



**MHA Care**

*'The Right Care for You'*



# Annual Report

## 2017-2018

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# Mission Vision and Values

## Vision

MHA Care provides *"The Right Care for You"*.

## Mission

MHA Care will deliver ongoing tailored services that support people to maintain their independence and to remain living in their homes and communities.

## Values

MHA has identified five core values that the organisation and its staff live by:

- Compassion:** MHA customers represent some of the most disadvantaged and less fortunate members of our community and our staff are committed to treating each of these customers with compassion and respect.
- Accountability:** The Board of Management and Leadership Team maintain the highest levels of accountability for providing a high-quality, reliable service to the communities in which it operates.
- Responsiveness:** MHA provides a service that is responsive to the needs of its customers and stakeholders.
- Transparency:** The Board of Management, and Leadership Team are committed to operating in a transparent way so as to promote the continuing confidence of its customers and stakeholders in the organisation.
- Sustainability:** MHA Care provides services that are critical in maintaining the health and well-being of its customers, and therefore will operate in a sustainable way so that these services can continue to be provided over the longer-term.

## Our Signature Behaviours

At MHA Care the way we do our business is underpinned by our signature behaviours which are based on the following:

Our People	1. We will deliver all of our services the way we would like them to be delivered ourselves.
	2. We will Promote all MHA Care services with integrity and enthusiasm.
Our Performance	3. We will take ownership for our actions and responsibilities.
	4. We will demonstrate that we are the best at what we do.
Our Professionalism	5. We will treat everyone with respect and compassion.

# Chairperson's and CEO's Report

On behalf of the Board of Management of MHA Care Limited we are pleased to present this report outlining the performance of the company in the period from July 2017 to June 2018.

Throughout this year we have been privileged to be supported by the Board of Directors and to lead a remarkable organisation that is committed to providing excellent services in community and in home care throughout the Moira Shire.

MHA's sound performance has been underpinned by the Board's commitment to strengthen our ability to achieve long term financial viability while maintaining a clear focus on our clients and their carers as we implement change and continue to grow. The leadership and management shown during this period have been to guide and influence the quality of care and services provided. The commitment of the Board and all of our staff and volunteers in this shared accountability has been an important and positive feature of our performance this year.

In comparison to previous years the Opportunity Shop has experienced a relatively quiet year which may have been caused by the exceptionally cold weather we experienced during the winter and autumn months. In spite of this the Shops have continued to make a contribution to MHA Care. The contribution has allowed MHA Care to continue to operate the Moira FoodShare and Meals on Wheels Programs and support the delivery of our core services.

With the invaluable work and commitment of our volunteer workforce of over 500 volunteers we have been able to assist some of the more vulnerable members of our communities, across the shire, through our Meals on Wheels, FoodShare, Planned Activity Groups and the Opportunity Shop. The Meals on Wheels and FoodShare programs are invaluable services and are key contributors to maintaining the health and wellbeing of those individuals and families accessing them.

We would like to acknowledge all of our valued employees and volunteers for their continued commitment to providing a variety of high quality supports and services to those elderly people, people with disabilities and their carers that we support. Their professional approach to their work plays a significant part in assisting people to continue to live independently in their own homes in their communities.

The commenced transition of some of our customers to the NDIS and the shift to Home Care Packages continues to place financial challenges on MHA which we have been able to successfully manage and as a result have posted a surplus of \$196,722 for the financial year on an operating revenue of \$4,997,764.

MHA has completed a rewarding year. Success is indicated in the maturity of service delivery, competency and leadership of staff and the calibre of our partnerships. MHA has achieved a great deal, and will keep working towards improvement. We look forward to the opportunities and challenges in the coming year with optimism and confidence.



Bernadette McKenzie  
MHA Chairperson



Michael Hogan  
Chief Executive Officer



# Service Manager's Report

2018 has been another busy and exciting year for MHA Care

During the reporting period we provided Commonwealth (CHSP), State (HACCPYP) and Privately funded services to 1524 customers across the shire and surrounds.

104 Home and Community Care Program for Younger People Customers

1007 Commonwealth Home Support Program Customers

413 Private Customers

## Assessment

The Regional Assessment team are responsible for conducting customer assessments on behalf of the Commonwealth and State Governments and the Department of Health.

The holistic assessments determine eligibility to access government funded services, while assisting customers to access the supports required to meet their goals.

The Assessment Team conducted 606 CHSP assessments and 479 HACCPYP assessments in the last reporting period, resulting in a combined 3076 assessment hours.

## Home and Community Care Services

MHA Care use a Wellness and Reablement approach to service provision with the aim of supporting people to remain living independently at home and in the community.

Over the past 12 months 64 Community Care Workers travelled 243,463 kms, providing 45,564 hours of service.

With a further 400 volunteers delivering 23,517 meals on wheels to 293 customers across the region.

32,873 hours of private services were purchased in 2018 with requests for services being received from, Post-Acute Care and Transition Care programs, Carer Support Services, NDIS, Cobram District Health, Community Interlink, Benetas, Australian Home Care, Veterans Home Care and Villa Maria to name a few.





## Planned Activity Groups

The MHA Care Planned Activity Groups run out of Yarrawonga, Cobram and Nathalia, over the past year, 196 customers have participated in exciting activities both in house and in the community, including Swimming and Hydrotherapy groups, Morning Melodies, Shopping Trips, Movies, Lunches, Craft and Special Celebrations.

The Planned Activity Groups also have guest speakers who regularly attend, providing presentations on a wide variety of topics such as Home Safety, Emergency Planning, Hearing, Vision and Allied Health Services.

