

NewHope Community Care Inc.

Financial Statements

For the Year Ended 31 December 2018

NewHope Community Care Inc.

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For the Year Ended 31 December 2018

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NewHope Community Care Inc.

Committee Members' Report

31 December 2018

The committee members present their report on NewHope Community Care Inc. for the financial year ended 31 December 2018.

Committee members

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

Allan Demond (President)	
Richard Beaumont (Vice-President & Chairperson)	Resigned March 2019
Joshua Morse (Treasurer)	Resigned March 2019
Surette Southwood (Secretary)	
John Fearn Wannan	Resigned March 2018
Bator Martonyi	Resigned March 2018
Tim Worsam	Resigned March 2019
Fiona Haymes (Chairperson)	
Amanda Carruthers	
Chris Meyers	Appointed March 2018
Daniel Dang	Appointed March 2018
Andrew Gale (Treasurer)	Appointed March 2019
Liz Somers	Appointed March 2019
Tristan Ellett	Appointed March 2019

Principal activities

The principal activities of NewHope Community Care Inc. during the financial year consisted of providing 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 Counselling 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 profit of the Association for the financial year amounted to \$ 271,298 (2017: \$ 553,559).

NewHope Community Care Inc.

Committee Members' Report 31 December 2018

Events after the reporting date

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.

Auditor's independence declaration

The auditor's independence declaration in accordance with section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 for the year ended 31 December 2018 has been received and can be found on page 3 of the financial report.

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

Committee Member.....
Fiona Haymes (Chairperson)

Committee Member.....
Surette Southwood (Secretary)

Dated this 6th day of May 2019

AUDITOR'S INDEPENDENCE DECLARATION UNDER DIVISION 60 OF THE AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012 TO THE COMMITTEE MEMBERS OF NEWHOPE COMMUNITY CARE INC

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2018 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-profit Commission Act 2012* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.



Matthew Hung, CA
rdl.accountants

7 May 2019
Blackburn, Victoria

Newhope Community Care Inc.

Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 31 December 2018

	Note	2018	2017
		\$	\$
Revenue	4	766,129	896,513
Expenses			
Vision and Strategy expenses		(403,263)	(240,022)
Newhope Counselling expenses		(43)	(20,639)
Relief Care expenses		(11,559)	(13,435)
Advocacy expenses		(1,337)	(1,408)
Courses 4 Life & COACH expenses		(30,018)	(5,914)
Dinner Tonite expenses		(21,057)	(23,596)
CAP Debt Centre expenses		(7,215)	(6,858)
NewHope House expenses		(20,339)	(31,082)
Total expenses		(494,831)	(342,954)
Profit for the year		271,298	553,559
Other comprehensive income, net of income tax			
Total comprehensive income for the year		271,298	553,559

The accompanying notes form part of these financial statements.

Newhope Community Care Inc.

Statement of Financial Position

As At 31 December 2018

	2018	2017
Note	\$	\$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	5 26,632	221,170
Trade and other receivables	6 11,517	1,740
Other assets	7 181,236	3,549
TOTAL CURRENT ASSETS	<u>219,385</u>	226,459
NON-CURRENT ASSETS		
Property, plant and equipment	8 928,368	832,912
TOTAL NON-CURRENT ASSETS	<u>928,368</u>	832,912
TOTAL ASSETS	<u>1,147,753</u>	1,059,371
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	9 7,679	7,543
Borrowings	10 15,339	42,174
Employee benefits	11 13,973	14,219
TOTAL CURRENT LIABILITIES	<u>36,991</u>	63,936
NON-CURRENT LIABILITIES		
Borrowings	10 -	158,294
Employee benefits	11 7,992	5,669
TOTAL NON-CURRENT LIABILITIES	<u>7,992</u>	163,963
TOTAL LIABILITIES	<u>44,983</u>	227,899
NET ASSETS	<u>1,102,770</u>	831,472
EQUITY		
Reserves	12 18,000	20,500
Retained earnings	<u>1,084,770</u>	810,972
TOTAL EQUITY	<u>1,102,770</u>	831,472

The accompanying notes form part of these financial statements.

Newhope Community Care Inc.

