBA 4570-Cheque         | 17,537         | 22,576         |
| Cash at Bank - CBA 5000-HACC           | 10,010         | 16,284         |
| Cash at Bank - CBA 5019-Online         | 41,177         | 2,497          |
| Cash at Bank - Term Deposit            | 492,504        | 510,725        |
| Petty Cash/Cash on Hand                | 688            | 572            |
| <b>Total Cash and Cash Equivalents</b> | <b>561,916</b> | <b>552,654</b> |

#### Reconciliation of Cash

|                                     |                |                |
|-------------------------------------|----------------|----------------|
| Cash and Cash Equivalents           | 561,916        | 552,654        |
| Bank Overdrafts                     | (1,259)        | (3,083)        |
| <b>Total Reconciliation of Cash</b> | <b>560,657</b> | <b>549,571</b> |

2017 2016

### 6. Cash Flow Information

#### Reconciliation of Cash Flow from Operations with Profit after Income Tax

|   |                 |               |
|---|-----------------|---------------|
| Current Year Earnings   | (41,442)        | 31,543        |
| <b>Total Reconciliation of Cash Flow from Operations with Profit after Income Tax</b> | <b>(41,442)</b> | <b>31,543</b> |

These notes should be read in conjunction with the attached audit report of Anselm Accounting and Bookkeeping Services

**Adjustments for Non-Cash Components in Profit:**

|   |               |               |
|---|---------------|---------------|
| Depreciation  | 17,777        | 15,612        |
| <b>Total Adjustments for Non-Cash Components in Profit:</b> | <b>17,777</b> | <b>15,612</b> |

**Changes in Assets and Liabilities**

|   |               |                 |
|---|---------------|-----------------|
| (Increase)/decrease in Trade and Other Receivables  | 64,953        | (117,278)       |
| Increase/(decrease) in Trade and Other Payables     | (10,394)      | (73,599)        |
| Increase/(decrease) in Financial liabilities        | (1,824)       | 2,489           |
| Increase/(decrease) in Unexpended Grants            | (9,379)       | 25,232          |
| Increase/(decrease) in Employee Entitlements        | (19,211)      | 45,954          |
| Increase/(decrease) in Reserves                     | (854)         | 83,404          |
| <b>Total Changes in Assets and Liabilities</b>      | <b>23,290</b> | <b>(33,798)</b> |
| Net cash provided by/(used in) operating activities | (375)         | 13,357          |
|   | <b>2017</b>   | <b>2016</b>     |

**7. Trade and Other Receivables****Current**

|  |               |                |
|--|---------------|----------------|
| Accrued Income                           | 78,076        | 23,580         |
| Less Provision for Doubtful Debts        | (185)         | (40)           |
| Trade Debtors Control                    | 15,170        | 134,304        |
| <b>Total Current</b>                     | <b>93,060</b> | <b>157,844</b> |
| <b>Total Trade and Other Receivables</b> | <b>93,060</b> | <b>157,844</b> |
|  | <b>2017</b>   | <b>2016</b>    |

**8. Other Assets****Current**

|                           |               |               |
|---------------------------|---------------|---------------|
| Prepayments               | 17,037        | 17,206        |
| <b>Total Current</b>      | <b>17,037</b> | <b>17,206</b> |
| <b>Total Other Assets</b> | <b>17,037</b> | <b>17,206</b> |
|                           | <b>2017</b>   | <b>2016</b>   |

**9. Property, Plant and Equipment****Leasehold Property**

|  |               |               |
|--|---------------|---------------|
| Leasehold Property                           | 132,811       | 123,411       |
| Less Accumulated Depreciation and Impairment | (41,448)      | (27,785)      |
| <b>Total Leasehold Property</b>              | <b>91,363</b> | <b>95,626</b> |

**Plant and Equipment****Plant and equipment at cost**

|  |               |               |
|--|---------------|---------------|
| Office Furniture & Equipment             | 85,423        | 76,734        |
| Plant & Equipment                        | 9,664         | 9,664         |
| <b>Total Plant and equipment at cost</b> | <b>95,087</b> | <b>86,397</b> |

**Less Accumulated Depreciation and Impairment**

|   |          |          |
|---|----------|----------|
| Less Accumulated Depreciation & Impairment - Office Furniture & Equipment | (75,327) | (68,974) |
|---|----------|----------|

