

**NEW ENGLAND AND WESTERN TENANTS ADVICE AND
ADVOCACY SERVICE INCORPORATED
ABN 31 279 732 390**

**SPECIAL PURPOSE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2018**

**New England and Western Tenants Advice and Advocacy Service
Incorporated (ABN 31 279 732 390)
(An Incorporated Association)**

Special Purpose Financial Report

For the year ended 30 June 2018

Contents to the financial report

Committees Report	2
Statement of profit or loss and other comprehensive income	4
Statement of financial position	6
Statement of changes in equity	7
Statement of cash flows	8
Notes to the financial statements	9
Statement by Members of the Committee	17
Independent auditor's report	18

Committee's Report

Your committee members submit the financial statements of the New England and Western Tenants Advice and Advocacy Service Incorporated ("NEWTAAS") for the year ended 30 June 2018.

Committee Members

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

Anne Wolfenden (Chair)
Elizabeth Stahlut (Treasurer)
Christine Foord (Secretary)
Marjorie Henzell
Jim Foord
Brian Humphreys
Jennifer Bourke

Principal Activities

No significant change in the principal activities occurred during the year and the service continued with its objectives of providing information, advice and advocacy services to tenants across the New England, North West, Western and Far West of New South Wales.

The Grant funding contract with the Department of Fair Trading NSW was renewed as at 1 July 2016 for a further 3 years until 30 June 2019. This renewed funding contract introduced a change to the mix of activities that NEWTAAS is funded for. The change in mix of activities intensifies the existing focus on the most disadvantaged complex tenants within our region and Fair Trading now provide most of the straightforward phone advice. Financially, there has been a real decrease in funding of 10%, as the service is now funded for 4.5 (previously 5.0) Equivalent Full-Time workers.

After balance date events

There are no outstanding matters which the committee considers to be significant.

Going Concern

The financial statements have been prepared on a going concern basis as the current funding contract expires on 30 June 2019.


Operating Result

The operating deficit for the year ending 30 June 2018 is \$1, (2017 deficit of \$54,313).

New England & Western Tenants Advice & Advocacy Service Inc.

Signed in accordance with a resolution of the members of the committee:

Chair



Anne Wolfenden

Member



Dated: August 2018

New England & Western Tenants Advice & Advocacy Service Inc.

Statement of profit or loss and other comprehensive income for the Year ended 30 June 2018

	2018	2017
	\$	\$
Revenue		
Grant – Core Funding	509,409	496,985
Grant – Non Core Funding	46,290	40,121
Reimbursable expenses	46	0
Other Income	3,640	0
Interest	6,501	6,289
Total revenue	565,886	543,395
Expenditure		
Salary and Related Expenses		
Salaries and Wages	363,601	411,007
On-costs	104,192	63,999
Total Salary and Related Expenses	467,793	475,006
Other Operating Expenses		
Phones & Communication	21,000	25,823
Language or Cultural Services	118	0
Depreciation	10,334	13,440
Operating Management	15,478	22,449
Office Expenses	8,119	9,950
Consumables	2,336	1,590
Insurance	4,490	6,850
Rent	23,637	23,804
Staff/Volunteer Training	1,156	1,585
Transport and Motor Vehicle Costs	11,424	17,211
	98,092	122,702
Total Expenditure	565,885	597,708
Current year deficit before income tax	1	(54,313)
Income tax expense	Nil	Nil
Net Current year deficit	1	(54,313)

Statement of profit or loss and other comprehensive income for the

New England & Western Tenants Advice & Advocacy Service Inc.

Year ended 30 June 2018 (Cont.)

Other comprehensive income

Items that will not be reclassified subsequently to profit or loss when specific conditions are met.

Nil

Nil

Items that will be reclassified subsequently to profit or loss when specific conditions are met

Nil

Nil

Total other comprehensive income for the year

Nil

Nil

Total comprehensive income for the year

1

(54,313)

Total comprehensive income attributable to members of the entity

1

(54,313)

The accompanying notes form part of these financial statements.

New England & Western Tenants Advice & Advocacy Service Inc.

