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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 2018 to June 2019.

After several years of uncertainty driven by the continually changing service environment in the Aged Care sector, 2019 has seen MHA Care experience a period of stability while continuing to grow in strength and in our ability to meet the needs of the Aged in our community.

The Board continue to be committed to achieving long term financial viability while maintaining a clear focus on our clients and their carers as we implement change and continue to grow. The Board recognises that it is through the highly valued and continued commitment of our staff and volunteers to their work and willingness to share accountability in the growth and sustainability of the business with the Board, there is a quiet confidence that MHA will continue to strengthen and build on the achievements made.

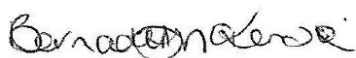
At MHA Care we are fortunate to have an extremely dedicated volunteer workforce of over 500 volunteers. Our volunteers assist with the Delivered Meals program, Moira Foodshare program, the Opportunity Shop and Planned Activity Groups. All of which are critical support services in our area.

It is through the invaluable work and commitment of our volunteer workforce that MHA Care have been able to assist some of the more vulnerable members of our communities, across the shire to maintain their health, wellbeing and live and participate in the communities where they choose to live.

We would like to thank all our valued employees 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. Remember what you do makes a difference; sometimes it must seem, that to the world you may be just one person, but to one person you may be the world. Thank you for making that world a better place for our clients.

The ongoing changes within the Aged Care and Disability sectors will continue to place challenges on our ability to consistently deliver quality services and supports in a consumer directed and financially accountable environment. Throughout this year the Team at MHA have been able to successfully manage these challenges, and this has been demonstrated by the successful outcome of our Quality Review and financial performance that resulted in a posted surplus of \$51,167 for the financial year on an operating revenue of \$5,586,872.

MHA has completed another rewarding year. We have achieved a great deal and will keep working towards ensuring that our Clients remain our focus, the provision of programs of excellence our aim, and client satisfaction the measure of our success. 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

2018/19 has been another busy and exciting year for MHA Care.

During the reporting period we provided Commonwealth (CHSP), State (HACC PYP) and Privately funded services to 1961 clients across the shire and surrounds

- 66 Home and Community Care Program for Younger People clients
- 1169 Commonwealth Home Support Program clients
- 726 Private clients

## Assessment

The Regional Assessment team are responsible for conducting client 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 clients to access the supports required to meet their goals.

The assessment team conducted 595 CHSP assessments and 114 HACC PYP assessment/reviews in the last DHHS reporting period, resulting in a combined 2957 assessment hours.

## Home and Community Care Services

Approximately 65 Community Care Workers travelled 288,000 kms, providing 105,134 hours of services.

With a further 450 volunteers delivering 21,000 meals on wheels to 322 customers across the region.

35, 438 hours of private services were purchased in 2018/19 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, Veterans Home Care, Villa Maria and MHA Care Home Care packages to name a few.



## Planned Activity Groups

The MHA Care Planned Activity Groups provide activities, outings, friendship and support. Groups operate from Yarrowonga, Cobram and Nathalia, over the past year, 190 Planned Activity Group clients have spent 27,757 hours participating in an exciting array of 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

The Home Care Package Program has continued to grow over the past year, at the end of the reporting period, 103 package recipients have elected to have their packages and services managed by MHA Care.

Two full time Care Managers work alongside Home Care Packaged clients, ensuring the appropriate services and supports are in place to meet their care needs.

The Home and Community Care industry continues to experience ongoing changes due to the implementation of NDIS and changes to the Commonwealth Home Support and Home Care Package programs, we look forward to continuing to support and assist community members to live actively and independently in their homes and community.

A handwritten signature in black ink, appearing to read 'Wendy Farrall'.

**Wendy Farrall**

**Service Manager**

# Our Staff

MHA Care employs 94 people from across the Moira Shire and into bordering towns. The workforce is comprised of full time, part time and casual staff. This includes an administrative team, assessment team, opportunity and foodshare team, planned activity group staff and our 65 Community Care and Home Care Workers.

All 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 recognize and reward employees in two ways. The service recognition program congratulates employees who have been with the company for 5, 10, 15, 20 years and so on 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 with a gift voucher. Below outlines employees who have been recognised in these programs throughout 2019.





## Service Recognition 2019

Patricia Hawks – 30 years of service

Leanne Walker – 10 years of service

Dalureen Kelly-Penberthy – 5 years of service

## **BRAVO!** Award Recipients 2019

Amber Vucinic

Cathy France

Debbie Hawkins

Kerri McKenna

Tessa Johnson

Nicole Baker

Nicole Potter

Paula Fazzolari

Jo Cornish

Susan Ryswick

Lorraine Northeast

Carolyn Bushby

Della Kelly-Penberthy

Gemma Parker

## 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 2019.

- Elder Abuse; Recognising and Responding to Abuse
- Advocacy; Talk to Us First
- Dementia Training
- Professional Boundaries
- Wellness and Reablement
- Manual Handling
- Fire Safety Training
- First Aid – Level 2
- CPR refresher
- Anaphylaxis
- Infection Control
- Bullying and Harassment
- Cultural Diversity
- Leadership Skills; Communicating and Supporting a Remote Team
- Case Management for Coordinators
- Conducting Annual Performance Appraisals
- Sage Micro Pay for the Experienced User
- Return to Work Coordinator Training
- Working with Carers and the Care Relationship
- Identifying Family Violence – Department of Health and Human Services

# Our Volunteers

MHA Care have a volunteer team of more than 450 community members who support us to operate our Meals on Wheels, Opportunity Shop, Foodshare and Planned Activity group Programs.

Australian Volunteers contribute an estimated \$290 Billion dollars to our economy annually yielding a \$450% return in every dollar invested. The time given by volunteers is equivalent to 109 Million full time employees.

Our Meals on Wheels program continues to provide an essential service in our community to support our customers to continue to live independently in their own homes.

There are 700 Meals on Wheels services across Australia and we are part of a Meals on Wheels Team which consists of 78,700 volunteers. Together our volunteers make around 10 Million house calls per year.

