



HANDS AND FEET INCORPORATED
ABN 72 189 829 388

FINANCIAL REPORT - 30 JUNE 2020

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The accompanying Special Purpose Financial Report has been prepared for the exclusive use of the Members of Hands and Feet Incorporated. This financial report is not to be used by any other party unless accompanied with additional information concerning the Association's financial position.

HANDS AND FEET INCORPORATED
ABN 72 189 829 388

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Note	2020 \$	2019 \$
ASSETS			
Current assets			
Cash and cash equivalents	6	199,830	481,997
Trade and other receivables	7	131,148	126,635
<i>Total current assets</i>		<u>330,978</u>	<u>608,632</u>
Non-current assets			
Property, plant and equipment	8	101,056	115,056
<i>Total non-current assets</i>		<u>101,056</u>	<u>115,056</u>
TOTAL ASSETS		<u>432,034</u>	<u>723,688</u>
LIABILITIES			
Current liabilities			
Trade and other payables	9	29,665	339,881
Employee benefits	10	26,542	9,303
<i>Total current liabilities</i>		<u>56,207</u>	<u>349,184</u>
TOTAL LIABILITIES		<u>56,207</u>	<u>349,184</u>
NET ASSETS		<u>375,827</u>	<u>374,504</u>
FUNDS			
Accumulated funds		<u>375,827</u>	<u>374,504</u>
TOTAL FUNDS		<u>375,827</u>	<u>374,504</u>

The accompanying notes form part of these financial statements.

HANDS AND FEET INCORPORATED**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020**

	Note	2020 \$	2019 \$
Revenue	4	1,131,564	868,192
		<u>1,131,564</u>	<u>868,192</u>
Expenses			
Administration expenses		(23,525)	(22,221)
Client services		(441,324)	(275,433)
Consulting expenses		(129,237)	(128,280)
Depreciation	5	(16,706)	(13,332)
Employee benefits expenses		(193,678)	(141,890)
Food supplies		(13,143)	(13,123)
Freight and cartage		(60,434)	(48,742)
Motor vehicle expenses		(44,917)	(23,490)
Project donations		(23,927)	(51,891)
Rent		(28,886)	(19,920)
Other expenses		(154,464)	(73,319)
		<u>(1,130,241)</u>	<u>(811,641)</u>
Surplus before income tax		1,323	56,551
Income tax expense		-	-
		<u>-</u>	<u>-</u>
Surplus for the year		1,323	56,551
Other comprehensive income		-	-
		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u><u>1,323</u></u>	<u><u>56,551</u></u>

The accompanying notes form part of these financial statements.

HANDS AND FEET INCORPORATED**STATEMENT OF CHANGES IN FUNDS**
FOR THE YEAR ENDED 30 JUNE 2020

	Accumulated Funds \$	Total \$
Balance at 1 July 2018	317,953	317,953
Comprehensive income		
Surplus for the year	56,551	56,551
Other comprehensive income	-	-
Total comprehensive income for the year	<u>56,551</u>	<u>56,551</u>
Balance at 30 June 2019	<u>374,504</u>	<u>374,504</u>
Balance at 1 July 2019	374,504	374,504
Comprehensive income		
Surplus for the year	1,323	1,323
Other comprehensive income	-	-
Total comprehensive income for the year	<u>1,323</u>	<u>1,323</u>
Balance at 30 June 2020	<u>375,827</u>	<u>375,827</u>

The accompanying notes form part of these financial statements.

HANDS AND FEET INCORPORATED**STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 30 JUNE 2020**

	Note	2020 \$	2019 \$
Cash flows from operating activities			
Receipts from customers, donations and grants		1,149,208	856,418
Payments to suppliers and employees		(1,432,911)	(722,863)
Interest received		4,242	9,077
<i>Net cash flows from operating activities</i>	11	<u>(279,461)</u>	<u>142,632</u>
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		-	30,232
Purchase of property, plant and equipment		(2,706)	(128,988)
<i>Net cash flows from investing activities</i>		<u>(2,706)</u>	<u>(98,756)</u>
Net increase (decrease) in cash and cash equivalents		(282,167)	43,876
Cash and cash equivalents at the beginning of the financial year		<u>481,997</u>	<u>438,121</u>
Cash and cash equivalents at the end of the financial year	6	<u>199,830</u>	<u>481,997</u>

The accompanying notes form part of these financial statements.