## Home Care Packages

In April this year MHA Care recommenced our Home Care Package Program. We now have two Care Coordinators who support our Home Care Package customers to manage and coordinate their government funded packages. We have had an excellent uptake in this program with the number of Home Care Package Customers increasing from 9 to 36 in three months.

With the many changes expected in the Home and Community Care industry over the next 2 years, we look forward to continuing to support and assist our community members.

**Wendy Farrall**  
Service Manager



# Our Staff

MHA Care employs 79 people from across the Moira Shire and into bordering towns. The workforce is comprised of full time, part time and casual staff. This includes our Administrative team, Assessment team, Opportunity Shop and Moira Foodshare teams, Planned Activity Group staff and our 57 Community Care and Home Care Workers.

All of our employees are vital to the success of MHA Care. They are the face of the business and also develop the relationships with customers, which enhances our reputation as a care provider.

MHA Care likes to recognise and reward our employees in two ways. The service recognition program congratulates employees for their length of service and commitment to MHA Care. The BRAVO! Reward and Recognition program, is awarded on a quarterly basis and rewards outstanding employees for demonstrating MHA Care Signature Behaviours.





## Service Recognition 2018

Lynda Killmister – 35 years of service

Judith Bailey – 15 years of service

Kelly Stephens – 10 years of service

## **BRAVO!** Award Recipients 2018

Kelly Stephens

Emily Stanley

Xavier Ballard

Marika Moody

Angela Giltrap

Wendy Parker

Carolyn Bushby

Pam Smith

Leanne Adams

Jackie Stott

Amanda Harris

Della Kelly

Amber Vucinic

Cathy France

Debbie Hawkins

Maggie Burton

## Learning and Development

MHA Care also prides itself on staff learning and development. We ensure employees are up to date with mandatory training, and offer other development opportunities for staff. Below lists staff training opportunities for employees in 2018.

- Assessment & Care Planning
- Bullying and Harassment
- Dementia Training
- Understanding the Home Care Common Standards
- Elder Abuse Prevention
- Manual Handling
- Fire Safety Training
- First Aid – Level 2
- Fire Warden
- Fire Extinguisher
- CPR refresher
- Anaphylaxis
- Infection Control
- OH&S Induction
- Managers Health Coaching
- Wellness and Enablement Training
- Culture and Diversity
- Being a Buddy Training
- Customer Service Training
- Recruitment & Induction Training



# Our Volunteers

MHA Care have a volunteer team consisting of more than 500 community members who support us to operate our Meals on Wheels, Opportunity Shop, FoodShare, and Planned Activity Groups Programs.

Our Volunteers are the heart and soul of our Meals on Wheels programs.

The Meals on Wheels Program continues to provide an essential service in our community. Meals On Wheels supports our customers to live independently in their own homes.

Customer comments sum up the meals program:

“Good wholesome food. I am grateful that people give up their time freely to deliver them.”

“The meals enable my wife and I to care for ourselves in our own home which is very important to us.”

“I am extremely thankful for this service. It helps me so much and is so needed.”

In the last twelve months 400 Meals on Wheels Volunteers through their dedication and commitment delivered a staggering 23,517 main meals to 293 customers across the region.

**120 volunteers in Cobram delivered 6,572 main meals to 92 customers.**

**45 volunteers in Nathalia 2,521 main meals to 35 customers.**

**98 volunteers in Numurkah delivered 5,718 main meals to 69 customers.**

**138 volunteers in Yarrawonga delivered 8,706 main meals to 97 customers.**

An outstanding achievement and one all our volunteers can be very proud of.



# Moira Foodshare

The 2017 – 2018 Financial year saw another successful year for FoodShare. This year we distributed 1165 Food Hampers through local Service Providers and 1028 Food Hampers through our Shop Fronts. This number of hampers is equivalent to providing 200,361 adult meals and equates to approximately \$2,000,000 worth of food. The Hampers were distributed throughout the Shires of Moira, Berrigan, Finley and Jerilderie. Over the Christmas period we also distributed 646 Christmas Hampers to individuals and families through our network of service providers.

During the year, thankfully, our communities did not experience any significant crisis similar in scale to the dairy crises and the closure of the Cobram JBS Abattoir and the impact these events had on many families and communities both directly and indirectly. However through the work of our volunteers, donations from community groups and organisations, support from Moira Shire and Campbell Soups, Simplot and other food donors we provided food to 1,610 Adults and 1,283 Children.

We would like to thank all of our valuable and passionate Volunteers who work tirelessly and give freely of their time to ensure that vulnerable and at risk members of our communities have access to and receive support through this valuable community program.





# Yarrawonga Community Opp Shop & Storage and Sales Centre

Over the reporting period we did not see the increase in sales that has been experienced in previous years with the combined income from our sales at both sites appearing to have stabilised. This may have been due to the exceptionally cold weather experienced during the winter months.

The Opportunity Shop and Storage and Sales Centre has continued to provide vulnerable and disadvantaged members of our community the opportunity to purchase goods at affordable prices or, in the case where there are extenuating circumstances obtain goods at no cost through our local provider network.

We have also continued to support local community groups through in-kind donations of goods and items to support them with their fundraising efforts. Some of these community groups are:

Yarrawonga Neighbourhood House	Noah's Ark Wildlife Shelter
Lions Cub of Yarrawonga	Woods Point Aged care
Allawah Nursing Home	

We would like to thank the staff and our dedicated team of volunteers at both of our Opp Shop sites who have done an amazing job in ensuring that donated items are collected, prepared and displayed for sale. This is consistently demonstrated through customer feedback with statements like:

**'Best Opp Shop in Victoria'**

**'Well laid out and items easy to see'**

**'Everything is great'**

**'Variety is great'**

Congratulations to all on a job well done.