In the last twelve months 380 Meals on Wheels Volunteers through their dedication and commitment delivered a staggering 21,185 main meals to 302 customers with a smile, a chat and looking out for their welfare.

**110 volunteers in Cobram delivered 6,194 main meals to 110 customers.**

**40 volunteers in Nathalia delivered 2,302 main meals to 37 customers.**

**98 volunteers in Numurkah delivered 5,951 main meals to 84 customers.**

**130 volunteers in Yarrawonga delivered 6,738 main meals to 91 customers.**

Our volunteers who have completed five or more years of service, were presented with Certificates of recognition at our Christmas thank you afternoon teas. Some of our volunteers have given over 50 years of service in their local community.



# Moira Foodshare

This year we have been very active in the pursuit of obtaining and sourcing rescued foods as we continue to work with and be supported by local farmers and businesses at increasing our sources of supply and the varieties of donated foods to be distributed.

Due to our expanding partnerships with Shepparton and Wodonga Foodshares, we now have regular access to large supplies of eggs, frozen meals consisting of rice, red meat, chicken, and vegetables, as well as increased supplies of cereals, oats, and dairy products including cheeses, yoghurts, creamed cheese, and even ice cream.

The new warehouse in Karook St. Cobram serves our operations well, and we have increased our storage racking to accommodate the additional foods we are sourcing. Additionally, as we are now in receipt of significant supplies of frozen foods, we have secured three large freezers to accommodate the additional frozen foods and have made several applications for grants for the purpose of installing increased refrigeration.

In early May 2019 we have commenced recording the weights of foods that Moira Foodshare distributes in whole kilograms. These details are recorded from the clients who attend at shopfronts when using vouchers, and also foods that are weighed at the warehouse prior to distribution to welfare agencies in Yarrawonga, Cobram Numurkah, Nathalia, Berrigan, Finley, and Deniliquin.

In addition to the distribution of food, emergency hampers are distributed during special fund-raising events, emergencies and of course to individuals in need of immediate help. There were 1739 adults and 1331 children supported during the year through our Shopfronts in Cobram and Yarrawonga and hundreds more children received food relief through our supply of food to school programs and early childhood centres.

There has been approximately 25,000 kg of food distributed over the last 5 months, ie. 5000kg per month, and the current records suggest these quantities will continue.

The real significance of this food distribution is in the knowledge that the food has been high in protein content including eggs, cheese, and meat products, and that the area of distribution is consistently across several LGA's.

Moira Foodshare continues to be an active participant at the meetings of the Berrigan Finley Community Network, held in Finley every quarter, and we also attended at the drought relief "Blues on the River" music festival on 4 May in Tocumwal, where we distributed food hampers and provided information to those attending in regards to our food relief program.

The wonderful commitment of our volunteers and the continued significant financial support of Moira Shire cannot be understated in maintaining this valuable community program.



Along with the generous donations of funding, food supplies, and in kind services from community groups and local businesses, the Foodshare program will continue to provide support for thousands of people in need.

Both Lee Powell and Frank Wallace are also to be commended on their tireless efforts in maintaining the service of the respective east and west branches of Moira Foodshare.

# List of Donors to FoodShare

- Saputo (ex - Murray Goulburn) – cheese product
- Woolworths Cobram – bread, frozen meats, and other room temperature packaged products.
- Artisan Bakery Cobram – bread and pastries
- MON sauces Barooga – tomato sauce products, mayonnaise
- Campbells Soups Lemnos – tinned soups, soup stock, breakfast juice
- Simplot Echuca – pasta sauce and tuna bake
- Unilever – packaged soups
- James Kelly (Kelly Bros) – in season vegetables by the bin load
- Joe and Cherie Macheda Orchards – in season fruit
- Yarra Hot Bake (Yarrawonga) – bread and cake products
- Yarrawonga IGA – packaged foods
- Foodbank Victoria
- Woolworths Yarrawonga – packaged foods
- Shepparton Foodshare – refrigerated and frozen foods, tinned foods (SPC)
- Wodonga Foodshare – cereal products and fruit bars
- St. Vincent De Paul Society Berrigan – Financial Donation
- Berrigan Shire Council - Financial Donation
- Mogg Osborne P/L - Financial Donation
- Moira Shire Staff – Green Team - Financial Donation
- Sztainboks – Accountants - Financial Donation
- Lions Club Berrigan - Financial Donation



# Yarrawonga Community Opp Shop & Storage and Sales Centre

These past seven months have been an incredibly exciting time at both our Opp Shop & Storage & Sales Centre. Since being fortunate enough to come on board working for MHA Care it has been a privilege to work so closely with our small loyal band of Volunteer's that continue to strive for excellence in display & the provision of goods available for sale at both of our Sites.

Our Staff are greatly supported by our Volunteers & a total revamp of both Sites has now taken place giving our customers a cleaner, brighter and open environment to shop in. We have also made a significant effort to ensure that we continue to offer a wide range of day to day household and personal items as well as the odd treasure at very reasonable prices. We continue to support local Community Groups and charities with in-kind donations of goods.

We would like to acknowledge and thank the Local Community who continue to support us through the enormous amount of fantastic donations that they continue to bestow upon us to sort, clean, price & resell.

We are constantly coming up with new ideas, lowering prices & keeping in touch with the needs of our Community across the board.

Although small Local Communities and operations similar to ours have been challenged by the effects of the current drought it has been our commitment to listening to our customers and understanding the pressures placed on families and individuals that has placed us in good stead and allowed us to continue to support Local Community groups and charities during this period.

As a "newbie on the block" it has with the support of my Staff & Volunteers been an honour & privilege to work with all at MHA Care to serve our customers and Community with a smile & just generally enjoying coming to work each day.

To each & everyone in our Community that have made a donation or purchased something throughout the year, thank you.

To my Staff & Volunteers, without you we could not continue. Your dedication, skill, & time given to our Store's (myself, & MHA Care) does not go unnoticed & is greatly appreciated. Thank you all so much.