Statement of financial position as at 30 June 2018

	Note	2018 \$	2017 \$
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents		660,319	577,561
Accounts receivable and other debtors	2	2,109	5,828
Shares		10	10
Total Current Assets		662,438	583,399
NON-CURRENT ASSETS			
Plant & equipment	3	22,178	21,700
Total Non Current Assets		22,178	21,700
Total Assets		684,616	605,099
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and other payables		19,426	43,513
Employee provisions	4	192,056	143,037
Other current liabilities	5	385,035	370,600
Total Current Liabilities		596,517	533,161
NON CURRENT LIABILITES			
Employee provisions	4	73,340	57,180
Total Non Current Liabilities		73,340	57,180
Total Liabilities		669,857	590,341
NET ASSETS		14,759	14,758
Equity		14,758	69,071
Retained surplus/(Deficit)		1	(54,313)
Total Equity		14,759	14,758

The accompanying notes form part of these financial statements.

New England & Western Tenants Advice & Advocacy Service Inc.

Statement of changes in equity for the Year ended 30 June 2018

	Equity
	\$
Balances at 1 July 2016	69,071
Comprehensive Income	
Deficit for the year attributable to members of the entity	(54,313)
Other comprehensive income for the year	Nil
Total comprehensive income attributable to members of the entity	14,758
 Balance at 30 June 2017	 14,758
Comprehensive Income	
Surplus for the year attributable to members of the entity	1
Other comprehensive income for the year	Nil
Total comprehensive income attributable to members of the entity	1
 Balance at 30 June 2018	 14,759

New England & Western Tenants Advice & Advocacy Service Inc.

Statement of cash flows for the Year ended 30 June 2018

	2018	2017
	\$	\$
Cash flows from operating activities		
Grant income	633,479	957,509
Interest received	6,501	6,289
Payments to employees	(400,231)	(468,757)
Payments to suppliers	(146,179)	(180,592)
Net cash (used in)/generated from operating activities	93,570	314,449
Cash flows from investing activities		
Payment for plant and equipment	(10,812)	(2,659)
Net cash used in investing activities	(10,812)	(2,659)
Net increase/ (decrease) in cash held	82,758	311,790
Cash on hand at the beginning of the financial year	577,561	265,771
Cash on hand at the end of the financial year	660,319	577,561

New England & Western Tenants Advice & Advocacy Service Inc.

Notes to and forming part of the Financial Statements For the Year Ended 30 June 2018

Note 1 Statement of Significant Accounting Policies

Basis of preparation

These financial statements are special purpose financial statements prepared in order to satisfy the financial reporting requirements of the *Australian Charities & Not for Profits Commission Act, 2012* ("ACNC") and grant funding conditions. The Committee has determined that the Association is not a reporting entity in accordance with the definition contained in AASB 1053.

The financial statements have been prepared on an accruals basis and are based on historic costs and do not take into account changing money values or, except where specifically stated, current valuations of non-current assets. The financial statements are presented in Australian dollars.

NEWTAAS is a registered charity under the ACNC and is classified as a medium entity. Under the ACNC reporting requirements NEWTAAS is required to apply the following six accounting standards as a minimum to the extent that they are relevant:

- AASB 101 Presentation of Financial Statements;
- AASB 107 Statement of cash flows;
- AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors;
- AASB 1048 Interpretation of standards;
- AASB 1054 Australian Additional Disclosures.

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) Income Tax

The Association is exempt from Income Tax and accordingly no provision has been made.

New England & Western Tenants Advice & Advocacy Service Inc.

Notes to and forming part of the Financial Statements For the Year Ended 30 June 2018 (Cont.)

(b) Plant and Equipment (PPE)

Plant and equipment are carried at cost less, where applicable, any accumulated depreciation.

The depreciable amount of all PPE is depreciated over the useful lives of the assets to the Association commencing from the time the asset is held ready for use.

When the written down value of PPE is Nil an assessment is made by management and a decision made to write off. Any subsequent profit on sale is recognised as revenue.

(c) Impairment of Assets

At the end of each reporting period, the Association reviews the carrying values of its tangible 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 recognised in the statement of profit or loss and other comprehensive income.

(d) Employee Benefits

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits have been measured at the amounts expected to be paid when the liability is settled.