# Acknowledgements

Throughout the year we have continued to take an active role in working with other organisations both locally, regionally and state-wide.

MHA would like to extend a sincere thank you to the following organisations for their support throughout the year:

- Victorian Department of Health and Human Services
- Commonwealth Department of Health
- Moira Shire Council
- Moira Shire – Green Team
- Berrigan Shire
- Yarrawonga Health
- Cobram District Health
- Numurkah District Health Service
- Nathalia District Hospital
- Yarrawonga Mulwala Golf Club Resort
- Club Mulwala
- Alexandra Park Club
- Berrigan Lions Club
- Lions Club of Numurkah
- St Vincent De Paul Society Wagga Wagga
- St Vincent De Paul Cobram
- Bendigo Bank – Cobram Staff
- Rotary Club of Cobram
- Barooga Lions Club
- Uniting Church Yarrawonga
- Numurkah Gospel Fellowship
- Soroptomist International – Cobram and Barooga
- I.K. Caldwell
- SPC Ardmona
- Simplot – Echuca
- Magistrate's Court of Victoria
- Woolworth's Yarrawonga
- Woolworth's Cobram
- IGA Yarrawonga
- Foodbank Victoria

Our Staff attended and actively participated in regular meetings of:

CHSP/HACC Managers Alliance

HACC PYP Managers Meeting

CHSP Regional Meeting

RAS Managers Meeting

RAHT/MHA Managers Meeting

Yarrawonga/Nathalia Service Providers Network

Our membership and participation in the above groups have been productive and greatly assisted in keeping MHA Care informed of changes to the various programs and services we provide.

# Audited Statement of Accounts 2017-2018

MHA CARE LIMITED  
A.B.N. 90 463 327 686

## RESPONSIBLE ENTITIES REPORT

The Board of Directors submit this report on the company for the financial year ended 30 June 2018.

### Responsible Entity

- Ms Bernadette McKenzie
- Mr David McKenzie
- Mr Bruce Pigdon OAM
- Mr Dale Brooks
- Ms Carmel Fitzpatrick
- Mr Alan Williams
- Mr Paul Quinane (Resigned: 26/03/2018)

### Principal Activities

The principal activities of the company during the year were to provide a range of Home and Community Care services to support clients and their carers to live independently at home and in the community.

### Operating Result

The net profit from operations amounted to \$196,722 (2017: net profit \$46,890)

### Objectives

The company's objective is to be established as a major provider of quality care services in the Moira Shire and surrounds.

### Our Goals

To achieve its stated objectives, the company has adopted the following strategies:

<b>GOVERNANCE</b>
<b>Leadership:</b>
Relationships and interactions between the Board, management, staff, volunteers and key stakeholders are developed and maintained.
The Board continues to demonstrate good governance by determining strategic direction, ensuring legal compliance and sound financial governance.
<b>Strategy and Planning:</b>
At a strategic level define and guide the direction of MHA Care, in the short and long-term, and make informed decisions on allocating resources to pursue MHA Care's strategic and operational plans.
<b>FINANCE</b>
MHA demonstrates ongoing financial accountability and viability of MHA Care post 2020.
<b>OUR PEOPLE</b>
MHA attracts and retains skilled and competent employees to achieve organisational Goals at the minimum cost necessary, considering Advanced value service delivery with regard to quality and the organisation's operating environment.
MHA has a skilled workforce of managers and workers with the right values and provides opportunities for career progression within MHA Care.
Our Staff are empowered.
<b>INNOVATION, QUALITY AND IMPROVEMENT</b>
That MHA Care has in place information management and service delivery systems that are flexible, dynamic and support the needs of the ageing, frail, people with a disability and their carers.
That MHA Care is operated in an efficient, effective manner, adhering to quality principles and practices.
<b>BRAND AND IMAGE</b>
MHA's brand is recognised across the Shire and surrounds.
<b>CLIENT AND MARKET FOCUS</b>
To consistently deliver quality services in a respectful manner, enabling the aged, frail, people with a disability and their carers to:
- Pursue individual lifestyles
- Participate in the community
- Influence and strengthen the aged and disability services workforce
- Live in their own homes

**MHA CARE LIMITED**  
**A.B.N. 90 463 327 686**

**RESPONSIBLE ENTITIES REPORT**

**Information on Responsible Entities**

<b>Ms Bernadette McKenzie</b>	Director and Chairperson
Qualifications:	Bachelor of Business (Accounting). Certified Practicing Accountant (CPA).
Experience:	Appointed as Board member 29th February 2016. Appointed as Company Secretary November 2016. 15+ years Business and Accounting experience.
Special Responsibilities:	Member of the Audit & Risk Committee
<b>Mr David McKenzie</b>	Director and Vice Chairperson
Qualifications:	Diploma Institute of Company Directors.
Experience:	Board member since July 2014, Deputy Chairperson of Nathalia District Hospital Board.
Special Responsibilities:	Member of the Quality & Safety Committee.
<b>Mr Dale Brooks</b>	Director and Company Secretary
Qualifications:	Bachelor of Law/Arts (Hons), Senior Solicitor.
Experience:	Board member since 2013, President of Cobram District Health Board
Special Responsibilities:	Member of the Audit & Risk Committee
<b>Mr Bruce Pigdon OAM</b>	Director
Qualifications:	Company Director of Family owned business
Experience:	Board member since 2005 and Chairperson from August 2011 to November 2015.
Special Responsibilities:	Member of the Quality & Safety Committee.
<b>Ms Carmel Fitzpatrick</b>	Director
Qualifications:	Registered Midwife and Nurse
Experience:	Significant Experience in the Healthcare Industry including District Nursing and Supporting Clients in the Home. Appointed as Board member March 2017.
Special Responsibilities:	Member of the Quality & Safety Committee.
<b>Mr Alan Williams</b>	Director
Qualifications:	Masters of Education Administration, Certificate in Professional Development, Graduate
Experience:	Experience in Human Resource Management, Education and Administration Systems. Committee Member Yarrowonga Neighborhood House, President Mixed Probus Group. Appointed as Board member March 2017.
Special Responsibilities:	Member of the Audit & Risk Committee