Lynne M Dowsett

Coordinator

Yarrawonga Community Opp Shop



# 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
- Yarrawonga Health
- Cobram District Health
- Numurkah District Health Service
- Nathalia District Hospital

Our Staff attended and actively participated in regular meetings with:

Health Services (District Nursing and Community Health), membership on the Hume Region Aged Care Collaborative, Hume Health Services Partnership and the Goulburn Valley Primary Care Partnership were productive and helpful in keeping our company informed.

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.

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# MHA Care Limited

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ABN: 90 463 327 686

## Financial Statements

For the year ended 30 June 2019

# MHA Care Limited

30 June 2019

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# MHA Care Limited

## Directors' Report

The directors present their report of the company for the year ended 30 June 2019.

### Directors

The names of each person who has been a director during the year and to the date of this report are:

Bernadette McKenzie	David McKenzie
Chairperson	Vice Chairperson
Dale Brooks	Bruce Pigdon
Secretary	
Carmel Fitzpatrick	Alan Williams

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

### Principal Activities

The principal activities of the company during the course of the financial 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 surplus of the company for the financial year was:

Year ended 30 June 2019	Year ended 30 June 2018
\$	\$
51,167	196,722

### 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:

#### Governance

##### Leadership:

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.

##### Strategy and Planning:

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.

#### Finance

Demonstrate ongoing financial accountability and viability of MHA Care beyond 2020.

# MHA Care Limited

## Directors' Report

### Our Goals (continued)

#### Our People

MHA Care 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 Care has a skilled workforce of managers and workers with the right values and provide opportunities for career progression within the organisation.

Our staff are empowered.

#### Innovation, Quality and Improvement

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.

#### Brand and Image

MHA Care's brand is recognised across the Moira Shire and surrounds.

#### Client and Market Focus

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.

### Significant Changes in State of Affairs

In the opinion of the directors there were no significant changes in the state of affairs of the company that occurred during the financial year under review not otherwise disclosed in this report or the financial statements.

### After Balance Date Events

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

### Environmental Issues

The company is not subject to any significant environmental regulation.

### Directors' Benefits

No director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the company, controlled entity or related body corporate with a director, a firm which a director is a member or an entity in which a director has a substantial financial interest except as disclosed in note 15 to the financial statements. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the company's accounts, or the fixed salary of a full-time employee of the company, controlled entity or related body corporate.

# MHA Care Limited

## Directors' Report

### Indemnification and Insurance of Directors and Officers

The company has indemnified all directors and the chief executive officer in respect of liabilities to other persons (other than the company or related body corporate) that may arise from their position as directors or chief executive officer of the company except where the liability arises out of conduct involving the lack of good faith.

Disclosure of the nature of the liability and the amount of the premium is prohibited by the confidentiality clause of the contract of insurance. The company has not provided any insurance for an auditor of the company or a related body corporate.

### Proceedings on Behalf of the Entity

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

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

### Information on Directors

Bernadette McKenzie	Director and Chairperson
Qualifications	Bachelor of Business (Accounting), Certified Practicing Accountants (CPA)
Experience	Appointed as Board member on 29 February 2016. Appointed as Company Secretary in November 2016. Over 15 years business and accounting experience.
Special Responsibilities:	Member of the Audit & Risk Committee
David McKenzie	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
Dale Brooks	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
Bruce Pigdon OAM	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
Carmel Fitzpatrick	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 in March 2017.
Special Responsibilities:	Member of the Quality & Safety Committee

# MHA Care Limited

## Directors' Report

Information on Directors (continued)

Alan Williams	Director
Qualifications	Masters of Education Administration, Certificate in Professional Development
Experience	Experience in Human Resource Management, Education and Administration Systems. Committee Member of Yarrawonga Neighbourhood House, President Mixed Probus Group. Appointed as Board member in March 2017.
Special Responsibilities:	Member of the Audit & Risk Committee

Meeting of Directors

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

	Directors' Meetings	
	Eligible to attend	Attended
Bernadette Mckenzie	11	9
David McKenzie	11	11
Dale Brooks	11	9
Bruce Pigdon	11	10
Carmel Fitzpatrick	11	10
Alan Williams	11	9

Company Secretary

Dale Brooks held company secretary responsibilities at the end of the financial year.

Members' Guarantee

The entity 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 and obligations of the entity. At 30 June 2019 the number of members was 7 (2018: 7).

Auditors' Independence Declaration

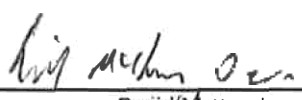
The lead auditor's independence declaration for the year ended 30 June 2019 has been received and can be found on page 5 of the financial statements.

The directors' report is signed in accordance with a resolution of the board of directors.

Chairperson

  
Bernadette McKenzie

Vice Chairperson

  
David McKenzie

Dated this 28th day of October 2019

**Lead auditor's independence declaration under *section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012* to the directors of MHA Care Limited**

As lead auditor for the audit of MHA Care Limited for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been:

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



**Andrew Frewin Stewart**

61 Bull Street, Bendigo Vic 3550

Dated this 28<sup>th</sup> day of October 2019



**Brad Ead**

**Lead Auditor**

# MHA Care Limited

## Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2019

	Notes	2019 \$	2018 \$
Revenue	2	5,586,872	4,997,764
Employee benefits expense	3	(3,884,088)	(3,551,044)
Consultants and contractors		(345,745)	(365,880)
Program expenses		(104,379)	(103,149)
Home care packages		(531,852)	(132,375)
Property expenses		(224,063)	(213,660)
Depreciation and amortisation	3	(94,572)	(100,478)
Other Expenses from ordinary activities		(351,006)	(334,456)
Surplus before income tax		51,167	196,722
Income tax	1(c)	-	-
Surplus after income tax		51,167	196,722
Other comprehensive income		-	-
Total comprehensive income attributable to members of the entity		51,167	196,722

