

NewHope Community Care Inc

ABN 85 716 630 562

Financial Statements

For the Year Ended 31 December 2016

NewHope Community Care Inc

For the Year Ended 31 December 2016

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NewHope Community Care Inc

Councillors' Report

31 December 2016

The Committee of Management presents the financial report of NewHope Community Care Inc for the financial year ended 31 December 2016.

Committee of Management Members

The names of Committee of Management members throughout the year and at the date of this report are:

Allan Demond (President)
Richard Beaumont (Vice-President)
Joshua Morse (Treasurer)
Surette Southwood (Secretary)
John Fearn-Wannan
Bator Martonyi
Tim Worsam
Samantha Farmilo (resigned May 2016)
Kent Burley (resigned May 2016)
Fiona Haymes (appointed 14 June 2016)
Amanda Carruthers (appointed 14 June 2016)

Principal Activities

NewHope Community Care Inc (NHCC) as an initiative of NewHope Baptist Church is a public benevolent institution which provides emergency relief and benevolent care for the benefit of those in the Whitehorse and surrounding community in order to relieve their poverty, suffering, misfortune, helplessness and destitution. Currently NHCC achieves this through: "Dinner Tonite" Saturday Community Meal of up to 150 attendees, food parcels, various forms of emergency relief, English Second Language Classes, CAP Money Course, other life skill and personal growth courses and seminars, a low cost Counseling Centre, Advocacy particularly in relation to human slavery and trafficking - assisting those who have been trafficked to Melbourne. Many initiatives have commenced from the heart of those who have walked a challenging road themselves and who now seek to help others.

Significant Changes

No significant change in the nature of these activities occurred during the year.

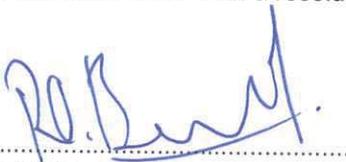
Operating Result

The deficit of NewHope Community Care Inc for the financial year amounted to \$4,750 (2015: \$95,435 deficit).

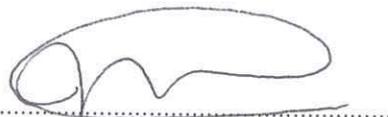
After balance date events

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

Signed in accordance with a resolution of the Committee of Management:



Richard Beaumont



Joshua Morse

Dated this 1st day of May 2017

NewHope Community Care Inc

Statement of Comprehensive Income

For the Year Ended 31 December 2016

	Note	2016	2015
		\$	\$
Revenue	2	334,680	299,312
Vision and Strategy expenses		(230,205)	(206,037)
NewHope Counselling expenses		(28,823)	(37,538)
Relief Care expenses		(8,773)	(15,444)
NewHope House expenses		(36,818)	(55,703)
Advocacy expenses		(1,395)	(22,557)
Courses 4 Life expenses		(1,722)	(909)
CAP Debt Centre expenses		(10,194)	(32,214)
Dinner Tonite expenses		(21,500)	(24,345)
Surplus / (deficit) attributable to members of NewHope Community Care Inc		(4,750)	(95,435)
Other Comprehensive Income		-	-
Total Comprehensive Income/(Deficit)		(4,750)	(95,435)