**Meetings of Responsible Entities**

During the financial year, 11 meetings of directors were held. Attendances by each director were as follows:

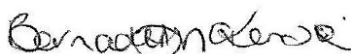
	Directors' Meetings	
	Number eligible to attend	Number attended
Ms Bernadette McKenzie	11	9
Mr David McKenzie	11	9
Mr Bruce Pigdon OAM	11	11
Mr Dale Brooks	11	10
Ms Carmel Fitzpatrick	11	11
Mr Alan Williams	11	6
Mr Paul Quinane (Resigned: 26/03/2018)	8	6

The company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$50 each towards meeting any outstanding obligations of the entity. At 30 June 2018, the total amount that members of the company are liable to contribute if the company is wound up is \$350.

**Auditor's Independence Declaration**

A copy of the Auditors Independence Declaration as required under s.60-40 of the Australian Charities and Not-for-Profits Commission Act 2012 is attached to this report and forms part of this report.

Signed in accordance with a resolution of the Board of Directors.



Ms Bernadette McKenzie  
Chairperson

Dated: 29th day of October 2018



**MHA CARE LIMITED**  
**A.B.N. 90 463 327 686**

**AUDITOR'S INDEPENDENCE DECLARATION  
TO THE DIRECTORS OF MHA CARE LIMITED  
UNDER DIV 60-40 OF AUSTRALIAN CHARITIES AND  
NOT-FOR-PROFITS COMMISSION ACT 2012**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2018 there have been no contraventions of:

- (i) the auditor independence requirements as set out in the Australian Charities and Non-For-Profits Commission Act 2012 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Name of the Firm : **Mogg Osborne Audit Pty Ltd**



Name of Partner: **Peter Thomas Mogg**

Date **10th October 2018**

Address: **40-44 High Street  
COBRAM VIC 3644**

**MHA CARE LIMITED**  
**A.B.N. 90 463 327 686**

**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2018**

	Notes	2018 \$	2017 \$
<b>REVENUE FROM ORDINARY ACTIVITIES</b>			
Revenue from Ordinary Activities	2	4,997,764	4,681,575
<b>EXPENSES</b>			
Employee Benefits	3	3,551,044	3,180,683
Consultants and Contractors	3	365,880	416,870
Project Expenses	3	103,149	92,185
Home Care Packages	3	132,375	25,151
Property Expenses	3	213,660	227,705
Depreciation and Amortisation	3	100,478	128,947
Other Expenses from Ordinary Activities	3	334,456	563,144
		<u>4,801,043</u>	<u>4,634,685</u>
<b>SURPLUS / (DEFICIT) FOR THE YEAR</b>		<u>196,722</u>	<u>46,890</u>

This statement should be read in conjunction with the accompanying notes

**MHA CARE LIMITED**  
**A.B.N. 90 463 327 686**

**STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018**

	Notes	2018 \$	2017 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	5	2,370,935	2,083,363
Trade and Other Receivables	6	342,096	244,024
Inventory	7	169,675	177,754
<b>Total Current Assets</b>		<b>2,882,706</b>	<b>2,505,141</b>
<b>Non-Current Assets</b>			
Property, Plant & Equipment	8	390,329	481,510
Intangibles	9	9,729	20,795
<b>Total Non-Current Assets</b>		<b>400,058</b>	<b>502,305</b>
<b>TOTAL ASSETS</b>		<b>3,282,764</b>	<b>3,007,446</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	10	343,500	282,691
Provisions	11	355,987	386,243
<b>Total Current Liabilities</b>		<b>699,487</b>	<b>668,934</b>
<b>Non-Current Liabilities</b>			
Provisions	11	127,121	96,586
<b>Total Non-Current Liabilities</b>		<b>127,121</b>	<b>96,586</b>
<b>TOTAL LIABILITIES</b>		<b>826,608</b>	<b>765,520</b>
<b>NET ASSETS</b>		<b>2,456,155</b>	<b>2,241,926</b>
<b>EQUITY</b>			
Reserves	13a	77,277	59,769
Retained Earnings	13b	2,378,878	2,182,157
<b>TOTAL EQUITY</b>		<b>2,456,155</b>	<b>2,241,926</b>

This statement should be read in conjunction with the accompanying notes



**MHA CARE LIMITED**  
**A.B.N. 90 463 327 686**

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2018**

	Notes	Reserves \$	Retained Earnings \$	Total \$
<b>Balance at 30 June 2016</b>	13	59,769	2,135,266	2,195,035
Comprehensive Result for the year		-	46,890	46,890
Asset Revaluation Reserve		-	-	-
Transfers to/(from) from Retained Earnings		-	-	-
<b>Balance at 30 June 2017</b>	13	59,769	2,182,157	2,241,926
Comprehensive Result for the year		-	196,722	196,722
Asset Revaluation Reserve		17,508	-	-
Transfers to/(from) from Retained Earnings		-	-	-
<b>Balance at 30 June 2018</b>	13	77,277	2,378,878	2,456,155