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

# MHA Care Limited

## Statement of Financial Position

As at 30 June 2019

	Notes	2019 \$	2018 \$
Current assets			
Cash and cash equivalents	4	3,093,316	2,370,935
Trade and other receivables	5	231,205	342,096
Inventory	6	149,604	169,675
Total current assets		3,474,125	2,882,706
Non-current assets			
Property, plant and equipment	7	386,702	390,329
Intangible Assets	8	118,816	9,729
Total non-current assets		505,518	400,058
Total assets		3,979,643	3,282,764
Current liabilities			
Trade and other payables	9	994,830	343,500
Provisions	10	339,403	355,988
Total current liabilities		1,334,233	699,488
Non-current liabilities			
Provisions	10	138,088	127,121
Total non-current liabilities		138,088	127,121
Total liabilities		1,472,321	826,609
Net assets		2,507,322	2,456,155
Equity			
Reserves		77,277	77,277
Accumulated surplus		2,430,045	2,378,878
Total equity		2,507,322	2,456,155

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

# MHA Care Limited

## Statement of Changes in Equity

For the Year Ended 30 June 2019

	Reserves	Retained Earnings	Total Equity
	\$	\$	\$
Balance at 1 July 2017	59,769	2,182,156	2,241,925
<b>Comprehensive income</b>			
Revaluation of Assets	17,508	-	17,508
Total other comprehensive income for the year	-	196,722	196,722
Balance at 30 June 2018	77,277	2,378,878	2,456,155
Balance at 1 July 2018	77,277	2,378,878	2,456,155
<b>Comprehensive income</b>			
Revaluation of Assets	-	-	-
Total other comprehensive income for the year	-	51,167	51,167
Balance at 30 June 2019	77,277	2,430,045	2,507,322

# MHA Care Limited

## Statement of Cash Flows

For the Year Ended 30 June 2019

	Notes	2019 \$	2018 \$
Cash flows from operating activities			
Receipts from government grants		3,763,016	2,666,877
Other receipts		2,541,436	2,642,620
Payments for employee benefits		(3,887,771)	(3,061,208)
Other payments		(1,541,320)	(2,016,215)
Interest received		38,454	31,891
Net cash provided by operating activities	11	913,815	263,965
Cash flows from investing activities			
Payments for property, plant and equipment		(82,056)	(7,575)
Proceeds from sale of property, plant and equipment		13,801	31,182
Purchase of Intangibles		(123,179)	-
Net cash provided by / (used in) investing activities		(191,434)	23,607
Net increase in cash held		722,381	287,572
Cash and cash equivalents at the beginning of the financial year		2,370,935	2,083,363
Cash and cash equivalents at the end of the financial year	4	3,093,316	2,370,935

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

# MHA Care Limited

## Notes to the Financial Statements

For the Year Ended 30 June 2019

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### Note 1. Summary of Significant Accounting Policies

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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.

#### Financial reporting framework

The directors have prepared the financial statements on the basis that the company is a non-reporting entity because there are no users dependent on general purpose financial statements. These financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the *Australian Charities and Not-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 entities reporting under the *Australian Charities and Not-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.

#### Statement of Compliance

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the *Australian Charities and Not-for-profits Commission Act 2012*, the basis of accounting specified by all Australian Accounting Standards and Interpretations, and the disclosure requirements of Accounting Standards AASB 101: Presentation of Financial Statements, AASB 107: Cash Flow Statements, AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors, AASB 1031: Materiality and AASB 1054: Australian Additional Disclosures.

#### Basis of preparation

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

The financial statements were authorised for issue on 28 October 2019 by directors of the company.

#### (a) Changes in accounting policies, standards and interpretations

##### Initial application of AASB 9: *Financial Instruments*

AASB 9 replaces AASB 139: Financial Instruments: Recognition and Measurement, and includes a model for classification and measurement, a single, forward-looking "expected loss" impairment model and a substantially reformed approach to hedge accounting.

The company has adopted AASB 9 on the effective date of 1 July 2018. The company has performed an impact assessment and there is no significant change to the measurement basis from adoption of the new classification and measurement model under AASB 9.

# MHA Care Limited

## Notes to the Financial Statements

For the Year Ended 30 June 2019

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### Note 1. Summary of Significant Accounting Policies (continued)

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#### (a) Changes in accounting policies, standards and interpretations (continued)

AASB 9 changed the company's accounting for impairment losses for financial assets by replacing the incurred loss approach under AASB 139 with the forward looking expected credit loss approach on all trade and other receivables. The company has adopted the simplified approach and records lifetime expected losses on all trade receivables and has established a provision matrix that is based on the company's historical credit loss experience, adjusted for forward looking factors specific to debtors and the economic environment. On adoption of AASB 9, there was no significant impact to the impairment loss allowance.

The company does not apply hedge accounting and therefore there is no impact to the financial report on adoption of AASB 9 in relation to hedge accounting.

#### (b) Revenue

Non-reciprocal grant revenue is recognised in profit or loss when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied by the entity before it is eligible to be received, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the Statement of Financial Position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Donations and bequests are recognised as revenue when received.

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

Client fees income is recognised upon the delivery of the service to the customers.

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

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

#### (c) Income tax

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

#### (d) 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.

# MHA Care Limited

## Notes to the Financial Statements

For the Year Ended 30 June 2019

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### Note 1. Summary of Significant Accounting Policies (continued)

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#### (e) Trade and Other Receivables

Trade and other receivables includes amounts due from customers for services performed in the ordinary course of business. 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.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1 (i) for further discussion on the determination of impairment losses.

#### (f) Inventories

Inventories are measured at 70 percent of the ticketed price of Opportunity Shop inventory on hand at the end of the financial year. The movement in inventory value is recognised through the Statement of Profit and Loss and Other Comprehensive Income.

#### (g) Property, Plant and Equipment

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

##### Property

Freehold land and buildings are shown at their fair value based on periodic, but at least every five years, valuations by external independent valuers, less subsequent depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in the statement of profit or loss and other comprehensive income and accumulated in the revaluation surplus in equity. Revaluation decreases that offset previous increases of the same class of asset shall be recognised in the statement of profit or loss and other comprehensive income under the heading of revaluation surplus. All other decreases are charged to the statement of profit or loss and other comprehensive income. As the revalued buildings are depreciated the difference between depreciation recognised in the statement of profit and loss and other comprehensive income, which is based on the revalued carrying amount of the asset, and the depreciation based on the asset's original cost is transferred from the revaluation surplus to retained earnings.