The accompanying notes form part of these financial statements

NewHope Community Care Inc

Statement of Financial Position

31 December 2016

	Note	2016 \$	2015 \$
ASSETS			
Current assets			
Cash and cash equivalents	4	16,186	35,614
Trade and other receivables	5	4,441	3,953
Total current assets		<u>20,627</u>	<u>39,567</u>
Non-current assets			
Property, plant and equipment	6	787,015	794,916
Total non-current assets		<u>787,015</u>	<u>794,916</u>
TOTAL ASSETS		<u>807,642</u>	<u>834,483</u>
LIABILITIES			
Current liabilities			
Trade and other payables	7	8,882	8,922
Interest bearing liabilities	8	42,003	47,362
Provisions	9	10,733	13,771
Total current liabilities		<u>61,618</u>	<u>70,055</u>
Non-current liabilities			
Interest bearing liabilities	8	464,293	479,112
Provisions	9	3,819	2,654
Total non-current liabilities		<u>468,112</u>	<u>481,766</u>
TOTAL LIABILITIES		<u>529,730</u>	<u>551,821</u>
NET ASSETS		<u>277,912</u>	<u>282,662</u>
EQUITY			
Reserves	10	18,000	28,496
Retained earnings		259,912	254,166
TOTAL EQUITY		<u>277,912</u>	<u>282,662</u>

The accompanying notes form part of these financial statements

NewHope Community Care Inc

Statement of Changes in Equity

For the Year Ended 31 December 2016

	Advocacy Reserve	Volunteer Training Reserve	Dinner Tonite Reserve	Dinner Tonite Storage Reserve	Asylum Seekers Reserve	Other Reserve	Retained Earnings	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 January 2015	10,000	-	-	-	8,000	25,790	334,307	378,097
Surplus / (deficit) attributable to members	-	-	-	-	-	-	(95,435)	(95,435)
Transfer to / (from) reserves	-	3,627	2,271	4,598	-	(25,790)	15,294	-
Balance at 31 December 2015	10,000	3,627	2,271	4,598	8,000	-	254,166	282,662
Surplus / (deficit) attributable to members	-	-	-	-	-	-	(4,750)	(4,750)
Transfer to / (from) reserves	-	(3,627)	(2,271)	(4,598)	-	-	10,496	-
Balance at 31 December 2016	10,000	-	-	-	8,000	-	259,912	277,912

The accompanying notes form part of these financial statements

NewHope Community Care Inc

Statement of Cash Flows

For the Year Ended 31 December 2016

	Note	2016 \$	2015 \$
Cash from operating activities:			
Offerings and income received		334,192	296,377
Payments to suppliers and employees		(306,128)	(381,505)
Interest paid		(23,049)	(21,200)
Net cash provided by (used in) operating activities	12	<u>5,015</u>	<u>(106,328)</u>
Cash flows from investing activities:			
Acquisition of property, plant and equipment		<u>(4,265)</u>	<u>(2,518)</u>
Net cash provided by (used in) investing activities		<u>(4,265)</u>	<u>(2,518)</u>
Cash flows from financing activities:			
Repayment of borrowings		(20,178)	(32,581)
Proceeds from borrowings		-	170,000
Net cash provided by (used in) financing activities		<u>(20,178)</u>	<u>137,419</u>
Net increase (decreases) in cash held		(19,428)	28,573
Cash at beginning of financial year		<u>35,614</u>	<u>7,041</u>
Cash at end of financial year	4	<u>16,186</u>	<u>35,614</u>

The accompanying notes form part of these financial statements

NewHope Community Care Inc

Statement of Cash Flows

For the Year Ended 31 December 2016

1 Statement of Significant Accounting Policies

General information

The financial report is a special purpose financial report prepared to satisfy the financial report preparation requirements of the members of NewHope Community Care Inc. and the Associations Incorporation Reform Act 2012 Victoria. The Committee of Management has determined that NewHope Community Care Inc. is not a reporting entity. The financial report covers NewHope Community Care Inc. as a single entity.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the disclosure requirements of AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flows', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 1031 'Materiality', AASB 1048 'Interpretation of Standards' and AASB 1054 'Australian Additional Disclosures', as appropriate for not-for profit oriented entities.

The financial report was authorized for issue by the Committee of Management on 1 May 2017.

The following is a summary of the material accounting policies adopted by the association in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated. The financial report, except for the cash flow information, has been prepared on an accruals basis.

No other applicable Accounting Standards, Australian Accounting Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been deliberately applied.