HANDS AND FEET INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Note 1 - Reporting entity

The financial report includes the financial statements and notes of Hands and Feet Incorporated. Hands and Feet Incorporated is incorporated in New South Wales under the *Associations Incorporation Act 2009* and registered under the *Australian Charities and Not-for-profits Commission Act 2012* and is domiciled in Australia.

The financial statements were approved by the Committee on 22 October 2020.

Note 2 - Basis of preparation

Statement of compliance

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the *Associations Incorporation Act 2009* and the *Australian Charities and Not-for-profits Commission Act 2012*. The Committee has determined that the Association is not a reporting entity.

The financial report has been prepared in accordance with the mandatory Australian Accounting Standards applicable as below: -

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
AASB 1058:	Income of Not-for-Profit Entities

No other Australian Accounting Standards, Australian Accounting Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

Basis of measurement

The financial statements, except for the cash flow information, has been prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

Comparatives

Where required by Accounting Standards comparative figures have been adjusted to conform to changes in presentation for the current financial year. Where the Association has retrospectively applied an accounting policy, made a retrospective restatement or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

Critical accounting estimates and judgements

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

Key estimates

Impairment

The Committee assesses impairment at the end of each reporting period by evaluation of conditions and events specific to the Association that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

HANDS AND FEET INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Note 2 - Basis of preparation (continued)

New and revised standards that are effective for these financial statements

Several new accounting standards and interpretations are mandatory for the 30 June 2020 reporting period. These include:

- AASB 15 *Revenue from Contracts with Customers*
- AASB 16 *Leases*
- AASB 1058 *Income of Not-for-profit Entities*

The adoption of AASB 15 and AASB 1058 has not resulted in any changes to the Association's recognition of revenue and accordingly has not materially impacted the Association's financial statements.

AASB 16 Leases

AASB 16 removes the current operating and finance lease distinction for lessees and requires entities to recognise all material leases on the statement of financial position. AASB 16 requires the recognition of a right-of-use asset and a corresponding lease liability at the commencement of all leases, except for short-term leases and leases of low value assets. The Association does not have any leases that meet the recognition criteria of the standard.

New standards and interpretations not yet adopted

There are no other new accounting standards and interpretations expected to have any significant impact on the Association's financial report that are issued and not yet applicable.

Note 3 - Significant accounting policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Income Tax

Hands and Feet Incorporated is a not-for-profit Charity & Public Benevolent Institution and is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

Goods and Services Tax (GST)

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

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or 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.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. All revenue is stated net of the amount of goods and services tax (GST). Revenue is recognised for the major business activities as follows:

Grants, donations and fundraising

Income arising from the contribution of an asset (including cash) is recognised when the following conditions have been satisfied:

- (a) the entity obtains control of the contribution or the right to receive the contribution;
- (b) it is probable that the economic benefits comprising the contribution will flow to the entity; and
- (c) the amount of the contribution can be measured reliably at the fair value of the consideration received.

HANDS AND FEET INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Note 3 - Significant accounting policies (continued)

Revenue recognition (continued)

NDIS and project revenue

Revenue from clients and related government grants are recognised on a proportional basis to take account of the delivery of service to the client.

Interest

Revenue from interest is recognised on an accrual's basis.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade receivables

For all sources of recurrent income, trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off.

Property, plant and equipment

Recognition and measurement

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit or loss and other comprehensive income.

Depreciation

The depreciable amount of all property, plant and equipment including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over the asset's useful life to the Association commencing from the time the asset is held ready for use.

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

Furniture and equipment	20% - 25%
Motor vehicles	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Association during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability. The carrying amount of trade and other payables is deemed to reflect fair value.

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 that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

HANDS AND FEET INCORPORATED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

	2020	2019
	\$	\$
<u>Note 4 - Revenue</u>		
Revenue		
Gifts and donations	533,364	486,489
Fundraising income	98,623	7,765
Project revenue	18,279	29,455
NDIS revenue	477,056	315,042
Other income	-	6,061
	<u>1,127,322</u>	<u>844,812</u>
Other revenue		
Interest income	4,242	9,077
Net gain on disposal of property, plant and equipment	-	14,303
	<u>4,242</u>	<u>23,380</u>
<i>Total revenue</i>	<u><u>1,131,564</u></u>	<u><u>868,192</u></u>