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

##### 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. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1 (i) for details of impairment).

# MHA Care Limited

## Notes to the Financial Statements

For the Year Ended 30 June 2019

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### Note 1. Summary of Significant Accounting Policies (continued)

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#### (g) Property, Plant and Equipment (continued)

##### *Depreciation*

The depreciable amount of all fixed assets is depreciated over the asset's useful life to the entity 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.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Buildings	2.5%
Plant and equipment	10%-33%
Motor vehicles	25%

#### (h) Financial Instruments

##### *Initial Recognition and Measurement*

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

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain significant financing component.

##### *Classification and Subsequent Measurement*

##### *Financial liabilities*

Financial liabilities are subsequently measured at:

- amortised cost; or
- fair value through profit or loss.

A financial liability is measured at fair value through profit or loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3: *Business Combination* applies;
- held for trading; or
- initially designated as fair value through profit or loss.

# MHA Care Limited

## Notes to the Financial Statements

For the Year Ended 30 June 2019

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### Note 1. Summary of Significant Accounting Policies (continued)

---

#### (h) Financial Instruments (continued)

##### Classification and Subsequent Measurement (continued)

All other financial liabilities are subsequently measured at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period. The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if it is:

- incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in effective hedging relationships).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability.

If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

##### *Financial assets*

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

# MHA Care Limited

## Notes to the Financial Statements

For the Year Ended 30 June 2019

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### Note 1. Summary of Significant Accounting Policies (continued)

---

#### (h) Financial Instruments (continued)

##### Classification and Subsequent Measurement (continued)

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The entity initially designates a financial instrument as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as an “accounting mismatch”) that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance with the documented risk management or investment strategy and information about the groupings is documented appropriately, so the performance of the financial liability that is part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

#### Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the Statement of Financial Position.

##### *Derecognition of financial liabilities*

A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

##### *Derecognition of financial assets*

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

# MHA Care Limited

## Notes to the Financial Statements

For the Year Ended 30 June 2019

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### Note 1. Summary of Significant Accounting Policies (continued)

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#### (h) Financial Instruments (continued)

##### Derecognition (continued)

All the following criteria need to be satisfied for the derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the entity no longer controls the asset (i.e. has no practical ability to make unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

The entity recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost or fair value through other comprehensive income.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The entity uses the simplified approach, as applicable under AASB 9. The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times. The approach is applicable to trade receivables.

In measuring the expected credit loss, a provision matrix for trade receivables is used, taking into consideration various data to get to an expected credit loss (i.e. diversity of its customer base, appropriate groupings of its historical loss experience etc).

##### *Recognition of expected credit losses in financial statements*

At each reporting date, the entity recognises the movement in the loss allowance as an impairment gain or loss in the Statement of Profit or Loss and Other Comprehensive Income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value with changes in fair value recognised in other comprehensive income. The amount in relation to change in credit risk is transferred from other comprehensive income to profit or loss at every reporting period.

For financial assets that are unrecognised (e.g. loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the Statement of Financial Position to recognise the loss allowance.

# MHA Care Limited

## Notes to the Financial Statements

For the Year Ended 30 June 2019

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### Note 1. Summary of Significant Accounting Policies (continued)

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#### (i) Impairment of Assets

At the end of each reporting period, the entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

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

Where an impairment loss on a revalued individual asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

#### (j) Employee Benefits

##### *Short term employee benefits*

Provision is made for the entity's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service, including salaries, wages, ADOs, annual leave and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled. The entity's obligations for short-term employee benefits such as salaries and wages are recognised as part of current trade and other payables in the Statement of Financial Position.

##### *Other long-term employee benefits*

The entity classifies employees' long service leave and annual leave entitlements as other long-term employee benefits as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for the entity's obligation for other long-term employee benefits, which are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The entity's obligations for long-term employee benefits are presented as non-current liabilities in its statement of financial position, except where the entity does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current liabilities.

# MHA Care Limited

## Notes to the Financial Statements

For the Year Ended 30 June 2019

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### Note 1. Summary of Significant Accounting Policies (continued)

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#### (k) Trade and Other Payables

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

#### (l) Provisions

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

#### (m) 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 Tax 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 are presented as operating cash flows included in receipts from customers or payments to suppliers.

Cash flows are presented in the cash flow statement on a gross basis. The GST component 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.

#### (n) Comparative Figures

Comparative figures have been adjusted to conform to changes in presentation for the current financial year where required by accounting standards or as a result of changes in accounting policy.

#### (o) Critical Accounting Estimates and Judgements

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

The following critical accounting policies have been identified for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

# MHA Care Limited

## Notes to the Financial Statements

For the Year Ended 30 June 2019

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### Note 1. Summary of Significant Accounting Policies (continued)

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#### (o) Critical Accounting Estimates and Judgements (continued)

##### Key Estimates

##### *Annual leave*

For the purpose of measurement, AASB 119: *Employee Benefits* defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. The entity expects most employees will take their annual leave entitlements within 24 months of the reporting period in which they were earned, but this will not have a material impact on the amounts recognised in respect of obligations for employees' leave entitlements.

##### *Estimation of useful lives of assets*

The estimation of the useful lives of assets has been based on historical experience and the condition of the asset is assessed at least once per year and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary.

##### *Impairment of assets*

At each reporting date, the company reviews the carrying amounts of its tangible and intangible assets that have an indefinite useful life to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

##### *Inventory Valuation*

The net realisable value of the Opportunity shop inventory on hand at the end of the financial year is estimated to be 70% of the ticketed sale price based on the most reliable evidence at each reporting date.

# MHA Care Limited

## Notes to the Financial Statements

For the Year Ended 30 June 2019

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### Note 1. Summary of Significant Accounting Policies (continued)

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#### (p) Economic Dependence

The company is dependent on various government departments for a significant portion of 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 the company. The company has signed a grant agreement with the Department of Health to provide services under the Commonwealth Home Support Program. This agreement expires in June 2020.