(a) Critical accounting estimates and judgments

The Committee of Management evaluates estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and based on current trends and economic data, obtained both externally and within the group.

(b) Comparative Figures

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

(c) Property, Plant and Equipment

Each class of property, plant and equipment is carried at written down value. The buildings held in the name of NewHope Community Care Inc. are depreciated over 40 years. All other assets are depreciated on a straight line basis over their expected useful life (3 – 15 years). The Committee of Management reviews the written down value of assets annually on a class by class basis to ensure that they are not recorded above their recoverable amounts. Only assets with a purchase price exceeding \$500 are capitalized. Assets purchased on corporate credit cards are not capitalized.

(d) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short term, highly liquid investments with original maturities of 3 months or less. Bank overdrafts are shown within interest bearing liabilities in current liabilities on the Statement of Financial Position.

(e) Employee Benefits

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

NewHope Community Care Inc

Statement of Cash Flows

For the Year Ended 31 December 2016

1 Statement of Significant Accounting Policies (continued)

(f) Borrowing Costs

Borrowing costs are recognized as an expense in the period in which they are incurred.

(g) Income Tax

NewHope Community Care Inc is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997. It is also endorsed as a deductible gift recipient (DGR) covered by Item 1 of the table in section 30-15 of the Income Tax Assessment Act 1997 as a Public Benevolent Institution. NewHope Community Care Inc is registered with the Australian Charities and Not-for-profits Commission (ACNC).

(h) Revenue

Revenue from offerings and donations are recognized on receipt.

Interest revenue is recognized on a proportional basis taking into account the interest rates applicable to the financial assets.

Other revenue is recognized when the right to receive the revenue has been established.

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

(i) Goods and Services Tax (GST)

Revenues, expenses and assets are recognized net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognized as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a net basis.

(j) Leases

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(k) Accounts Receivable and Other Debtors

Accounts receivable and other debtors include amounts due from donors and any outstanding grants receipts. 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.

(l) Accounts Payable 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 which remain unpaid. The balance is recognized as a current liability with the amount being normally paid within 30 days of recognition of the liability.

NewHope Community Care Inc

Statement of Cash Flows

For the Year Ended 31 December 2016

1 Statement of Significant Accounting Policies (continued)

(m) New Accounting Standards for Application in Future Periods

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the incorporated association for the annual reporting period ended 31 December 2016. The incorporated association has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

2 Revenue

	2016	2015
	\$	\$
Vision and Strategy income	276,105	235,250
NewHope Counselling income	27,584	25,334
Relief care income	5,150	8,131
Advocacy income	10,902	3,692
Courses 4 Life income	396	935
Dinner Tonite income	5,750	22,796
CAP Debt Centre income	8,793	3,174
Total Revenue	<u>334,680</u>	<u>299,312</u>

3 Expenses

Profit attributable to members has been determined after charging the following expenses:

Finance costs	23,049	21,200
Depreciation expense	12,166	12,417

4 Cash and Cash Equivalents

Cash on hand	82	242
Cash at bank	16,104	35,372
	<u>16,186</u>	<u>35,614</u>

5 Trade and Other Receivables

Other receivables	<u>4,441</u>	<u>3,958</u>
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NewHope Community Care Inc

Directors' Declaration

For the Year Ended 31 December 2016

6 Property Plant and Equipment

	Land and Buildings	Property, plant & equipment	Total
Balance at 1 January 2016	780,807	14,109	794,916
Additions	-	4,265	4,265
Depreciation expense	(6,240)	(5,926)	(12,166)
Balance at 31 December 2016	<u>774,567</u>	<u>12,448</u>	<u>787,015</u>

At the balance date the Bendigo Bank currently held the first registered mortgage over the property situated in Blackburn North, VIC at:

- 522 Middleborough Road

7 Trade and Other Payables

	2016 \$	2015 \$
CURRENT		
Unsecured liabilities		
- Trade & other payables	<u>8,882</u>	<u>8,922</u>

