

**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 2017**

**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 2017

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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 2017.

Committee Members

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

Marjorie Henzell - Chair
Christine Foord - Secretary
Jim Foord
Brian Humphreys
Elizabeth Stahlut (Vice President)
Anne Wolfenden (Treasurer)

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.

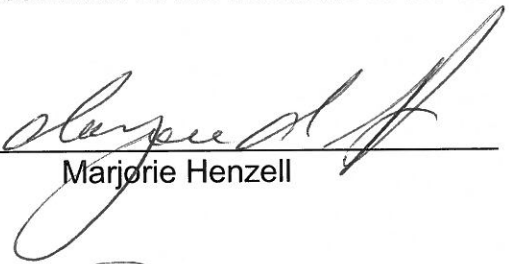
Operating Result

The operating deficit for the year ending 30 June 2017 is \$54,313, (2016 surplus of \$Nil).

New England & Western Tenants Advice & Advocacy Service Inc.

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

Chair



Marjorie Henzell

Member



BRIAN HUBBERTS

Dated: 18 August 2017

New England & Western Tenants Advice & Advocacy Service Inc.

Statement of profit or loss and other comprehensive income for the Year ended 30 June 2017

	2017	2016
	\$	\$
Revenue		
Grant – Core Funding	496,985	518,916
Grant – Non Core Funding	40,121	0
Reimbursable expenses	0	1,127
Other Income	0	18
Interest	6,289	8,130
Total revenue	543,395	528,191
Expenditure		
Salary and Related Expenses		
Salaries and Wages	411,007	385,305
On-costs	63,999	18,923
Total Salary and Related Expenses	475,006	404,228
Other Operating Expenses		
Phones & Communication	25,823	27,271
Language or Cultural Services	0	407
Depreciation	13,440	10,075
Operating Management	22,449	15,098
Office Expenses	9,950	10,654
Consumables	1,590	2,155
Insurance	6,850	5,555
Rent	23,804	29,284
Staff/Volunteer Training	1,585	2,732
Transport and Motor Vehicle Costs	17,211	20,732
	122,702	123,963
Total Expenditure	597,708	528,191
Current year deficit before income tax	(54,313)	Nil
Income tax expense	Nil	Nil
Net Current year deficit	(54,313)	Nil

Statement of profit or loss and other comprehensive income for the
Year ended 30 June 2017 (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

Total other comprehensive income for the year

Nil

Nil

Total comprehensive income for the year

(54,313)

Nil

**Total comprehensive income attributable to
members of the entity**

(54,313)

Nil

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 2017

	Note	2017 \$	2016 \$
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents		577,561	265,771
Accounts receivable and other debtors	2	5,828	1,920
Shares		10	10
Total Current Assets		583,399	267,701
NON-CURRENT ASSETS			
Plant & equipment	3	21,700	32,481
Total Non Current Assets		21,700	32,481
Total Assets		605,099	300,182
LIABILITIES			
CURRENT LIABILITES			
Accounts payable and other payables		19,524	43,513
Employee provisions	4	143,037	131,916
Other current liabilities	5	370,600	998
Total Current Liabilities		533,161	176,427
NON CURRENT LIABILITES			
Employee provisions	4	57,181	54,685
Total Non Current Liabilities		57,181	54,685
Total Liabilities		590,342	231,112
NET ASSETS		14,758	69,070
Equity		69,070	69,070
Retained surplus/(Deficit)		(54,313)	NIL
Total Equity		14,757	69,070

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 2017

	Equity
	\$
Balances at 1 July 2015	69,070
Comprehensive Income	
Surplus for the year attributable to members of the entity	Nil
Other comprehensive income for the year	Nil
Total comprehensive income attributable to members of the entity	NIL
Balance at 30 June 2016	69,070
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	(54,313)
Balance at 30 June 2017	14,757

New England & Western Tenants Advice & Advocacy Service Inc.

Statement of cash flows for the Year ended 30 June 2017

	2017	2016
	\$	\$
Cash flows from operating activities		
Grant income	957,509	216,708
Other income	0	1,258
Interest received	6,289	8,130
Payments to employees	(468,757)	(429,197)
Payments to suppliers	(180,592)	(141,491)
Net cash (used in)/generated from operating activities	314,449	(344,592)
Cash flows from investing activities		
Payment for plant and equipment	(2,659)	(13,310)
Payment for intangibles	Nil	Nil
Net cash used in investing activities	(2,659)	(13,310)
Net increase/ (decrease) in cash held	311,790	(357,902)
Cash on hand at the beginning of the financial year	265,771	623,673
Cash on hand at the end of the financial year	577,561	265,771

**Notes to and forming part of the Financial Statements
For the Year Ended 30 June 2017**

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 1031 Materiality;
- 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.