Statement of Changes in Equity
For the Year Ended 31 December 2018

2018

	Retained Earnings	Dinner Tonite Reserve	Advocacy Reserve	Asylum Seekers Reserve	Total
	\$	\$	\$	\$	\$
Balance at 1 January 2018	810,972	2,500	10,000	8,000	831,472
Profit attributable to members of the parent entity	271,298	-	-	-	271,298
Transfers from reserves to retained earnings	2,500	(2,500)	-	-	-
Balance at 31 December 2018	1,084,770	-	10,000	8,000	1,102,770

2017

	Retained Earnings	Dinner Tonite Reserve	Advocacy Reserve	Asylum Seekers Reserve	Total
	\$	\$	\$	\$	\$
Balance at 1 January 2017	259,913	-	10,000	8,000	277,913
Profit attributable to members of the parent entity	553,559	-	-	-	553,559
Transfers from retained earnings to reserves	(2,500)	2,500	-	-	-
Balance at 31 December 2017	810,972	2,500	10,000	8,000	831,472

The accompanying notes form part of these financial statements.

Newhope Community Care Inc.

Statement of Cash Flows

For the Year Ended 31 December 2018

	2018	2017
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	759,901	895,665
Payments to suppliers and employees	(635,780)	(307,296)
Interest paid	(18,611)	(20,343)
Net cash provided by/(used in) operating activities	15 <u>105,510</u>	<u>568,026</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	<u>(114,919)</u>	(57,214)
Net cash provided by/(used in) investing activities	<u>(114,919)</u>	<u>(57,214)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of borrowings	<u>(185,129)</u>	(305,828)
Net cash provided by/(used in) financing activities	<u>(185,129)</u>	<u>(305,828)</u>
Net increase/(decrease) in cash and cash equivalents held	(194,538)	204,984
Cash and cash equivalents at beginning of year	<u>221,170</u>	16,186
Cash and cash equivalents at end of financial year	5 <u><u>26,632</u></u>	<u><u>221,170</u></u>

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 December 2018

The financial report covers NewHope Community Care Inc. as an individual entity. NewHope Community Care Inc. is a not-for-profit Association, registered and domiciled in Australia.

The functional and presentation currency of NewHope Community Care Inc. is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

In the opinion of those charged with Governance the Association is not a reporting entity since there are unlikely to exist users of the financial statements who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs. These special purpose financial statements have been prepared to meet the reporting requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

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*, AASB 107 *Statement of Cash Flows*, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* and AASB 1054 *Australian Additional Disclosures*.

2 Summary of Significant Accounting Policies

(a) Income Tax

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

(b) 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.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Offerings and donations revenue

Revenue from offerings and donations are recognised on receipt.

Interest revenue

Interest revenue is recognised when received.

Other revenue

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

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

(c) 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).

Notes to the Financial Statements

For the Year Ended 31 December 2018

2 Summary of Significant Accounting Policies

(c) **Goods and services tax (GST)**

Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a net basis.

(d) **Property, plant and equipment**

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

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

Land and buildings

Land and buildings are measured using the cost model.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

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

(e) **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.

(f) **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 .

Employee benefits expected to be settled more than one year after the end of the reporting period 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 employee may satisfy vesting requirements.

(g) **Adoption of new and revised accounting standards**

The Association has adopted all standards which became effective for the first time at 31 December 2018, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Association.

Notes to the Financial Statements

For the Year Ended 31 December 2018

2 Summary of Significant Accounting Policies

(h) New Accounting Standards and Interpretations

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.

3 Critical Accounting Estimates and Judgments

Those charged with governance make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - useful lives of assets

The Association determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

Key estimates - employee benefits

As discussed in note 2, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Notes to the Financial Statements
For the Year Ended 31 December 2018

4 Revenue

	2018	2017
	\$	\$
Revenue		
- Vision and Strategy income	683,016	755,834
- Newhope Counselling income	-	22,195
- Relief Care income	5,414	7,988
- Advocacy income	13,038	7,297
- Courses 4 Life income	100	175
- Dinner Tonite income	7,491	6,311
- CAP Debt Centre income	5,000	5,213
- NewHope House income	52,070	91,500
	<u>766,129</u>	<u>896,513</u>

5 Cash and Cash Equivalents

	2018	2017
	\$	\$
Cash at bank and on hand	26,632	221,170
	<u>26,632</u>	<u>221,170</u>

6 Trade and Other Receivables

	2018	2017
	\$	\$
Current		
Trade and other receivables	2,976	1,740
BAS receivable	8,541	-
	<u>11,517</u>	<u>1,740</u>

7 Other Assets

	2018	2017
	\$	\$
Current		
Loan to NH Medical	181,236	3,549
	<u>181,236</u>	<u>3,549</u>