#### (q) Fair Value Measurement

Some of the company's assets and liabilities are measured at fair value for financial reporting purposes. The board of directors determine the appropriate valuation techniques and inputs for fair value measurements.

Fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly
- Level 3 inputs are unobservable inputs for the asset or liability.

In estimating the fair value of an asset or a liability, the company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the company engages third party qualified valuers to perform the valuation.

#### (r) New Accounting Standards for Application in Future Periods

At the date of authorisation of the financial report, a number of Standards and Interpretations were in issue but not yet effective.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 15: Revenue from Contracts with Customers	1/01/2019	30/06/2020
AASB 16: Leases	1/01/2019	30/06/2020
AASB 1058: Income for Not for Profit Entities	1/01/2019	30/06/2020

The company has not elected to apply any accounting standards or interpretations before their mandatory operative date for the annual reporting period beginning 1 July 2018. Therefore the abovementioned accounting standards or interpretations have no impact on amounts recognised in the current period or any prior period.

# MHA Care Limited

## Notes to the Financial Statements

For the Year Ended 30 June 2019

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### Note 1. Summary of Significant Accounting Policies (continued)

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#### (r) New Accounting Standards for Application in Future Periods (continued)

AASB 15 Revenue from Contracts with Customers supersedes AASB 111 Construction Contracts, AASB 118 Revenue and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. AASB 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

AASB 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The company's existing revenue recognition policies are not dissimilar to the requirements of the standard, reflecting the consideration received in exchange for the transfer of services to the customer. Therefore this accounting standard is not expected to have a material effect on any of the amounts as recognised in the current period and is not likely to affect future periods.

AASB 16 Leases introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

AASB 16 replaces existing leases guidance, including AASB 117 Leases and related Interpretations. This standard is mandatory for annual reporting periods beginning on or after 1 January 2019.

The company plans to apply AASB 16 initially on 1 July 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting AASB 16 will be recognised as an adjustment to the opening balance of retained earnings at 1 July 2019, with no restatement of comparative information.

The company is yet to undertake a detailed assessment of the impact of AASB 16. However based on preliminary assessment, the likely impact on the first time adoption of the Standard for the year ending 30 June 2020 includes:

- Recognition of right of use assets and financial liabilities on the Statement of Financial Position. Based on the existing operating lease agreements in place, including options to renew, these will be in the order of \$1.2 million.
- The reported equity will reduce as the carrying amount of the right of use assets will reduce more quickly than the carrying amount of the lease liabilities.
- EBIT in the Statement of Profit or Loss and Other Comprehensive Income will be higher as the implicit interest in lease payments for former off Statement of Financial Position leases will be presented as part of finance costs, rather than being included in operating expenses.
- EBITDA in the Statement of Profit or Loss and Other Comprehensive Income will be higher as depreciation on the right of use assets will be recognised, rather than having operating leases expense recognised.
- Operating cash outflows will be lower and financing cash outflows will be higher in the Statement of Cash Flows as principal repayments on all lease liabilities will now be included in financing activities rather than operating activities. Interest can also be included within financing activities.

# MHA Care Limited

## Notes to the Financial Statements

For the Year Ended 30 June 2019

### Note 1. Summary of Significant Accounting Policies (continued)

#### (r) New Accounting Standards for Application in Future Periods (continued)

AASB 1058: Income for Not for Profit Entities applies to all income that is not captured by AASB 15: Revenue from Contracts with Customers.

This standard is likely to have an impact on entities in three key areas:

- Grant income: revenue recognition will depend on the nature of the grant and, in particular, if the grant agreement places specific and clear performance obligations on the entity.
- Peppercorn leases: entities will be required to recognise right of use assets measured at fair value where peppercorn leases exist, as well as recognise a lease liability for the nominal peppercorn payments and a nominal revenue for the difference between the two amounts.
- Capital grant income: capital grants should not be recognised as income until the company satisfies its performance obligations. If performance obligations have not been completed, this income should be deferred until it is complete.

This is not dissimilar to the company's existing policies for the recognition of grant and capital grant income. The company has no peppercorn leases in place. Therefore this accounting standard is not expected to have a material affect on any of the amounts as recognised in the current period and is not likely to affect future periods.

	2019	2018
Note 2. Revenue	\$	\$
<i>Revenue from government grants and other grants:</i>		
- Commonwealth Government grants	2,244,092	1,917,362
- State Government grants	649,864	659,266
- Local Government grants	232,000	232,000
	<b>3,125,956</b>	<b>2,808,628</b>
<i>Other Revenue</i>		
- Client fees	514,900	360,081
- External agency purchases	1,479,277	1,310,336
- Donations	35,113	26,420
- Opportunity shop sales (net of inventory value movement)	299,566	370,938
- Interest and dividends	43,283	41,460
- Profit on disposal of non-current assets	8,598	4,330
- Other income	80,179	75,571
	<b>2,460,916</b>	<b>2,189,136</b>
Total revenue and other income	<b>5,586,872</b>	<b>4,997,764</b>

# MHA Care Limited

## Notes to the Financial Statements

For the Year Ended 30 June 2019

	2019	2018
Note 3. Surplus	\$	\$
<i>Surplus for the year includes the following specific expenses:</i>		
Employee benefits expense		
- salaries and wages	3,514,729	3,200,633
- superannuation	283,467	261,633
- workcover	43,416	47,754
- other employee benefits	42,476	41,024
	<u>3,884,088</u>	<u>3,551,044</u>
Depreciation and amortisation of non-current assets		
- buildings	2,250	2,250
- plant and equipment	40,016	34,646
- motor vehicles	38,214	52,516
- software	14,092	11,066
	<u>94,572</u>	<u>100,478</u>
Doubtful/bad debts expense	1,710	853
Auditor remuneration	21,001	35,295
Note 4. Cash and Cash Equivalents		
Cash on hand	2,000	1,750
Cash at bank	1,504,029	815,159
Short term investments	1,587,287	1,554,026
Total cash and cash equivalents	<u>3,093,316</u>	<u>2,370,935</u>

