



# Audited Statement of Accounts 2015-2016



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## Information on Responsible Entities

### Mr Paul Quinane | **Director & Chairperson**

**Qualifications:** Diploma of Project Management, Diploma of Business Leadership, Diploma Training and Assessment. Learning and Development Advisor.

**Experience:** Board Member since October 2014. Appointed as Chairperson in November 2015.

**Special Responsibilities:** Chairperson of the Quality & Safety Committee.

### Mr David McKenzie | **Director & 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.

### Cr Alex Monk | **Director & Company Secretary**

**Qualifications:** Diploma Institute of Company Directors.

**Experience:** Appointed Company Secretary 2013, Board member since 2013, Councillor - Moira Shire Council. Board Member Cobram District Health.

**Special Responsibilities:** Member of the Audit & Risk Committee.

### Mr Bruce Pigdon | **Director**

**Qualifications:** Company Director of family owned business.

**Experience:** Board member since 2005 and Chairperson from August 2011 to November 2015. Board Member Yarrawonga Health.

**Special Responsibilities:** Member of the Quality & Safety Committee.

### Mr Dale Brooks | **Director**

**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.

### Ms Bernadette McKenzie | **Director**

**Qualifications:** Bachelor of Business (Accounting). Certified Practicing Accountant (CPA).

**Experience:** Appointed as Board member 29th February 2016. 15 years Business and Accounting experience.

**Special Responsibilities:** Member of the Audit & Risk Committee.

# Chairperson's & CEO's Report

**On behalf of the Board of Management of MHA Care Limited we are pleased to present this report outlining the successes and challenges faced by the company in the period from July 2015 to June 2016.**

**The ongoing and enthusiastic support of our volunteer Board of Management, dedicated staff and volunteers has been instrumental in ensuring the delivery of a wide variety of services and supports throughout the community.**

MHA Care's Home and Community Care (HACC) and Private in Home Support programs provide a variety of support services to elderly people, people with disabilities and their carers, which allow our clients to continue living independently within their own homes.

Our range of services include domestic assistance and personal care, respite care, social support, meal preparation, gardening and home maintenance, transportation services, and a range of challenging and exciting day centre programs.

In this past year, we assisted more than 1,100 clients and provided more than 25,000 hours of home help and domestic assistance, in addition to more than 11,000 hours of personal care. Our staff also provided more than 3,700 hours of respite care.

MHA Care has an extremely dedicated volunteer workforce of over 400 volunteers. MHA's volunteers assist with the four Delivered Meals programs operating throughout our local area, the Foodshare program, the Opportunity Shop and Planned Activity Groups. All of which are critical support services in our area.

MHA Care assists some of the most vulnerable people within our community.

We have delivered countless warm meals to those in need whilst providing the equivalent of over 200,000 meals distributed through the Moira Foodshare program. We have re-connected people through our Planned Activity Groups and the Yarrowonga Community Opportunity Shop is a community success story in its own right; providing viable options to affordable clothing, furniture, books and other household goods.

MHA Care is a community owned not-for-profit Company. We are a registered charity and any capital reserves are reinvested back into the company to support existing services and the development of vital new services.

We are what we are today due to the communities we serve, and we continue to focus on community engagement, development and participation. MHA Care benefits from the generosity of the community through volunteers and financial support.

Under the leadership of our executive team MHA Care has undergone a significant period of positive redevelopment and renewal; with changes to our organisational structure, human resource systems, payroll system, financial management system and client satisfaction and feedback mechanisms and we will continue to change by reducing indirect costs and administration overheads. These holistic changes will ensure we are there to support our community in the future and become the provider of choice; as we enter the new world of "consumer directed services" for community aged care.

The broader funding environment for aged care services remains fragile; the unfortunate challenge of doing more with less is ever present.

Nonetheless, financial position of MHA Care remains strong.

MHA Care posted a surplus of \$105,415(2015: net deficit \$181,515) for the financial year on a total operating revenue of \$4.388m (2015: \$4.867m).

As an organisation we continue to look for opportunities to both grow revenue and diversify it. This will ensure we can re-invest in the aged care services that so many in our communities rely upon.