(e) Provisions

Provisions are recognised when the Association 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 at the best estimate of the amounts required to settle the obligation at the end of the reporting period. Redundancy provisions are measured in accordance with the minimum standards contained in the National Employment Standards and are essential given that NEWTAAS is dependent on cyclical government funding. These provisions may be required to be paid out immediately if the organisation was unsuccessful in winning one 3 year grant funding tender.

(i) Personal/Carers Leave

The Association records a potential liability for personal leave for all permanent part-time and full-time employees. The amount is measured at its nominal value at balance date and includes related on-costs. Although this provision does not comply with Accounting Standards, it represents the liability of NEWTAAS to employ casual staff or increase part time employee hours to cover time lost as

New England & Western Tenants Advice & Advocacy Service Inc.

Notes to and forming part of the Financial Statements For the Year Ended 30 June 2018 (Cont.)

part of their commitment to continuity of service delivery from a small organisation.

(ii) Locum

The Association's funding contract requires that a service be deliverable to all residential tenants in the New England, North West, Western and Far West areas of New South Wales. The entity records a potential liability for casual staff that may be required to satisfy periods of high demand. This includes ensuring continuity of service delivery during periods of orientation and training as new staff learn their roles. This provision does not comply with Accounting Standards and is measured by management's best estimate.

(f) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

(g) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed.

Interest revenue is recognised when received.

Grant and Donation income is recognised when the Association obtains control over funds. Control over core grant income received occurs when it is applied in accordance with funding guidelines as set down in the funding agreement. The Association has no right to recognise funds as income unless they are applied in accordance with the funding agreement guidelines. Any excess funds remaining at the end of the grant period are to be repaid to the funding body. If grant conditions are not satisfied the revenue is deferred and recognised as a liability.

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

(h) Leases

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

(i) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the

New England & Western Tenants Advice & Advocacy Service Inc.

Notes to and forming part of the Financial Statements For the Year Ended 30 June 2018 (Cont.)

ATO is included with other receivables or payables in the Statement of Financial Position.

(j) Going Concern and Economic Dependence

NEWTAAS is dependent on Fair Trading - Department of Finance and Services for the majority of its revenue used to operate the business. There is a current funding contract in place ending 30 June 2019. At the date of this report the committee have no reason to believe the Commissioner for Fair Trading, Department of Finance and Services will not continue to provide funding to NEWTAAS into the foreseeable future. As a result the financial statements have been prepared on a going concern basis.

New England & Western Tenants Advice & Advocacy Service Inc.

Notes to and forming part of the Financial Statements For the Year Ended 30 June 2018 (Cont.)

Note 2 Accounts receivable and other debtors

	2018	2017
	\$	\$
Accounts Receivable	1,964	1,057
Prepayments	Nil	3,891
Reimbursable Expenses	145	(74)
Bond – Guarantee Minto Lease Armidale	Nil	954
Total Trade and Other Receivables	2,109	5,828

Note 3 Property, Plant and Equipment

	2018	2017
	\$	\$
Office Equipment	49,645	52,471
Less: Accumulated Depreciation	(27,467)	(30,771)
Total Property, Plant and Equipment	22,178	21,700

	2018
	\$
Carrying amount at 30 June 2017	21,700
Asset Purchases	10,812
Profit/Loss on disposal of Equipment	Nil
Depreciation	(10,334)
Closing Balance at 30 June 2018	22,178

New England & Western Tenants Advice & Advocacy Service Inc.

Notes to and forming part of the Financial Statements For the Year Ended 30 June 2018 (Cont.)

Note 4 Employee Provisions

	2018 \$	2017 \$
Current		
Annual Leave	55,658	53,342
Long Service Leave	47,051	41,374
Personal/Carers Leave	38,318	39,345
Locum & Salaries	46,364	Nil
Time in Lieu	4,665	8,976
	192,056	143,037
Non Current		
Redundancy	73,340	57,181
	73,340	57,181

Note 5 Other Current Liabilities

	2018 \$	2017 \$
Income in Advance	386,929	373,586
Tax Payable/(Receivable)	(1,894)	(2,986)
	385,035	370,600

Note 6 Leasing Commitments

Operating Lease Commitments

	2018 \$
Rent of offices in Armidale, Dubbo and Tamworth Payable – minimum lease payments:	
– not later than 12 months	24,675
– between 12 months and five years	Nil
– greater than five years	Nil
	24,675

New England & Western Tenants Advice & Advocacy Service Inc.