# MHA Care Limited

## Notes to the Financial Statements

For the Year Ended 30 June 2019

	2019	2018
Note 5. Trade and Other Receivables	\$	\$
Trade receivables	171,686	280,436
Less provision for doubtful debts	(2,000)	(2,000)
	169,686	278,436
Accrued income	39,868	37,200
Prepaid expenses	21,651	26,460
Total trade and other receivables	231,205	342,096
<i>(i) Financial assets classified as trade and other receivables (Note 18)</i>		
Total trade and other receivables	231,205	342,096
Prepaid expenses	(21,651)	(26,460)
Total financial assets classified as trade and other receivables	209,554	315,636
Current trade receivables are generally on 30-day terms.		
Note 6. Inventory		
Opportunity shop	144,466	165,956
Other inventory	5,138	3,719
Total inventory	149,604	169,675
Note 7. Property, Plant and Equipment		
<i>Land and Buildings</i>		
Freehold land:		
At valuation	60,000	60,000
Buildings:		
At valuation	90,000	90,000
Less accumulated depreciation	(2,250)	-
	87,750	90,000
Total land and buildings	147,750	150,000

# MHA Care Limited

## Notes to the Financial Statements

For the Year Ended 30 June 2019

Note 7.	Property, Plant and Equipment (continued)	2019 \$	2018 \$
<i>Motor vehicles</i>			
At cost		528,751	528,272
Less accumulated depreciation		(382,156)	(367,845)
		<u>146,595</u>	<u>160,427</u>
<i>Plant and equipment</i>			
At cost		402,084	369,364
Less accumulated depreciation		(309,727)	(289,462)
		<u>92,357</u>	<u>79,902</u>
Total property, plant and equipment		<u>386,702</u>	<u>390,329</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 30 June 2018.

### Movements in carrying amounts:

	Land	Buildings	Motor Vehicles	Plant & Equipment	Total
2018	\$	\$	\$	\$	\$
Carrying amount 1 July 2017	50,000	84,742	239,664	107,104	481,510
Additions	-	-	-	7,579	7,579
Disposals	-	-	(26,721)	(135)	(26,856)
Revaluation increment	10,000	7,508	-	-	17,508
Depreciation	-	(2,250)	(52,516)	(34,646)	(89,412)
Carrying amount 30 June 2018	<u>60,000</u>	<u>90,000</u>	<u>160,427</u>	<u>79,902</u>	<u>390,329</u>
2019					
Carrying amount 1 July 2018	60,000	90,000	160,427	79,902	390,329
Additions	-	-	29,571	52,504	82,075
Disposals	-	-	(5,189)	(33)	(5,222)
Depreciation	-	(2,250)	(38,214)	(40,016)	(80,480)
Carrying amount 30 June 2019	<u>60,000</u>	<u>87,750</u>	<u>146,595</u>	<u>92,357</u>	<u>386,702</u>

# MHA Care Limited

## Notes to the Financial Statements

For the Year Ended 30 June 2019

	2019	2018
Note 8. Intangible Assets	\$	\$
Software	82,648	64,119
Accumulated amortisation	(56,882)	(54,390)
	25,766	9,729
Work in progress	93,050	-
Total intangible assets	118,816	9,729

*Movements in carrying amounts:*

	Work in Progress	Software	Total
	\$	\$	\$
2018			
Carrying amount 1 July 2017	-	20,795	20,795
Additions	-	-	-
Disposals	-	-	-
Depreciation	-	(11,066)	(11,066)
Carrying amount 30 June 2018	-	9,729	9,729
2019			
Carrying amount 1 July 2018	-	9,729	9,729
Additions	93,050	30,129	123,179
Disposals	-	-	-
Depreciation	-	(14,092)	(14,092)
Carrying amount 30 June 2019	93,050	25,766	118,816

	2019	2018
Note 9. Trade and Other Payables	\$	\$
Trade creditors	71,805	62,263
Accrued expenses	22,391	14,765
Salaries payable	136,197	122,255
GST payable	8,204	13,139
PAYG payable	36,920	46,398
Other payables	268	2,697
Monies held in trust	494,534	74,582
Grants in advance	224,511	7,401
Total trade and other payables	994,830	343,500

# MHA Care Limited

## Notes to the Financial Statements

For the Year Ended 30 June 2019

	2019	2018
Note 10. Provisions	\$	\$
<i>Current</i>		
Provision for annual leave	190,903	167,411
Provision for long service leave	148,500	188,577
	<b>339,403</b>	<b>355,988</b>
<i>Non-current</i>		
Provision for long service leave	138,088	127,121
Total provisions	<b>477,491</b>	<b>483,109</b>

### Provisions for Employee Benefits

Provisions for employee benefits represents amounts accrued for annual leave, accrued days off, accrued time in lieu and long service leave.

The current portion for this provision includes the total amount accrued for annual leave, accrued days off, time in lieu entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the company does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits have been discussed in Note 1 (j).

	2019	2018
Note 11. Cash Flow Information	\$	\$
Reconciliation of surplus to net cash provided by operating activities		
Surplus	51,167	196,722
Non cash items:		
- depreciation and amortisation	94,572	100,478
- profit on disposal of non-current assets	(8,598)	(4,330)
Changes in assets and liabilities:		
- (Increase)/decrease in trade and other receivables	110,891	(98,072)
- (Increase)/decrease in inventories	20,071	8,079
- Increase/(decrease) in payables	651,330	60,808
- Increase/(decrease) in provisions	(5,618)	280
Net cash flows provided by operating activities	<b>913,815</b>	<b>263,965</b>

# MHA Care Limited

## Notes to the Financial Statements

For the Year Ended 30 June 2019

### Note 12. Fair Value Measurement

This section explains the judgements and estimates made in determining the fair values of the company's assets that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the applicable assets have been classified into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

At 30 June 2019	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Recurring fair value measurements:				
Property, Plant and Equipment				
Freehold land	-	60,000	-	60,000
Buildings	-	90,000	-	90,000
Total assets at fair value	-	150,000	-	150,000

At 30 June 2018	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Recurring fair value measurements:				
Property, Plant and Equipment				
Freehold land	-	60,000	-	60,000
Buildings	-	90,000	-	90,000
Total assets at fair value	-	150,000	-	150,000

There were no transfers between fair value hierarchies during the reporting period. The company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

- Level 1: There were no fair value measurements by the Level 1 fair value hierarchy.
- Level 2: The fair value of land and buildings is based on a valuation performed by a third party qualified valuer using quoted prices for similar assets in an active market.
- Level 3: There were no fair value measurements by the Level 3 fair value hierarchy.