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

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

- Victorian Department of Health and Human Services
- Commonwealth Department of Health
- Moira Shire Council
- Yarrowonga Health
- Cobram District Health
- Numurkah District Health Service
- Nathalia District Hospital

The Board and the Executive Team continues to monitor the external environment and the funding landscape as we transition from Victorian Department of Health and Human Services control to the Commonwealth Department of Health.

Our specific emphasis will be focused on commercial sustainability, provider of choice, employer of choice and creating a skill based governance structure in line with our Strategic Plan. This will put MHA Care in an excellent position to meet and embrace the challenges of the future.

It's the contribution that every person makes to MHA Care which makes our company such a success and ensures that we continue providing an outstanding level of service to our clients.



**Paul Quinane** | MHA Chairperson



**John Dean** | Chief Executive Officer

# Responsible Entities Report

The Board  
of Directors  
submit this report  
on the company  
for the financial  
year ended  
30 June 2016.

## Responsible Entities

- Mr Paul Quinane
- Mr David McKenzie
- Cr Alex Monk
- Mr Bruce Pigdon
- Mr Dale Brooks
- Ms Bernadette McKenzie (Appointed: 29/02/2016)
- Mr Jock McPherson (Resigned: 29/10/2015)

## Principal Activities

The principal activities of the company during the year were the provision of Home and Community Services and Aged Care Services across the Moira Shire. These services include home help, delivered meals, home and garden maintenance, personal care, respite care and planned activity groups.

## Operating Result

The net profit from operations amounted to \$105,415  
(2015: net loss \$181,515)

## Objectives

The company's objectives are to:

- Support people who are frail aged or have a disability to remain in their own home;
- Support family or other primary care givers in their role; and
- Operate the company in an effective, efficient and accountable manner.

## Strategies

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

- Building commercial sustainability and positioning the company for future shifts in Government funding;
- Positioning the company as the preferred provider for home care clients; and
- Being recognised as an employer of choice for flexible, dynamic and professional staff.

## Key Result Areas

The company has identified a range of key result areas to ensure our objectives are achieved. Key result areas include; ensuring continuous improvement, funding and other accountability requirements are met, and a skilled and efficient workforce is maintained.



## Meetings of Responsible Entities

During the financial year, 9 meetings of directors were held. Attendances by each director were as follows:

	Eligible Meetings	Meetings attended
Mr Paul Quinane	9	8
Mr David McKenzie	9	7
Cr Alex Monk	9	7
Mr Bruce Pigdon	9	9
Mr Dale Brooks	9	9
Ms Bernadette McKenzie (Appointed: 29/02/2016)	4	3
Mr Jock McPherson (Resigned: 29/10/2015)	4	4

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 2016, the total amount that members of the company are liable to contribute if the company is wound up is \$300.

## 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.

Mr Paul Quinane | Chairperson  
Dated | 24th day of October 2016

## Auditor's Independence Declaration Under Div 60-40 of Australian Charities and Non-For-Profits Commission Act 2012 to the Directors of MHA Care Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2016 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 Partner | Peter Thomas Mogg  
Name of the Firm | Mogg Osborne Audit Pty Ltd  
Date | 16/09/16  
Address | 40-44 High Street, Cobram, VIC 3644

# Statement of Comprehensive Income

for the year ended 30 June 2016

	Notes	2016	2015
Revenue from Ordinary Activities	2	\$4,388,881	\$4,867,955
<b>Expenses</b>			
Employee Benefits	3	\$2,957,512	\$3,543,944
Consultants and Contractors	3	\$410,775	\$434,914
Project Expenses	3	\$83,246	\$95,026
Home Care Packages	3	-	\$109,671
Property Expenses	3	\$227,241	\$167,274
Depreciation and Amortisation	3	\$126,257	\$138,963
Other Expenses from Ordinary Activities	3	\$478,435	\$559,680
<b>Total Expenses</b>		<b>\$4,283,466</b>	<b>\$5,049,470</b>
<b>Surplus/(Deficit) for the year</b>		<b>\$105,415</b>	<b>(\$181,515)</b>