This statement should be read in conjunction with the accompanying notes

**MHA CARE LIMITED**  
**A.B.N. 90 463 327 686**

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2018**

	Notes	2018 \$	2017 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Government Grants		2,666,877	2,610,600
Interest & Dividends		31,891	43,435
Other		2,642,620	2,230,662
<b>Payments</b>			
Employee Benefits		(3,061,208)	(2,939,470)
Other		(2,016,215)	(1,929,135)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	14a	263,965	16,091
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of Property, Plant & Equipment		(7,575)	(147,917)
Proceeds from Sale of Property, Plant and Equipment		31,182	54,716
Purchase of Intangibles		-	(16,600)
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>		23,607	(109,801)
<b>NET INCREASE / (DECREASE) IN CASH HELD</b>		287,572	(93,710)
<b>CASH AT BEGINNING OF FINANCIAL YEAR</b>		2,083,363	2,177,073
<b>CASH AT END OF FINANCIAL YEAR</b>	14b	2,370,935	2,083,363

This statement should be read in conjunction with the accompanying notes

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

**NOTE 1: STATEMENT OF ACCOUNTING POLICIES**

The financial statements cover MHA Care Limited as an individual entity, incorporated and domiciled in Australia.

MHA Care Limited is a company limited by guarantee.

The financial statements were authorised for issue on 29 October 2018 by the directors of the company.

The directors have prepared the financial statements on the basis that the company is a non reporting entity because there are no users who are dependent on its general purpose financial statements. These financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the Australian Charities and Non-for-profits Commission Act 2012. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to registered charities reporting under the Australian Charities and Non-for-profits Commission Act 2012 and the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with those of previous periods unless stated otherwise.

The financial report has been prepared on an accruals basis and is based on historic costs with the exception of selected assets and liabilities for which the fair value basis of accounting has been applied.

The following significant accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report.

**(a) Revenue**

Grant revenue is recognised in profit or loss when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably. If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

Donations are recognised as revenue when received.

Interest revenue is recognised as it accrues.

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

**(b) Property, 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. Fair value of Land and Buildings is based on valuation carried out by external professional valuers (Preston Rowe Paterson Shepparton) in 2018.

In periods when the land and buildings are not subject to an independent valuation, the directors conduct directors' valuations to ensure the carrying amount for the land and buildings is not materially different to the fair value.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the revaluation surplus in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are recognised in profit or loss.

Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Freehold land and buildings that have been contributed at no cost, or for nominal cost, are initially recognised and measured at the fair value of the asset at the date it is acquired.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

**NOTE 1: STATEMENT OF ACCOUNTING POLICIES (Cont.)**

**(b) Property, Plant and Equipment (cont.)**

*Plant and Equipment*

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the 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(p) for details of impairment).

The depreciable amount of all fixed assets are depreciated on a straight line basis over their useful lives to the company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

As no finite useful life for land can be determined, related carrying amounts are not depreciated.

**(c) Non-Current Assets**

The carrying amounts of all non-current assets are reviewed at least annually to determine whether they are in excess of their recoverable amount. If the carrying amount of a non-current asset exceeds the recoverable amount, the asset is written down to the lower value. In assessing recoverable amounts the relevant cash flows have not been discounted to their present value.

**(d) Receivables**

Trade debtors are carried at nominal amounts due and are due for settlement within 30 days from the date of recognition. Collectability of debts is reviewed on an ongoing basis. A provision for doubtful debts is raised where doubt as to collection exists.

**(e) Accounts Payable and Other Payables**

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the association during the reporting period that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 90 days of recognition of the liability.

**(f) Inventories**

Inventories are measured at 70 percent of the ticketed price of Opportunity Shop inventory on hand at the end of the year. The movement in inventory is treated as a donation to the company.

**(g) Provision for Employee Leave Entitlements**

*i. Wages, Salaries and Annual Leave*

The provision for employee entitlements to wages, salaries and annual leave represents the amount which the company has a present obligation to pay resulting from employees' services provided up to the balance date. The provision has been calculated at nominal amounts based on current wage and salary rates and includes related on-costs.

*ii. Long Service Leave*

The liability for employee's entitlements to long service leave represents the present value of the estimated future cash outflows to be made by the employer resulting from employees' services provided up to the balance date.

Liabilities for employee entitlements which are not expected to be settled within twelve months are discounted using the rates attaching to national government securities at balance date, which most closely match the terms of maturity of the related liabilities. In determining the liability for employee entitlements, consideration has been given to future increases in wage and salary rates, and the company's experience with staff departures. Related on-costs have also been included in the liability.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

**NOTE 1: STATEMENT OF ACCOUNTING POLICIES (Cont.)**

**(h) 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.

Revenues, expenses and assets are recognised net of GST except for receivables and payables which are stated with the

**(i) 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 on a gross basis. The GST components of cash flows arising from investing and 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.

**(j) 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 balance sheet.

**(k) Property held for Sale**

Property is regarded as being held for sale upon determination of the Board and when it is highly probable that the asset's sale is likely to be completed within 12 months from the date of the determination.

Property classified as held for sale is treated as a current asset and is measured at the lower of the carrying amount and the fair value less costs to sell. Property held for sale is not subject to depreciation.

**(l) Intangibles**

Software is recorded at cost. It has a finite life and is carried at cost less accumulated amortisation and any impairment losses. Software has an estimated useful life of between one and three years. It is assessed annually for impairment.

**(m) Comparative Information**

Where necessary the previous year's figures have been reclassified to facilitate comparisons.

**(n) Comparative Figures**

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

**(o) Leases**

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

**(p) Impairment of Assets**

At the end of each reporting period, the company assesses whether there is any indication that the asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of that asset, being the higher of the asset's fair value less costs of disposal and its value-in-use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amounts is immediately recognised in profit & loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

**NOTE 1: STATEMENT OF ACCOUNTING POLICIES (Cont.)**

**(q) Financial Instruments**

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).