**Notes to and forming part of the Financial Statements
For the Year Ended 30 June 2017 (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

**Notes to and forming part of the Financial Statements
For the Year Ended 30 June 2017 (Cont.)**

Accounting Standards, it represents the liability of NEWTAAS to employ casual staff or increase part time employee hours to cover time lost as 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.

In order to meet the continuing high client demand for the service, management has agreed to draw down this provision to self fund the additional 0.5FTE lost through the reduction in core funding. This decision has enabled NEWTAAS over the 2015-2017 financial years to continue to resource the service at original FTE levels. NEWTAAS is continuing to seek the reinstatement of the 0.5FTE in core funding support.

The locum provision has now been fully expended and without reinstatement of grant funding support client service will necessarily be reduced in the current and following years.

(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

New England & Western Tenants Advice & Advocacy Service Inc.

Notes to and forming part of the Financial Statements For the Year Ended 30 June 2017 (Cont.)

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 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 2017 (Cont.)

Note 2 Accounts receivable and other debtors

	2017	2016
	\$	\$
Accounts Receivable	1,057	975
Prepayments	3,891	(9)
Reimbursable Expenses	(74)	0
Bond – Guarantee Minto Lease Armidale	954	954
Total Trade and Other Receivables	5,828	1,920

Note 3 Property, Plant and Equipment

	2017	2016
	\$	\$
Office Equipment	52,471	62,937
Less: Accumulated Depreciation	(30,771)	(30,456)
Total Property, Plant and Equipment	21,700	32,481

	2017
	\$
Carrying amount at 30 June 2016	32,481
Asset Purchases	2,659
Profit/Loss on disposal of Equipment	Nil
Depreciation	(13,440)
Closing Balance at 30 June 2017	21,700

New England & Western Tenants Advice & Advocacy Service Inc.

Notes to and forming part of the Financial Statements For the Year Ended 30 June 2017 (Cont.)

Note 4 Employee Provisions

	2017	2016
	\$	\$
Current		
Annual Leave	53,342	40,744
Long Service Leave	41,374	38,996
Personal/Carers Leave	39,345	33,456
Locum & Salaries	Nil	13,629
Time in Lieu	8,976	5,091
	143,037	131,916
Non Current		
Redundancy	57,180	54,685
	57,180	54,685

Note 5 Other Current Liabilities

	2017	2016
	\$	\$
Income in Advance	373,586	Nil
Provision for Information Technology	Nil	3,300
Tax Payable/(Receivable)	(2,986)	(2,302)
	370,600	998

Note 6 Leasing Commitments

Operating Lease Commitments

	2017
	\$
Rent of offices in Armidale, Dubbo and Tamworth Payable – minimum lease payments:	
– not later than 12 months	4,632
– between 12 months and five years	8,603
– greater than five years	Nil
	13,235

New England & Western Tenants Advice & Advocacy Service Inc.

Notes to and forming part of the Financial Statements For the Year Ended 30 June 2017 (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.

New England & Western Tenants Advice & Advocacy Service Inc.

Notes to and forming part of the Financial Statements For the Year Ended 30 June 2017 (Cont.)

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 2017

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:

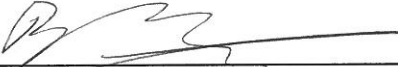
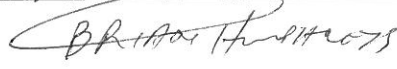
1. Present a true and fair view of the financial position of New England and Western Tenants Advice and Advocacy Service Incorporated as at 30 June 2017 and its performance for the year ended on that date.
2. At the date of this statement there are reasonable grounds to believe that New England and Western 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

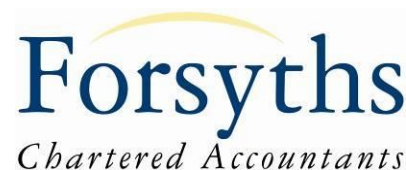

Marjorie Henzell

Member

Dated: 18 August 2017

Independent Auditor's Report



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Forsyths Business Services Pty Ltd
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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 2017, 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 2017 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*

Independent Auditor's Report

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.

Basis of Accounting

We draw attention to Note 1 to the financial statements, which describe the basis of accounting. The 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.

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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of

Independent Auditor's Report

expressing an opinion on the effectiveness of the Association's internal control.

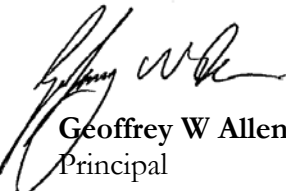
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee.
- Conclude on the appropriateness of the committees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures; and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the management, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Forsythe



Geoffrey W Allen
Principal

92 Rusden Street, Armidale,

Dated this 18th August 2017