# Statement of Financial Position

as at 30 June 2016



Current Assests	Notes	2016	2015
Cash and Cash Equivalents	5	\$2,177,073	\$2,050,858
Trade and Other Receivables	6	\$213,253	\$496,199
Inventory	7	\$160,478	\$97,384
<b>Total Current Assets</b>		<b>\$2,550,803</b>	<b>\$2,644,441</b>
Non-Current Assets			
Property, Plant & Equipment	8	\$500,004	\$495,503
Intangibles	9	\$23,032	\$29,624
<b>Total Non-Current Assets</b>		<b>\$523,035</b>	<b>\$525,127</b>
<b>Total Assets</b>		<b>\$3,073,838</b>	<b>\$3,169,568</b>
Current Liabilities			
Trade and Other Payables	10	\$375,761	\$592,523
Provisions	11	\$378,412	\$389,512
<b>Total Current Liabilities</b>		<b>\$754,172</b>	<b>\$982,035</b>
Non-Current Liabilities			
Provisions	11	\$124,631	\$97,913
<b>Total Non-Current Liabilities</b>		<b>\$124,631</b>	<b>\$97,913</b>
<b>Total Liabilities</b>		<b>\$878,803</b>	<b>\$1,079,948</b>
<b>Net Assests</b>		<b>\$2,195,035</b>	<b>\$2,089,620</b>
Equity			
Reserves	13a	\$59,769	\$59,769
Retained Earnings	13b	\$2,135,266	\$2,029,852
<b>Total Equity</b>		<b>\$2,195,035</b>	<b>\$2,089,620</b>

# Statement of Changes in Equity

for the year ended 30 June 2016

	Notes	Reserves	Retained Earnings	Total
Balance at 01 July 2014	13	\$86,428	\$2,124,940	\$2,211,368
Comprehensive Result for the year		-	(\$181,515)	(\$181,515)
Asset Revaluation Reserve		\$59,769	-	\$59,769
Transfers to/(from) from Retained Earnings		(\$86,428)	\$86,428	-
Balance at 30 June 2015	13	\$59,769	\$2,029,852	\$2,089,620
Comprehensive Result for the year		-	\$105,415	\$105,415
Asset Revaluation Reserve		-	-	-
Transfers to/(from) from Retained Earnings		-	-	-
Balance at 30 June 2016	13	\$59,769	\$2,135,266	\$2,195,035



# Statement of Cash Flows

for the year ended 30 June 2016



Cash Flows from Operating Activities	Notes	2016	2015
<b>Receipts</b>			
Government Grants		\$2,509,258	\$3,097,230
Interest & Dividends		\$57,076	\$51,925
Other		\$2,370,688	\$2,116,233
<b>Payments</b>			
Employee Benefits		(\$2,779,369)	(\$3,539,111)
Other		(\$1,911,117)	(\$1,729,796)
<b>Net Cash Flows from Operating Activities</b>	14a	<b>\$246,536</b>	<b>(\$3,518)</b>
<b>Cash Flows from Investing Activities</b>			
Purchase of Property, Plant & Equipment		(\$145,641)	(\$127,029)
Proceeds from Sale of Property, Plant and Equipment		\$32,419	\$74,547
Purchase of Intangibles		(\$7,100)	(\$19,905)
<b>Net Cash Flows from Investing Activities</b>		<b>(\$120,321)</b>	<b>(\$72,387)</b>
<b>Net/Increase(Decrease)</b>		<b>\$126,215</b>	<b>(\$75,905)</b>
Cash at Beginning of Financial Year		\$2,050,858	\$2,126,763
<b>Cash at End of Financial Year</b>	14b	<b>\$2,177,073</b>	<b>\$2,050,858</b>

# Notes to the Financial Statements

## 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 24 October 2016 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 & equipment is carried at cost or fair value less, where applicable, any accumulated depreciation.

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.

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.

### (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) 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.

### (f) 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.

#### (g) 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.

#### (h) Goods and Services Tax

Revenues, expenses and assets are recognised net of GST except for receivables and payables which are stated with the amount of GST included and except where the amount of GST incurred is not recoverable, in which case GST is recognised as part of the cost of acquisition of an asset or part of an item of expense or revenue. GST receivable from and payable to the Australian Taxation Office (ATO) is included 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.