Notes to the Financial Statements
For the Year Ended 31 December 2018

8 Property, plant and equipment

	2018	2017
	\$	\$
Land and buildings		
At cost	978,185	867,130
Accumulated depreciation	(58,102)	(42,406)
Total land and buildings	920,083	824,724
Plant and equipment		
At cost	42,259	38,395
Accumulated depreciation	(33,974)	(30,207)
Total plant and equipment	8,285	8,188
Total property, plant and equipment	928,368	832,912

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

9 Trade and Other Payables

	2018	2017
	\$	\$
Current		
Other payables	7,679	6,219
BAS payable	-	1,324
	7,679	7,543

10 Borrowings

	2018	2017
	\$	\$
Current		
Bank loans	15,339	42,174
Total current borrowings	15,339	42,174
Non-current		
Bank loans	-	158,294
Total non-current borrowings	-	158,294
Total borrowings	15,339	200,468

Notes to the Financial Statements
For the Year Ended 31 December 2018

11 Employee Benefits

	2018	2017
	\$	\$
Current		
Provision for employee benefits	<u>13,973</u>	14,219
	<u>13,973</u>	<u>14,219</u>
Non-current		
Provision for employee benefits	<u>7,992</u>	5,669
	<u>7,992</u>	<u>5,669</u>

12 Reserves

	2018	2017
	\$	\$
Dinner Tonite Reserve		
Opening balance	2,500	2,500
Transfers out	<u>(2,500)</u>	-
	<u>-</u>	<u>2,500</u>
Advocacy Reserve		
Opening balance	<u>10,000</u>	10,000
	<u>10,000</u>	<u>10,000</u>
Asylum Seekers Reserve		
Opening balance	<u>8,000</u>	8,000
	<u>8,000</u>	<u>8,000</u>
Total	<u>18,000</u>	<u>20,500</u>

(a) Dinner Tonite Reserve

The Whitehorse Community Chest gave a grant for food and equipment for our Saturday nights community meal called 'Dinner Tonite'.

(b) Advocacy Reserve

Relates to general income set aside for the next financial years to address advocacy issues.

(c) Asylum Seekers Reserve

Relates to general income set aside for the next financial years to address relief care for asylum seekers.

Notes to the Financial Statements
For the Year Ended 31 December 2018

13 Auditors' Remuneration

	2018	2017
	\$	\$
Remuneration of the auditor [rdl.accountants] for:		
- auditing or reviewing the financial statements	1,725	1,255
	<u>1,725</u>	<u>1,255</u>

14 Contingencies

In the opinion of those charged with governance, the Association did not have any contingencies at 31 December 2018 (31 December 2017:None).

15 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2018	2017
	\$	\$
Profit for the year	271,298	553,559
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	19,463	11,317
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(6,228)	(848)
- (increase)/decrease in other assets	(181,236)	-
- increase/(decrease) in trade and other payables	136	(1,338)
- increase/(decrease) in provisions	2,077	5,336
Cashflows from operations	<u>105,510</u>	<u>568,026</u>

16 Statutory Information

The registered office and principal place of business of the association is:

Newhope Community Care Inc.
 522 Middleborough Road
 Blackburn North Vic 3130

NewHope Community Care Inc.

Committee Members' Declaration

The committee members declare that in the committee's opinion:

- there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
- the financial statements and notes satisfy the requirements of 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
Fiona Haymes (Chairperson)



Committee Member
Surette Southwood (Secretary)



Dated this 6th day of MAY 2019

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 2018, the statement of profit or loss and 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 committees' declaration.

In our opinion the financial report of NewHope Community Care Inc has been prepared in accordance with Division 60 of the *Australian and Not-for-profits Commission Act 2012*, including:

- a. giving a true and fair view of the association's financial position as at 31 December 2018 and of its performance for the year ended on that date; and
- b. complying with Australian Accounting Standards to the extent described in Note 1 and complying with Division 60 of the *Australian and Not-for-profits Commission Act Regulation 2013*.

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 confirm that the independence declaration required by the *Australian and Not-for-profits Commission Act 2012*, which has been given to the committee of the association, would be in the same terms if given to the committee as at the time of this auditor's report.

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 for the purpose of fulfilling the committee's financial reporting responsibilities under the *Australian and Not-for-profits Commission Act 2012*. 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 of the association 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 *Australian and Not-for-profits Commission Act 2012* and is appropriate to meet the needs of the members. The committee members' responsibility also includes such internal control as the committee members determine 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 association'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 association'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 association 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.



Matthew Hung, CA
rdl.accountants

7 May 2019
Blackburn, Victoria