These notes should be read in conjunction with the attached audit report of Anselm Accounting and Bookkeeping Services

|  |                 |                 |
|--|-----------------|-----------------|
| Less Accumulated Depreciation & Impairment - Plant & Equipment | (9,664)         | (9,664)         |
| <b>Total Less Accumulated Depreciation and Impairment</b>      | <b>(84,990)</b> | <b>(78,638)</b> |
| <b>Total Plant and Equipment</b>                               | <b>10,096</b>   | <b>7,760</b>    |
| <b>Motor Vehicles</b>  |                 |                 |
| Motor Vehicles   | 50,168          | 50,168          |
| Less Accumulated Depreciation and Impairment                   | (28,554)        | (25,020)        |
| <b>Total Motor Vehicles</b>                                    | <b>21,613</b>   | <b>25,148</b>   |
| <b>Other Fixed Assets</b>                                      |                 |                 |
| Furniture and Fittings   | 30,260          | 30,260          |
| Less Accumulated Depreciation and Impairment                   | (30,260)        | (30,260)        |
| <b>Total Other Fixed Assets</b>                                | <b>-</b>        | <b>-</b>        |
| <b>Total Property, Plant and Equipment</b>                     | <b>123,073</b>  | <b>128,534</b>  |
|  | 2017            | 2016            |

## 10. Trade and Other Payables

|                                       |               |               |
|---------------------------------------|---------------|---------------|
| <b>Current</b>                        |               |               |
| Provision for GST                     | 6,602         | 6,201         |
| Sundry Creditors                      | 9,827         | 9,618         |
| Trade Creditors Control               | -             | 4,161         |
| <b>Total Current</b>                  | <b>16,428</b> | <b>19,980</b> |
| <b>Total Trade and Other Payables</b> | <b>16,428</b> | <b>19,980</b> |
|                                       | 2017          | 2016          |

## 11. Financial Liabilities

|                                    |               |              |
|------------------------------------|---------------|--------------|
| <b>Current</b>                     |               |              |
| <b>Unsecured</b>                   |               |              |
| Provision for Payout               | 21,954        | -            |
| <b>Total Unsecured</b>             | <b>21,954</b> | <b>-</b>     |
| Credit Card                        | 1,259         | 3,083        |
| <b>Total Current</b>               | <b>23,213</b> | <b>3,083</b> |
| <b>Total Financial Liabilities</b> | <b>23,213</b> | <b>3,083</b> |
|                                    | 2017          | 2016         |

## 12. Other Liabilities

|                                  |                |                |
|----------------------------------|----------------|----------------|
| <b>Current</b>                   |                |                |
| Accrued Charges - PAYG           | 20,150         | 27,022         |
| Accrued Charges - Superannuation | 11,981         | 31,768         |
| Income in Advance                | 17,793         | 27,173         |
| Provision for Annual Leave       | 66,504         | 69,150         |
| Provision for Long Service Leave | 7,103          | 16,013         |
| Provision for Sick Leave         | 36,925         | 35,424         |
| <b>Total Current</b>             | <b>160,455</b> | <b>206,549</b> |

These notes should be read in conjunction with the attached audit report of Anselm Accounting and Bookkeeping Services

**Non-Current**

|  |                |                |
|--|----------------|----------------|
| Provision for Long Service Leave - NCL | 10,631         | -              |
| <b>Total Non-Current</b>               | <b>10,631</b>  | <b>-</b>       |
| <b>Total Other Liabilities</b>         | <b>171,087</b> | <b>206,549</b> |
|  | <b>2017</b>    | <b>2016</b>    |

**13. Reserves****Reserves**

|   |                |                |
|---|----------------|----------------|
| Beg. Bal. Information Technology Reserve              | 24,500         | 24,500         |
| Beg. Bal. Insurance Provision Reserve                 | 40,000         | 40,000         |
| Beg. Bal. Motor Vehicle Replacement                   | 59,400         | 59,400         |
| General Reserve - Information Technology and Upgrades | 1,213          | 2,067          |
| Motor Vehicle Replacement                             | 1,880          | 1,880          |
| Property Reserve - Activity Centre                    | 20,927         | 20,927         |
| Property Reserve - Lagoon St                          | 58,530         | 58,530         |
| <b>Total Reserves</b>                                 | <b>206,450</b> | <b>207,304</b> |
|   | <b>2017</b>    | <b>2016</b>    |

**14. Retained Earnings**

|  |             |             |
|--|-------------|-------------|
| Retained Earnings at Beginning of the Year | 419,351     | 387,808     |
| Add: Comprehensive Income                  | 41,108      | 114,947     |
| Less: Reallocation to reserves             | 82,550      | 83,404      |
| Retained Earnings at End of the Year       | 377,909     | 419,351     |
|  | <b>2017</b> | <b>2016</b> |

**15. Auditor's Remuneration**

|  |       |       |
|--|-------|-------|
| Audit and Review of Financial Statements | 2,472 | 2,620 |
|--|-------|-------|

Anselm Accounting and Bookkeeping Services were the auditors of the association (2015: Anselm Accounting and Bookkeeping Services).