#### (i) 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.

#### (j) 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.

#### **(k) 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.

#### **(l) Comparative Information**

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

#### **(m) 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.

#### **(n) 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.

#### **(o) 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.

#### **(p) 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.

#### **(q) Grants in Advance**

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

#### **(r) 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 2019.

#### **(s) Accounting Standards issued but not yet effective and not been adopted early by the Company**

There are a number of new accounting standards for application in future accounting periods. The only one which is likely to have any effect, if at all, is AASB 15 Revenue from Contracts with Customers which replaces AASB 118 Revenue, AASB 111 Construction Contracts and some revenue-related Interpretations and it establishes a new revenue recognition model. AASB has issued ED 260 Income of Not-for-Profit Entities, proposing to replace the income recognition requirements of AASB 1004 Contributions and provide guidance to assist not-for-profit entities to apply the principles of AASB 15.

The entity is yet to undertake a detailed assessment of the impact of AASB 15. However, based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2018.

## Note 2: Revenue

	2016	2015
<b>Government Grants</b>		
State Government		
Operating	\$2,177,704	\$2,416,977
Capital	\$6,412	\$35,000
Local Government	\$232,000	\$232,060
Commonwealth Government	-	\$176,122
<b>Total Government Grants</b>	<b>\$2,416,116</b>	<b>\$2,860,159</b>
Client Fees	\$383,137	\$530,769
External Agency Purchases	\$1,035,859	\$999,947
Donations	\$30,473	\$34,348
Opportunity Shop	355,907	\$336,205
Movement in Stock Value Opportunity Shop	\$63,094	\$4,126
Interest and Dividends	\$57,076	\$73,097
Profit/(Loss) on Disposal of Assets - refer Note 4	\$3,842	(\$15,255)
Other Income	\$43,377	\$44,559
<b>Total Revenue from Ordinary Activities</b>	<b>\$4,388,881</b>	<b>\$4,867,955</b>

## Note 3: Expenditure

	2016	2015
<b>Employee Benefits</b>		
Salaries and Wages including Employee Provisions	\$2,619,104	\$3,163,398
Superannuation	\$236,426	\$273,961
Workcover	\$56,125	\$63,590
Other Employee Benefits	\$45,857	\$42,995
<b>Consultancies &amp; Contractors</b>		
Delivered Meals	\$289,531	286,274
Other Contractors	121,244	148,640
Program Expenses	83,246	95,026
Community Care Packages	-	109,671
Property Expenses	227,241	167,274
<b>Depreciation &amp; Amortisation</b>		
Buildings	2,262	1,429
Plant & Equipment	44,670	51,617
Motor Vehicles	65,632	75,653
Software	13,693	10,264
<b>Other Expenses</b>		
Travel	222,442	250,085
Motor Vehicles	52,702	78,300
Telephone	27,203	29,316
Advertising	8,028	4,166
Postage & Freight	15,709	12,297
Computer Costs	34,115	24,614
Opportunity Shop Expenses	18,433	18,201
Bad & Doubtful Debts	439	619
Auditors Remuneration	7,989	31,075
Other Expenses	91,375	111,006
<b>Total Expenses</b>	<b>4,283,466</b>	<b>5,049,470</b>

## Note 4: Profit/(Loss) on Disposal of Assets

	2016	2015
<b>Property Plant &amp; Equipment</b>		
Proceeds from Disposal of Assets	\$32,419	\$67,806
Less: Written-Down value of Assets Sold	(\$28,577)	(\$83,061)
<b>Net Profit/(Loss) on Disposal</b>	<b>\$3,842</b>	<b>(\$15,255)</b>

## Note 5: Cash and Cash Equivalents

	Notes	2016	2015
Cash at Bank		\$1,750	\$1,180
Cash on Hand		\$680,755	\$634,727
Term Deposits		\$1,494,568	\$1,414,951
<b>Total</b>	<b>12</b>	<b>\$2,177,073</b>	<b>\$2,050,858</b>

## Note 6: Trade and Other Receivables

Current	2016	2015
Client Fees	\$144,079	\$184,356
Prepayments	\$22,058	\$29,178
Accrued Investment Income	\$45,741	\$48,716
Sundry Receivables (a)	-	\$233,838
Other Receivables	\$3,375	\$2,111
Less: Provision for Doubtful Debts	\$2,000	\$2,000
<b>Total Current</b>	<b>\$213,253</b>	<b>\$496,199</b>
<b>Total Receivables</b>	<b>\$213,253</b>	<b>\$496,199</b>

(a) Sundry Receivables relates to amount receivable under a contract of sale of property with settlement taking place in January 2016.