	2019 \$	2018 \$
Note 13. Operating Lease Commitments		
Payable - minimum lease payments		
- no later than 12 months	147,048	138,472
- between 12 months and 5 years	185,521	298,729
- greater than 5 years	-	-
Minimum lease payments	332,569	437,201

# MHA Care Limited

## Notes to the Financial Statements

For the Year Ended 30 June 2019

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### Note 14. Contingent Liabilities and Contingent Assets

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There are no known contingent assets or contingent liabilities for MHA Care Limited as at 30 June 2019.

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### Note 15. Events after the Reporting Period

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There have been no events after the end of the financial year that would materially affect the financial statements.

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### Note 16. Director and Related Party Disclosures

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The names of directors who have held office during the financial year are:

Bernadette McKenzie  
David McKenzie  
Dale Brooks  
Bruce Pigdon  
Carmel Fitzpatrick  
Alan Williams

No director's fees have been paid as the positions are held on a voluntary basis.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other persons. The details of such related party transactions are as follows:

Related Member	Related Party	Relationship	Details of Transactions	\$
Bruce Pigdon	Pigdons Holden Yarrawonga	Director	Motor vehicle maintenance services	3,900

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### Note 17. Segment Reporting

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The company operates predominantly in one business and geographical segment, providing a range of home and community care services to communities throughout the Moira Shire and surrounding districts.

# MHA Care Limited

## Notes to the Financial Statements

For the Year Ended 30 June 2019

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### Note 18. Financial Risk Management

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The company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2019	2018
Financial assets		\$	\$
Cash and cash equivalents	4	3,093,316	2,370,935
Loans and receivables	5(i)	209,554	315,636
Total financial assets		3,302,870	2,686,571
Financial liabilities			
Financial liabilities at amortised cost:			
- trade and other payables	9	994,830	343,500
Total financial liabilities		994,830	343,500

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### Note 19. Registered Office/Principal Place of Business

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The Registered Office of the company is:

MHA Care Limited  
22 Orr Street  
Yarrawonga VIC 3730

The Principal Place of Business is:

MHA Care Limited  
22 Orr Street  
Yarrawonga VIC 3730

# MHA Care Limited

## Directors' Declaration

In accordance with a resolution of the directors of Northern District Community Health, the directors of the entity declare that:

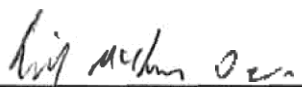
- 1 The financial statements and notes, as set out on pages 1 to 30, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:
  - a. Comply with Australian Accounting Standards - Special Purpose Reporting; and
  - b. Give a true and fair view of the company's financial position as at 30 June 2019 and of its performance for the year ended on that date.
- 2 In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with subs 60.15(2) of the Australian Charities and Not-for-profits Commission Regulation 2013:

Chairperson

  
Bernadette McKenzie

Vice Chairperson

  
David McKenzie

Dated this 28th day of October 2019

## Independent auditor's report to the members of MHA Care Limited

### Report on the audit of the financial statements

#### Our opinion

In our opinion, the financial report of MHA Care Limited being a special purpose financial report, is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- i. giving a true and fair view of the company's financial position as at 30 June 2019 and of its performance for the year ended on that date; and
- ii. complying with the accounting policies described in Note 1 of the financial report and the *Australian Charities and Not-for-profits Commission Regulations 2013*.

#### What we have audited

MHA Care Limited's (the company) financial report comprises the:

- ✓ Statement of financial position as at 30 June 2019
- ✓ Statement of profit or loss and other comprehensive income for the year then ended
- ✓ Statement of changes in equity for the year then ended
- ✓ Statement of cash flows for the year then ended
- ✓ Notes comprising a summary of significant accounting policies and other explanatory notes
- ✓ The directors' declaration of the entity.

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

#### Basis of accounting and restriction on distribution

Without modifying our opinion, we draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial report has been prepared to assist MHA Care Limited to meet the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose.

#### Other information

The company may prepare an annual report that may include the financial statements, director's report and declaration and our audit report (the financial report). The annual report may also include "other information" on the entity's operations and financial results and financial position as set out in the financial report, typically in a Chairperson's report and reports covering governance and other matters.

The directors are responsible for the other information. An annual report has not been made available to us as of the date of this auditor's report.

Our opinion on the financial report does not cover the other information and accordingly we will not express any form of assurance conclusion thereon.

Our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If we identify that a material inconsistency appears to exist when we read the annual report (or become aware that the other information appears to be materially misstated), we will discuss the matter with the directors and where we believe that a material misstatement of the other information exists, we will request management to correct the other information.

### **Other Matter**

The financial report of MHA Care Limited, for the year ended 30 June 2018, was audited by another auditor who expressed an unmodified opinion on that report on 1 November 2018.

### **Independence**

In conducting our audit, we have complied with the independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

### **Directors' responsibility for the financial report**

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with the accounting policies described in Note 1 of the financial report and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the company'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 directors either intend to liquidate the company or cease operations, or have no realistic alternative but to do so.

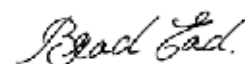
### **Auditor's responsibility for the audit of the financial report**

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. Misstatement can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/home.aspx>. This description forms part of our auditor's report.



**Andrew Frewin Stewart**  
61 Bull Street, Bendigo, 3550  
Dated this 28<sup>th</sup> day of October 2019



**Brad Ead**  
Lead Auditor