*i. Financial Assets*

Loans and receivables includes cash and deposits, term deposits, trade receivables (exc. Statutory receivables). Statutory receivables, are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments because they do not arise from a contract. Loans and receivables are initially measured at fair value plus attributable costs. Subsequent to initial measurement, these assets are measured at amortised costs using effective interest rate method, less any impairment.

*ii. Financial Liabilities*

Financial instrument liabilities measured at amortised cost include all of the contractual payables, deposits held and advances received, and interest bearing arrangements other than those designated at fair value through profit or loss (which are none). Financial instrument liabilities are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest bearing liability, using the effective interest rate method.

*iii. Impairment*

At the end of each reporting period, the company 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 of impairment as a result of the occurrence of one or more events (a "loss event"), which has an impact on the estimated future cash flows of the financial asset(s).

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 account.

*iv. Derecognition*

Financial assets are derecognised where 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, 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

**NOTE 1: STATEMENT OF ACCOUNTING POLICIES (Cont.)**

**(r) Significant Management Judgement in applying accounting policies**

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

*i. Estimation Uncertainty*

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

*ii. Impairment*

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units, based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

*iii. Useful lives of depreciable assets*

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT equipment.

*iv. Inventories*

Management estimates that 70% of ticketed price op shop inventory at hand represents net realisable values of inventories, taking into account the most reliable evidence available at each reporting date.

*v. Long service leave*

The liability for long service leave is recognised and measured at the present value of the estimated 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.

**(s) Grants in Advance**

Includes any unutilised amounts and gains received on the condition that the expected services are delivered or conditions are fulfilled.

**(t) Economic Dependency**

MHA Care Ltd is dependent on various government departments for the majority of its revenue used for its operations. At the date of this report, the Board of Directors have no reason to believe that these government bodies will not continue to support MHA Care Ltd. MHA Care Ltd has a signed grant agreement with the Department of Health to provide services under the Commonwealth Home Support Programme. This agreement expires in June 2020.

**(u) New Accounting Standards for Application in Future Periods**

An assessment of Accounting Standards issued by the AASB that are not yet mandatorily applicable and their potential impact on the association when adopted in future periods is discussed below:

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

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

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

Recognition of a right-of-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);

Depreciation of right-of-use assets in line with AASB 116: Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;

Inclusion of variable lease payments that depend on an index or a rate in the initial measurement of the lease liability using the index or rate at the commencement date;

Application of a practical expedient to permit a lessee to elect not to separate non-lease components and instead account for all components as a lease; and

Inclusion of additional disclosure requirements.

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

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



**MHA CARE LIMITED**  
A.B.N. 90 463 327 686

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

	2018 \$	2017 \$
<b><u>NOTE 2: REVENUE</u></b>		
Government Grants		
State Government		
Operating	641,766	671,693
Capital	17,500	75,092
Local Government	232,000	232,000
Commonwealth Government	1,917,363	1,748,585
Total Government Grants	2,808,628	2,727,370
Client Fees	360,080	392,271
External Agency Purchases	1,310,336	994,442
Donations	26,420	45,146
Opportunity Shop Sales	381,501	421,718
Movement in Stock Value Opportunity Shop	(10,563)	16,041
Interest and Dividends	41,460	43,528
Profit/(Loss) on Disposal of Assets - refer Note 4	4,330	(350)
Other Income	75,571	41,408
<b>Total Revenue from Ordinary Activities</b>	<b>4,997,764</b>	<b>4,681,575</b>

**NOTE 3: EXPENDITURE**

Employee Benefits		
Salaries and Wages inc Employee Provisions	3,200,633	3,053,555
Superannuation	261,633	264,477
Workcover	47,754	30,565
Other Employee Benefits	41,025	53,727
Consultancies and Contractors		
Delivered Meals	236,219	261,019
Other Contractors	129,661	155,851
Program Expenses	103,149	92,185
Home Care Packages	132,375	25,151
Property Expenses	213,660	227,705
Depreciation and Amortisation		
Buildings	2,250	2,250
Plant & Equipment	34,646	39,924
Motor Vehicles	52,516	67,936
Software	11,066	18,837
Other Expenses		
Travel	5,710	5,614
Motor Vehicle Expenses	51,199	58,501
Telephone	27,781	26,881
Advertising	2,212	15,366
Postage & Freight	15,178	16,473
Computer Costs	63,416	55,813
Opportunity Shop Expenses	23,246	26,463
Bad & Doubtful Debts	853	345
Auditors Remuneration	35,295	8,810
Other Expenses	109,565	127,238
<b>Total Expenses</b>	<b>4,801,043</b>	<b>4,634,685</b>

**NOTE 4: PROFIT/(LOSS) ON DISPOSAL OF ASSETS**

<b>Property Plant &amp; Equipment</b>		
Proceeds from Disposal of Assets	31,186	54,716
Less: Written-Down value of Assets Sold	(26,856)	(55,065)
<b>Net Profit/(Loss) on Disposal</b>	<b>4,330</b>	<b>(350)</b>



**MHA CARE LIMITED**  
A.B.N. 90 463 327 686

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

**NOTE 5: CASH AND CASH EQUIVALENTS**

	2018 \$	2017 \$
Cash on Hand	1,750	1,750
Cash at Bank	815,159	555,947
Term Deposits	1,554,027	1,525,665
Note 12	<u>2,370,935</u>	<u>2,083,363</u>

**NOTE 6: TRADE AND OTHER RECEIVABLES**

CURRENT		
Client Fees	280,436	179,277
Prepayments	26,460	22,455
Accrued Income	39,138	42,681
Other Receivables	(1,939)	1,612
	<u>344,096</u>	<u>246,024</u>
Less: Provision for Doubtful Debts	2,000	2,000
Total Current	<u>342,096</u>	<u>244,024</u>
Total Receivables	<u>342,096</u>	<u>244,024</u>

**NOTE 7: INVENTORY**

Opportunity Shop (a)	165,956	176,519
Other Inventory	3,719	1,235
	<u>169,675</u>	<u>177,754</u>

(a) Please refer to note 1(e) inventories.