**16. Financial Risk Management**

Exposure to credit, liquidity, market, interest rate, other market price and operational risks arises in the normal course of the association's business.

**Credit Risk**

Credit risk is the risk of financial loss to the association if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Exposure to credit risk is monitored by management on an ongoing basis. The association does not require collateral in respect of financial assets. The credit risk relating to the association's financial assets which are recognised in the statement of financial position is the carrying amount of such assets, net of any allowances for impairment in respect of trade receivables and investments.

Investments are allowed only in liquid securities and equity securities in Australian shares that are in compliance with the association's investment policy. Management does not expect any counterparty to fail to meet its obligations as the association's financial assets have high credit quality.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position as summarised below:

|                             | 2017           | 2016           |
|-----------------------------|----------------|----------------|
| <b>Credit Risk</b>          |                |                |
| Cash and Cash Equivalents   | 561,916        | 552,654        |
| Trade and Other Receivables | 93,060         | 157,844        |
| <b>Total Credit Risk</b>    | <b>654,977</b> | <b>710,498</b> |

#### *Impairment Losses from Trade Receivables*

Some of the association's receivables are past due. Based on receivables history, the association does not believe any impairment allowance is required in respect of trade receivables past due.

#### **Liquidity Risk**

Liquidity risk is the risk that the association will not be able to meet its financial obligations as they fall due. The association's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the association's reputation.

The association manages this risk by preparing forward cash flow projections in relation to its operational, investing and financing activities.

Trade and other payables have contractual cashflows which are 6 months or less.

The maximum exposure to liquidity risk is represented by the carrying amount of each financial asset in the statement of financial position as summarised below:

|                             | 2017          | 2016          |
|-----------------------------|---------------|---------------|
| <b>Liquidity Risk</b>       |               |               |
| Trade and Other Payables    | 16,428        | 19,980        |
| Financial Liabilities       | 1,259         | 3,083         |
| <b>Total Liquidity Risk</b> | <b>17,687</b> | <b>23,063</b> |

## Market Risk

Market risk is the risk that changes in market prices, such as interest rates and equity prices will affect the association's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. All such transactions are carried out within the guidelines set by the Board.

The association has some exposure to interest rate risk as it holds cash in interest bearing facilities whose returns would be impacted by changes in interest rates.

The association's exposure to this risk is managed by constant monitoring of available facilities and interest rates to maximise returns on funds invested.

### Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the association's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all the association's operations. The association's objective is to manage operational risk so as to prevent financial losses and damage to the association's reputation. The primary responsibility for the development and implementation of controls to address operational risk is assigned to the management of the association. This responsibility is supported by the development of overall guidelines for the management of risk in the following areas:

- requirements for appropriate segregation of duties including the independent authorisation of transactions
- requirements for the reconciliation and monitoring of transactions
- compliance with regulatory and other legal requirements
- documentation of controls and procedures
- requirements for the periodic assessment of operational risks faced and adequacy of controls and procedures to address the risks identified
- development of contingency plans
- ethical and high level business standards
- risk mitigation including insurance

## 17. Related Party Transactions

### Key Management Personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly, including any director (whether executive or otherwise) is considered key management personnel.

Except for the disclosure below, no compensation was paid to any key personnel except as genuine reimbursement for association expenditure.

### Other Related Parties

Other related parties include close family members of key management personnel, and entities that are controlled or jointly controlled by those key management personnel individually or collectively with their close family members.

The following companies are owned or controlled by the President:

|  | 2017  | 2016  |
|--|-------|-------|
| <b>Third Sector Management Services Pty Ltd</b>                          |       |       |
| Secretarial fees owed to Third Sector Management Pty Ltd at year end     | -     | -     |
| Secretarial fees paid to Third Sector Management Pty Ltd during the year | 3,960 | 5,720 |

## 18. Contingent Liabilities and Contingent Assets

The board members are not aware of anything that would give rise to a financial effect as a liability or as an asset.

## 19. Subsequent Events

The board members are not aware of any significant events since the end of the reporting period.

*These notes should be read in conjunction with the attached audit report of Anselm Accounting and Bookkeeping Services*

## 20. Association Details

### Registered Office

28A Lagoon Street SANDGATE QLD 4017

### Principal Place of Business

28A Lagoon Street SANDGATE QLD 4017

### Principal Activities of the association

Service delivery and support to individuals and families to facilitate independent living:

- Basic domestic assistance

- Shopping and meal preparation

- Escorted transport

- Counselling, advocacy and support

- In home nursing services