Note 5 - Expenses

Depreciation	16,706	13,332
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Note 6 - Cash and cash equivalents

Cash at bank	199,830	481,997
<i>Total cash and cash equivalents</i>	<u><u>199,830</u></u>	<u><u>481,997</u></u>

Note 7 - Trade and other receivables**Current**

Trade receivables	7,224	14,982
Other receivables	30,249	5,823
Prepayments	93,675	105,830
<i>Total current trade and other receivables</i>	<u><u>131,148</u></u>	<u><u>126,635</u></u>

Note 8 - Property, plant and equipment

	Furniture & Equipment \$	Motor Vehicles \$	Total \$
At 30 June 2019			
Cost	37,715	100,909	138,624
Accumulated depreciation	(7,553)	(16,015)	(23,568)
<i>Net carrying amount</i>	<u><u>30,162</u></u>	<u><u>84,894</u></u>	<u><u>115,056</u></u>
Movements in carrying amounts			
Opening net carrying amount	30,162	84,894	115,056
Additions	2,706	-	2,706
Depreciation charge for the year	(4,482)	(12,224)	(16,706)
Closing net carrying amount	<u><u>28,386</u></u>	<u><u>72,670</u></u>	<u><u>101,056</u></u>
At 30 June 2020			
Cost	40,421	100,909	141,330
Accumulated depreciation	(12,035)	(28,239)	(40,274)
<i>Net carrying amount</i>	<u><u>28,386</u></u>	<u><u>72,670</u></u>	<u><u>101,056</u></u>

HANDS AND FEET INCORPORATED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

	2020	2019
	\$	\$
<u>Note 9 - Trade and other payables</u>		
<u>Current</u>		
Trade payables	892	2,542
Project liabilities	22,196	329,063
Other payables	6,577	8,276
<i>Total current trade and other payables</i>	<u>29,665</u>	<u>339,881</u>
<u>Note 10 - Employee benefits</u>		
<u>Current</u>		
Annual leave	26,542	9,303
<i>Total current employee benefits</i>	<u>26,542</u>	<u>9,303</u>
<u>Note 11 - Cash flow information</u>		
<i>Reconciliation of cash flows from operations with surplus for the year:</i>		
Surplus for the year	1,323	56,551
<i>Add (less) non-cash flows</i>		
Depreciation	16,706	13,332
Gain from sale of property, plant and equipment	-	(14,303)
<i>Changes in assets and liabilities</i>		
Decrease (increase) in trade and other receivables	(4,513)	(117,148)
Increase (decrease) in trade and other payables	(310,216)	194,897
Cash flows from operating activities	<u>(279,461)</u>	<u>142,632</u>

Note 12 - Events occurring after the reporting period

Subsequent to the end of the financial year there have been considerable economic impacts in Australia and globally arising from the outbreak of the COVID-19 pandemic, and Government actions to reduce the spread of the virus.

At the date of signing the financial statements the Committee Members are unable to determine what financial effects the outbreak of the virus could have on the company in the coming financial period.

The Committee Members acknowledge their responsibility to continuously monitor the situation and evaluate this impact including the ability to pay the debts as and when they become due and payable.

The Committee Members are not aware of any other events subsequent to the year that may have a material impact on the financial statements.

HANDS AND FEET INCORPORATED**ABN 72 189 829 388****FINANCIAL REPORT - 30 JUNE 2020****STATEMENT BY MEMBERS OF THE COMMITTEE**

The members of the Committee have determined that the Association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the statement of compliance and basis of preparation outlined in Note 2 to the financial statements and the *Associations Incorporation Act 2009* and *Australian Charities and Not-for-profits Commission Act 2012*.

In the opinion of the Committee, the financial report, which comprises the statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in funds, statement of cash flows and notes to the financial statements:

- (a) Presents a true and fair view of the financial position of Hands and Feet Incorporated as at 30 June 2020 and its performance for the year ended on that date; and
- (b) At the date of this statement, there are reasonable grounds to believe that Hands and Feet Incorporated will be able to pay its debts as and when they fall due.