**NOTE 8: PROPERTY, PLANT & EQUIPMENT**

**At Valuation**

Land (a)	60,000	50,000
Buildings (a)	90,000	90,000
Less Accumulated Depreciation	-	(5,258)
	<u>90,000</u>	<u>84,742</u>

**At Cost**

Furniture & Equipment	369,365	324,492
Less Accumulated Depreciation	(289,462)	(217,388)
	<u>79,902</u>	<u>107,104</u>
Motor Vehicles	528,272	578,056
Less Accumulated Depreciation	(367,845)	(338,392)
	<u>160,427</u>	<u>239,664</u>
<b>Total Property, Plant and Equipment</b>	<u>390,329</u>	<u>481,510</u>

(a) Land and Buildings were independently valued at \$150,000 by Preston Rowe Paterson Shepparton in September 2018. The valuation resulted in a revaluation increment of \$17,508 being recognised in revaluation surplus for the year ended 30th June 2018.

**MHA CARE LIMITED**  
A.B.N. 90 463 327 686

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

**NOTE 8: PROPERTY, PLANT & EQUIPMENT (Cont.)**

*Reconciliations of the carrying amounts of each class of plant & equipment at the beginning and end of the current financial year is set out below.*

	Land	Buildings	Furniture & Equipment	Motor Vehicles	Total
		\$	\$	\$	\$
<b>Balance at 30 June 2016</b>	50,000	86,992	108,433	254,579	500,004
Additions	-	-	38,595	108,087	146,682
Disposals at WDV	-	-	-	(55,065)	(55,065)
Depreciation and Amortisation expense	-	(2,250)	(39,924)	(67,936)	(110,110)
<b>Balance at 30 June 2017</b>	50,000	84,742	107,104	239,664	481,510
Additions	-	-	7,579	-	7,579
Disposals at WDV	-	-	(134)	(26,721)	(26,856)
Depreciation and Amortisation expense	-	(2,250)	(34,646)	(52,516)	(89,412)
Revaluation	10,000	7,508	-	-	17,508
<b>Balance at 30 June 2018</b>	60,000	90,000	79,903	160,427	390,329

**NOTE 9: INTANGIBLES**

	2018	2017
	\$	\$
Software	64,118	64,118
Less Accumulated Amortisation	(54,390)	(43,324)
	9,729	20,795

**NOTE 10: TRADE AND OTHER PAYABLES**

<b>CURRENT</b>		
Trade Creditors	62,263	67,393
Accrued Expenses	14,765	19,129
Salaries Payable	122,255	109,982
GST Payable	13,139	11,416
PAYG Payable	46,398	40,030
Other Payables	2,697	3,228
Monies Held in Trust	74,582	14,013
	336,099	265,191
Grants in Advance	7,401	17,500
	343,500	282,691

**NOTE 11: PROVISIONS**

<b>CURRENT</b>		
Annual Leave	Note 1g	167,411
Long Service Leave	Note 1g	188,577
		355,987
<b>NON-CURRENT</b>		
Long Service Leave	Note 1g	127,121
		96,586
<b>TOTAL PROVISIONS</b>		483,109

See note 1(f) for further information on the calculation of provisions for employee leave entitlements

**MHA CARE LIMITED**  
A.B.N. 90 463 327 686

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

	2018 \$	2017 \$
<b><u>NOTE 12: FINANCIAL ASSETS AND LIABILITIES</u></b>		
<b>FINANCIAL ASSETS</b>		
Cash and Cash Equivalents	2,370,935	2,083,363
Loans and Receivables	342,096	244,024
	<u>2,713,031</u>	<u>2,327,387</u>
<b>FINANCIAL LIABILITIES</b>		
Trade and Other Payables	<u>330,360</u>	<u>271,275</u>

**NOTE 13: EQUITY AND RESERVES**

**(a) Reserves**

Balance at Beginning of Reporting Period	59,769	59,769
Asset Revaluation Reserve (a)	17,508	-
Profits Allocated from Retained Earnings	-	-
Profits distributed to other Community Organisations	-	-
Transfer to Retained Earnings	-	-
Balance at the end of the reporting period	<u>77,277</u>	<u>59,769</u>

(a) Asset Revaluation Reserve relates to land and buildings at 50 Knox Street Numurkah, VIC 3636.