## Note 7: Inventory

	2016	2015
Opportunity Shop (a)	\$160,478	\$97,384

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

## Note 8: Property, Plant & Equipment

At Valuation	2016	2015
Land (a)	\$50,000	\$50,000
Buildings (a)	\$90,000	\$90,000
Less Accumulated Depreciation	(\$3,008)	(\$746)
<b>Total</b>	<b>\$86,992</b>	<b>\$89,254</b>
<b>At Cost</b>		
Furniture & Equipment	\$343,621	\$302,345
Less Accumulated Depreciation	(\$235,188)	(\$201,994)
<b>Total</b>	<b>\$108,433</b>	<b>\$100,350</b>
Motor Vehicles	\$582,238	\$561,930
Less Accumulated Depreciation	(\$327,660)	(\$306,031)
<b>Total</b>	<b>\$254,579</b>	<b>\$255,899</b>
<b>Total Property, Plant and Equipment</b>	<b>\$500,004</b>	<b>\$495,503</b>

(a) Land and Buildings were independently valued at \$140,000 by Goulburn Valley Property Services in February 2015. The valuation resulted in a revaluation increment of \$59,769 being recognised in revaluation surplus for the year ended 30th June 2015.

## Note 8: Property, Plant & Equipment continued

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
Balance at 1 July 2014	\$45,000	\$35,914	\$128,249	\$324,487	\$533,650
Additions	-	-	\$45,447	\$68,397	\$113,844
Revaluations	\$5,000	\$54,769	-	-	\$59,769
Disposals at WDV	-	-	(\$21,729)	(\$61,332)	(\$83,061)
Depreciation and Amortisation expense	-	(\$1,429)	(\$51,617)	(\$75,653)	(\$128,699)
Balance at 30 June 2015	\$50,000	\$89,254	\$100,350	\$255,899	\$495,503
Additions	-	-	\$52,967	\$92,675	\$145,642
Disposals at WDV	-	-	(\$214)	(\$28,363)	(\$28,577)
Depreciation and Amortisation expense	-	(\$2,262)	(\$44,670)	(\$65,632)	(\$112,564)
Balance at 30 June 2016	\$50,000	\$86,992	\$108,433	\$254,579	\$ 500,004

## Note 9: Intangibles

	2016	2015
<b>Software</b>	\$47,518	\$40,418
Less Accumulated Amortisation	(\$24,487)	(\$10,794)
<b>Total</b>	<b>\$23,032</b>	<b>\$29,624</b>

## Note 10: Trade & Other Payables

<b>Current</b>	2016	2015
Trade Creditors	\$76,847	\$152,095
Accrued Expenses	\$10,648	\$13,380
Accrued Wages	\$104,211	\$161,330
GST Payable	\$27,396	\$25,056
PAYG Payable	\$30,088	\$37,919
Other Payables	\$4,322	\$2,594
Monies Held in Trust	\$2,864	\$2,864
<b>Total</b>	<b>\$256,375</b>	<b>\$395,237</b>
Grants in Advance (a)	\$119,386	\$197,285
<b>Total</b>	<b>\$375,761</b>	<b>\$592,523</b>

(a) Grants In advance includes \$10,945 from the 2014-15 financial year and \$108,441 from the 2015-16 financial year. The amount held for the 2011-16 financial year includes \$39,294 being funds recalled by the Department of Health and Human Services for under achievement of service delivery targets.

## Note 11: Provisions

<b>Current</b>	Notes	2016	2015
Annual Leave	1f	176,473	177,631
Long Service Leave	1f	201,939	211,881
<b>Total</b>		<b>378,412</b>	<b>389,512</b>
<b>Non-Current</b>			
Long Service Leave	1f	124,631	97,913
<b>Total Provisions</b>		<b>503,042</b>	<b>487,426</b>

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

## Note 12: Financial Assets and Liabilities

<b>Financial Assets</b>	2016	2015
Cash and Cash Equivalents	\$2,177,073	\$2,050,858
Loans and Receivables	\$213,253	\$496,199
<b>Total</b>	<b>\$2,390,325</b>	<b>\$2,547,057</b>
<b>Financial Liabilities</b>		
Trade and Other Payables	\$348,365	\$567,467