Notes to and forming part of the Financial Statements For the Year Ended 30 June 2018 (Cont.)

The Armidale office Minto property lease is intended to be a non-cancellable lease with a two-year term ending on 30 June 2019, with rent payable monthly in advance. There are contingent rental provisions within the lease agreement requiring that the minimum lease payments shall be increased by a maximum of the Consumer Price Index per annum. A lease has been prepared but is yet to be signed and so NEWTAAS' current commitment is to pay one month rent in advance.

The other offices are located in Dubbo and Tamworth. Both these offices have an informal Memorandum of Understanding ("MOU") in place which provides for the option of either party giving one month's notice. In reality, these arrangements are reviewed on an annual basis.

The MOU in Dubbo provides for an estimated term to the end of June 2019 with CPI increments. This is because NEWTAAS agreed to meet the costs involved in relocating within the Dubbo Neighbourhood Centre. Rent is payable quarterly in advance.

The Tamworth office is a single office sublet under an MOU with Disability Advocacy NSW, with rent payable monthly in advance.

Note 7 Contingent liabilities and capital commitments

Contingent liabilities

To the best of the manager's and members of the Committee's knowledge and belief there are no contingent liabilities at balance date.

Capital commitments

To the best of the manager's and members of the Committee's knowledge and belief there are no other capital commitments at balance date.

Note 8 Related Parties

There were no known related party dealings.

Note 9 Events after the end of the Reporting Period

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

New England & Western Tenants Advice & Advocacy Service Inc.

Statement by Members of the Committee For the Year Ended 30 June 2018

The Committee has determined that the Association is not a reporting entity and that these special purpose financial statements should be prepared in accordance with the accounting policies outlined in Note 1 to the financial Statements.

In the opinion of the Committee and in accordance with the *Australian Charities & Not for Profits Commission Act, 2012*, the attached special purpose financial statements:

1. Present a true and fair view of the financial position of New England and Western Tenants Advice and Advocacy Service Incorporated as at 30 June 2018 and its performance for the year ended on that date.
2. At the date of this statement there are reasonable grounds to believe that New England and Western Tenants Advise and Advocacy Service Incorporated will be able to pay its debts as and when they become due and payable.

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

Chair



Anne Wolfenden

Member



Dated:

August 2018

ARMIDALE

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Independent Audit Report to the members of New England and Western Tenants Advice and Advocacy Service Incorporated

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements, being special purpose financial statements of New England and Western Tenants Advice and Advocacy Service Incorporated (the Association), which comprises the statement of financial position as at 30 June 2018, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and statement of cash flows for the year then ended, including a summary of significant accounting policies, other explanatory notes and the members' declaration.

In our opinion, the accompanying financial statements of the Association are in accordance with Division 60 of *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) giving a true and fair view of the Association's financial position as at 30 June 2018 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 1 and complying with the *Australian Charities and Not-for-profits Commission Regulations 2013*.

Basis for Opinion

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

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

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the financial statements, which describe the basis of accounting. The special purpose financial statements have been prepared for the purpose of fulfilling the Associations' financial reporting responsibilities under the *Australian Charities and Not-for-profits Commission Act 2012* and its members. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of Management and those charged with Governance

Management is responsible for the presentation and fair presentation of the financial statements in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, and for such internal control as management determines is necessary to enable the preparation of the financial statements is free from material misstatement, whether due to fraud or error.

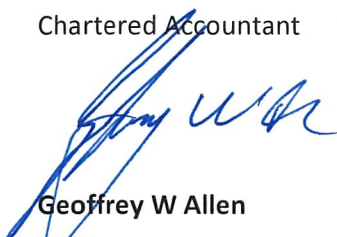
In preparing the financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Forsyths

Chartered Accountant



Geoffrey W Allen

Principal

92 Rusden Street, Armidale

Dated this 21st August 2018