**(b) Retained Earnings**

Retained Earnings at the beginning of the reporting period	2,182,157	2,135,266
Net Result for the year	196,722	46,890
Transfer from Reserves	-	-
Retained Earnings at the end of the reporting period	<u>2,378,878</u>	<u>2,182,157</u>

**NOTE 14: RECONCILIATION OF NET RESULT FOR THE YEAR TO NET CASH FLOWS FROM OPERATING ACTIVITIES**

**(a) Reconciliation of net cash used in operating result**

Net Profit/(Loss)	196,722	46,890
<i>Non-Cash Movements</i>		
Depreciation and amortisation	100,478	128,947
(Profit)/Loss on disposal of Property, Plant & Equipment	(4,330)	350
<i>Movements in assets and liabilities</i>		
Increase/(Decrease) in Payables	60,808	(93,069)
Increase/(Decrease) in Provisions	280	(20,214)
Decrease/(Increase) in Inventory	8,079	(16,041)
Decrease/(Increase) in Receivables	(98,072)	(30,772)
Net Cash From Operating Activities	<u>263,965</u>	<u>16,091</u>

**(b) Reconciliation of cash**

Cash at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:

Cash on Hand	1,750	1,750
Cash at Bank	815,159	555,947
Term Deposits	1,554,027	1,525,665
	<u>2,370,935</u>	<u>2,083,363</u>

**MHA CARE LIMITED**  
**A.B.N. 90 463 327 686**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018**

	2018	2017
<b><u>NOTE 15: LEASING COMMITMENTS</u></b>	<b>\$</b>	<b>\$</b>
Non Cancellable operating leases contracted for but not recognised in the financial statements		
Payable:		
- not later than 1 year	138,472	146,811
- later than 1 year and not later than 5 years	298,729	289,159
- later than 5 years	-	-
	<u>437,200</u>	<u>435,970</u>

**NOTE 16: EVENTS OCCURRING AFTER REPORTING DATE**

Since 30 June 2018 no matter or circumstance has arisen which has significantly affected, or which may significantly affect, the operations of the organisation.

**NOTE 17: CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

There are no contingent liabilities or Contingent assets.

**NOTE 18: MEMBERS' GUARANTEE**

The company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$50 towards meeting any outstanding obligations of the entity. At 30 June 2018, the number of members was 7.

**NOTE 19: RELATED PARTY TRANSACTIONS**

Transactions between related parties are on normal commercial terms and conditions. These terms and conditions are no more favourable than those available to other parties unless otherwise stated.

Transactions with related parties were:

Bruce Pigdon (Pigdons Holden)

**NOTE 20: ENTITY DETAILS**

The registered office of the company is:

MHA Care Limited  
22 Orr Street  
Yarrowonga 3730



**MHA CARE LIMITED**  
**A.B.N. 90 463 327 686**

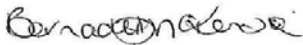
**RESPONSIBLE ENTITIES' DECLARATION (THE BOARD)**

The Responsible Entities of MHA Care Limited declare that:

- The financial statements and notes of MHA Care Ltd are in accordance with
1. Australian Charities and Not for Profits Commission Act 2012, including:
    - (a) giving a true and fair view of the organisation's financial position as at 30 June 2018 and its performance and cash flows for the year ended on that date in accordance with the accounting policies described in Note 1; and
    - (b) complying with Australian Accounting Standards (including Australian Accounting interpretations and ACNC Regulations 2013)
  2. There are reasonable grounds to believe that the organisation 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 Responsible Entities

Dated this 29th day of October 2018



---

Ms Bernadette McKenzie  
Chairperson



Est. 1954

## MOGG OSBORNE AUDIT PTY LTD

*Certified Practising Accountants*

A.B.N 58 131 580 017

### INDEPENDENT AUDITOR'S REPORT

To the members of MHA Care Limited  
For the year ended 30<sup>th</sup> June 2018

#### Report on the financial report

##### **Opinion**

We have audited the accompanying financial report, being a special purpose financial report of MHA Care Limited, which comprises the statement of financial position as at 30 June 2018, 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 directors' declaration.

In our opinion the financial report of MHA Care Limited has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* (the ACNC Act), including:

- a) giving a true and fair view of the registered entity's financial position as at 30 June 2018 and of its financial performance and cash flows for the year ended on that date; and
- b) complying with Australian Accounting Standards to the extent described in Note 1 and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

##### **Basis for opinion**

We conducted our audit in accordance with 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 registered entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to 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 for the purpose of fulfilling the responsible entities' financial reporting responsibilities under the ACNC Act. As a

Ref: 1075701\_1

Directors: P.T. Mogg FCPA, B.Ec.

#### Cobram Office:

40 – 44 High Street, PO Box 101, Cobram, VIC 3644  
Phone 03 5872 1955. Fax 03 5872 1008



Email: [admin@moggosborne.com.au](mailto:admin@moggosborne.com.au)

#### Finley Office:

130 Murray Street, PO Box 105, Finley NSW 2713  
Phone 03 5883 2366. Fax 03 5883 2234

result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

### ***Economic dependency***

We also draw attention to *Note 1(t)* which emphasises MHA Care Ltd is dependent on various government departments for the majority of its revenue used for its operations.

### ***Responsible entities' responsibility for the financial report***

The responsible entities of the registered entity 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 ACNC Act and the needs of the members. The responsible entities' responsibility also includes such internal control as the responsible entities determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the responsible entities are responsible for assessing the registered entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible entities either intend to liquidate the registered entity or to cease operations, or have no realistic alternative but to do so.

The responsible entities are responsible for overseeing the registered entity's financial reporting process.

### ***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 the Australian Auditing Standards, we exercise professional judgement 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 registered entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by responsible entities.



- Conclude on the appropriateness of the responsible entity'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 registered 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 registered 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 the responsible entities 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.

**Mogg Osborne Audit Pty Ltd**  
**Authorised Audit Company**



.....  
**Peter Mogg**  
*Director*  
**Dated 1<sup>st</sup> Nov 2018**  
**Cobram**



**Main Office:**  
22 Orr Street  
(Po Box 376)  
YARRAWONGA VIC 3730

**Cobram:**  
3697 Murray Valley Highway

**Nathalia:**  
9 Harcourt Street

**Numurkah:**  
38 McCaskill Street

**Servicing the Moira Shire  
and surrounds**

For more information,  
contact us on

**03 5742 1111**

**mhacare.org.au**