## Note 13: Equity & Reserves

(a) Reserves	2016	2015
Balance at beginning of Reporting Period	\$59,769	\$86,428
Asset Revaluation Reserve (a)	-	\$59,769
Profits Allocated from Retained Earnings	-	-
Profits distributed to other Community Organisations	-	-
Transfer to Retained Earnings	-	(\$86,428)
<b>Balance at the end of the reporting period</b>	<b>\$59,769</b>	<b>\$59,769</b>
<b>(b) Retained Earnings</b>		
Retained Earnings at the beginning of the reporting period	\$2,029,852	\$2,124,940
Net Result for the year	\$105,415	(\$181,515)
Transfer from Reserves	-	\$86,428
<b>Retained Earnings at the end of the reporting period</b>	<b>\$2,135,266</b>	<b>\$2,029,852</b>

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

## 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	2016	2015
Net Profit/(Loss)	\$105,415	(\$181,515)
<b>Non-Cash Movements</b>		
Depreciation and amortisation	\$126,257	\$138,963
(Profit)/Loss on disposal of Property, Plant & Equipment	(\$3,842)	\$15,255
<b>Movements in assets and liabilities</b>		
Increase/(Decrease) in Payables	(\$216,762)	\$23,075
Increase/(Decrease) in Provisions	\$15,617	(\$7,046)
Increase/(Decrease) in Inventory	(\$63,094)	\$4,126
Decrease/(Increase) in Receivables	\$282,946	\$3,625
<b>Net Cash from Operating Activities</b>	<b>\$246,536</b>	<b>(\$3,518)</b>
<b>(b) Reconciliation of cash</b>		
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	\$1,180
Cash at Bank	\$680,755	\$634,727
Term Deposits	\$1,494,568	\$1,414,951
<b>Total</b>	<b>\$2,177,073</b>	<b>\$2,050,858</b>

## Note 15: Leasing Commitments

Non Cancellable operating leases contracted for but not recognised in the financial statements.

	2016	2015
<b>Payable</b>		
Not later than 1 year	\$141,202	\$138,640
Later than 1 year and not later than 5 years	\$290,914	\$339,479
Later than 5 years	\$84,043	\$146,722
<b>Total</b>	<b>\$516,139</b>	<b>\$624,840</b>

## Note 16: Events occurring after reporting date

Since 30 June 2016 no matter or circumstance has arisen which has significantly affected, or which may significantly affect, the operations of the organisation.

## Note 17: 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 2016, the number of members was 6.

## Note 18: Entity Details

The registered office of the company is:

**MHA Care Limited**

22 Orr Street, Yarrowonga VIC 3730

## Responsible Entities' Declaration (The Board)

The Responsible Entities of MHA Care declare that:

1. The financial statements and notes of MHA Care Ltd are in accordance with 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 2016 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 24th day of October 2016



Mr Paul Quinane | Chairperson

Dated | 28th September 2015

# Independent Auditor's Report to the Members of MHA Care Limited

## Report on the Financial Report

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 30th June 2016, the statement of comprehensive income for the year then ended, 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 Board of Directors assertion statement.

## Directors' Responsibility for the Financial Report

Board of Directors are responsible for the preparation and fair presentation of the financial report and have determined that the basis of preparation described in Note 1 is appropriate to meet the requirements of the Div 60 of Australian Charities and Non-for-profits Commission Act 2012 and the needs of the members. The Board's responsibility also includes such internal control as Board of Directors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance

with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Association's preparation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Board of Directors, as well as evaluating the overall presentation of the financial report.

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

## Independence

In conducting our audit, we have complied with the independence requirements of the Australian Charities and Non-for-profits Commission Act 2012. We confirm that the independence declaration required by the Australian Charities and Non-for-profits Commission Act 2012, which has been given to the directors of MHA Care Ltd would be in the same terms if given to the directors as at the time of this auditor's report.

## Opinion

In our opinion, the financial report of MHA Care Limited is in accordance with Div. 60 of 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 30th June 2016 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and Div 60 of Australian Charities and Non-for-profits Commission Regulation 2013 to the extent described in Note 1.

## Basis of accounting

Without modifying our opinion, 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 Board of Directors reporting responsibilities. As a result, the financial report may not be suitable for another purpose.



Name of Auditor | Peter Thomas Mogg  
 Name of the Firm | Mogg Osborne Audit Pty Ltd  
 Date | 24th day of October 2016  
 Address | 40-44 High Street,  
 Cobram, VIC 3644



## MHA Care Limited

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