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



Ross Murdoch Bunyon
Chairman

22 October 2020

HANDS AND FEET INCORPORATED**ABN 72 189 829 388****FINANCIAL REPORT - 30 JUNE 2020****COMMITTEE'S DECLARATION**
UNDER THE CHARITABLE FUNDRAISING ACT 1991

In the opinion of the Committee of Hands and Feet Incorporated:

- (i) The accounts give a true and fair view of all income and expenditure with respect to fundraising appeals for the year ended 30 June 2020; and
- (ii) The statement of financial position gives a true and fair view of the state of affairs of the Association with respect to fundraising appeals; and
- (iii) The provisions of the *Charitable Fundraising Act 1991*, the regulations under that Act, and the conditions attached to the authority to fundraise have been complied with; and
- (iv) The internal controls exercised by the Association are appropriate and effective in accounting for all income received.

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



Ross Murdoch Bunyon
Chairman

22 October 2020

HANDS AND FEET INCORPORATED
ABN 72 189 829 388

FINANCIAL REPORT - 30 JUNE 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
HANDS AND FEET INCORPORATED

Opinion

We have audited the accompanying financial report, being a special purpose financial report of Hands and Feet Incorporated which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, the statement of changes in funds and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Committee's Declaration.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the Association as at 30 June 2020 and its financial performance and its cash flows for the year then ended in accordance with the *Associations Incorporation Act 2009* and *Australian Charities and Not-for-profits Commission Act 2012*.

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 Responsibility 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 *Associations Incorporation Act 2009* and 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 report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of Matter - Basis of Accounting

Without modifying our opinion, we draw attention to Notes 2 and 3 to the financial statements, which describes the basis of accounting. The financial report has been prepared to assist the Committee to meet the requirements of the *Associations Incorporation Act 2009* and the *Australian Charities and Not-for-profits Commission Act 2012*. As a result, the special purpose financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Committee's Responsibility for the Financial Report

The Committee of the Association is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the *Associations Incorporation Act 2009* and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the Committee determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee 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 the Committee either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

The Committee is responsible for overseeing the Association's financial reporting process.

HANDS AND FEET INCORPORATED**ABN 72 189 829 388****FINANCIAL REPORT - 30 JUNE 2020****INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
HANDS AND FEET INCORPORATED*****Auditor's Responsibilities for the Audit of the Financial Report***

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at *The Auditing and Assurance Standards Board* and the website address is <http://www.auasb.gov.au/Home.aspx>

We communicate with the Committee 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.

Report on Other Legal and Regulatory Requirements

In addition, our audit report has also been prepared for the members of the Association in accordance with section 24(2) of the *Charitable Fundraising Act 1991*. Accordingly, we have performed additional work beyond that which is performed in our capacity as auditors pursuant to the *Associations Incorporation Act 2009* and the *Australian Charities and Not-for-profits Commission Act 2012*. These additional procedures included obtaining an understanding of the internal control structure for fundraising appeal activities and examination, on a test basis, of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the *Charitable Fundraising Act 1991* and Regulations.

It should be noted that the accounting records and data relied upon for reporting on fundraising appeal activities are not continuously audited and do not necessarily reflect after the event accounting adjustments and the normal year-end financial adjustments for such matters as accruals, prepayments, provisioning and valuations necessary for year-end financial report preparation.

The performance of our statutory audit included a review of internal controls for the purpose of determining the appropriate audit procedures to enable an opinion to be expressed on the financial report. This review is not a comprehensive review of all those systems or of the system taken as a whole and is not designed to uncover all weaknesses in those systems.

The audit opinion expressed in this report pursuant to the *Charitable Fundraising Act 1991* has been formed on the above basis.

HANDS AND FEET INCORPORATED**ABN 72 189 829 388****FINANCIAL REPORT - 30 JUNE 2020****INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
HANDS AND FEET INCORPORATED*****Auditor's opinion***

Pursuant to the requirements of Section 24(2) of the *Charitable Fundraising Act 1991* we report that, in our opinion:

- a) the financial report gives a true and fair view of the financial result of fundraising appeal activities for the financial year ended 30 June 2020; and
- b) the financial report has been properly drawn up, and the associated records have been properly kept for the period 1 July 2019 to 30 June 2020, in accordance with the *Charitable Fundraising Act 1991* and Regulations; and
- c) money received as a result of fundraising appeal activities conducted during the period 1 July 2019 to 30 June 2020 has been properly accounted for and applied in accordance with the *Charitable Fundraising Act 1991* and Regulations; and
- d) at the date of this report there are reasonable grounds to believe that Association will be able to pay its debts as and when they become due and payable.



Stewart Brown
Chartered Accountants



S.J. Hutcheon
Partner

22 October 2020