8 Interest bearing liabilities

	2016 \$	2015 \$
CURRENT		
Secured liabilities		
- Bendigo Bank Loan	<u>42,003</u>	<u>47,362</u>
NON-CURRENT		
Secured liabilities		
- Bendigo Bank Loan	<u>464,293</u>	<u>479,112</u>

9 Provisions

CURRENT		
Employee benefits	<u>10,733</u>	<u>13,771</u>
NON CURRENT		
Employee benefits	<u>3,819</u>	<u>2,122</u>

NewHope Community Care Inc

Directors' Declaration

For the Year Ended 31 December 2016

10 Reserves

(a) Advocacy Reserve

During the AGM in May 2016, it was decided to rename the Micro Loans Reserve to the Advocacy Reserve. The Advocacy Reserve relates to general income set aside for the next financial year to address advocacy issues.

(b) Asylum Seekers Reserve

General income set aside for the next financial year to address general relief care for Asylum Seekers.

11 Auditors' Remuneration

	2016	2015
	\$	\$
Remuneration of the auditor of the association for:		
- Auditing or reviewing the financial report	1,590	1,580

12 Cash Flow Information

Reconciliation of Cash Flow from Operations with Profit

Net income/loss for the period	(4,750)	(95,435)
Depreciation	12,166	12,417
<i>Changes in assets and liabilities</i>		
(Increase)/decrease in receivables	(488)	(2,935)
Increase/(decrease) in trade payables and accruals	(40)	(22,514)
Increase/(decrease) in provisions	(1,873)	2,139
	<u>5,015</u>	<u>(106,328)</u>

13 Entity Details

NewHope Community Care Inc
ABN 85 716 630 562
Reg No A0048196G
522 Middleborough Road
Blackburn North VIC 3130

NewHope Community Care Inc

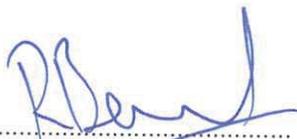
Directors' Declaration

For the Year Ended 31 December 2016

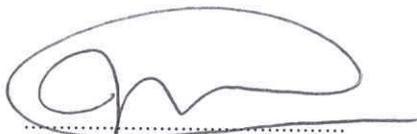
In the opinion of the Committee of Management the financial report as set out on pages 2 to 10:

1. Presents a true and fair view of the financial position of NewHope Community Care Inc as at 31 December 2016 and its performance for the year ended on that date in accordance with Australian Accounting Standards, outlined in Note 1 to the financial statements.
2. At the date of this statement, there are reasonable grounds to believe that NewHope Community Care Inc will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Committee of Management and is signed for and on behalf of the Committee of Management by:



Richard Beaumont



Joshua Morse

Dated this 1st day of May 2017

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEWHOPE COMMUNITY CARE INC.

Report on the Financial Report

Opinion

We have audited the accompanying financial report, being a special purpose financial report, of NewHope Community Care Inc (the association), which comprises the statement of financial position as at 31 December 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the statement by the members of the committee.

In our opinion, the financial report presents a true and fair view, in all material respects, of the financial position of NewHope Community Care Inc as at 31 December 2016 and of its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements, and the *Associations Incorporation Reform Act 2012 Victoria*.

Basis for Opinion

We have conducted our audit in accordance with the Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the association in accordance with the ethical requirements of the *Australian and Not-for-profits Commission Act 2012* and the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist NewHope Community Care Inc to meet the requirements of *Associations Incorporation Reform Act 2012 Victoria*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of Committee Members for the Financial Report

The Committee Members are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Associations Incorporation Reform Act 2012 Victoria* and is appropriate to meet the needs of the members. The committee's responsibility also includes such internal control as the committee determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the committee members 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 members either intend to liquidate the association or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibility for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management'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.

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



Joel Hernandez, CA
rdl.accountants

1 May 2017
Blackburn, Victoria