

NewHope Medical Ltd.

ABN 15 621 650 986

Financial Statements

For the Year Ended 31 December 2019

NewHope Medical Ltd.

ABN 15 621 650 986

Contents

For the Year Ended 31 December 2019

	Page
Financial Statements	
Directors' Report	1
Statement of Profit or Loss and Other Comprehensive Income	2
Statement of Financial Position	3
Statement of Changes in Equity	4
Statement of Cash Flows	5
Notes to the Financial Statements	6
Directors' Declaration	12
Auditor's Independence Declaration	13
Independent Audit Report	14

NewHope Medical Ltd.

ABN 15 621 650 986

**Directors' Report
31 December 2019**

The directors present their report on NewHope Medical Ltd. for the financial year ended 31 December 2019.

General information

Directors

The names of the directors in office at any time during, or since the end of, the year are:

Names	Position	Appointed/Resigned
Anthony Stokes	Chairperson	
Surette Southwood	Secretary	
Cornelius Du Toit		
Monique ten Hoopen		Resigned February 2019
Chiew Hwa Koot		
Judy Louie		Appointed March 2019

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


Principal activities and significant changes in nature of activities

The principal activities of NewHope Medical Ltd. during the financial year consisted of the provision of comprehensive care to all individuals, promoting health, wellbeing and disease prevention.

Auditor's independence declaration

The auditor's independence declaration in accordance with section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012 for the year ended 31 December 2019 has been received and can be found on page 13 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

Director: 
Anthony Stokes

Director: 
Surette Southwood

Dated this 8th day of JULY 2020

NewHope Medical Ltd.

ABN 15 621 650 986

**Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 31 December 2019**

	Note	2019	2018
		\$	\$
Revenue	4	134,437	47,269
Expenses			
Practice management		(174,322)	(117,615)
Medical supplies		(5,583)	(8,884)
Utilities & rent		(71,801)	(59,390)
Administration		(14,846)	(10,459)
Government, insurance & legal		(5,943)	(6,662)
Sundry expenses		(469)	(1,453)
Non-capital setup costs		(1,012)	(14,579)
Total expenses		<u>(273,976)</u>	<u>(219,042)</u>
Profit before income tax		(139,539)	(171,773)
Income tax expense		-	-
Profit for the year		<u>(139,539)</u>	<u>(171,773)</u>
Other comprehensive income, net of income tax			
Total comprehensive income for the year		<u>(139,539)</u>	<u>(171,773)</u>

The accompanying notes form part of these financial statements.

NewHope Medical Ltd.

ABN 15 621 650 986

Statement of Financial Position As At 31 December 2019

	Note	2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	10,005	11,282
Other assets	6	6,371	1,737
TOTAL CURRENT ASSETS		<u>16,376</u>	<u>13,019</u>
NON-CURRENT ASSETS			
Property, plant and equipment	7	14,519	18,199
TOTAL NON-CURRENT ASSETS		<u>14,519</u>	<u>18,199</u>
TOTAL ASSETS		<u><u>30,895</u></u>	<u><u>31,218</u></u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	8	38,238	15,625
Employee benefits	9	10,667	4,824
Other financial liabilities	10	46	-
TOTAL CURRENT LIABILITIES		<u>48,951</u>	<u>20,449</u>
NON-CURRENT LIABILITIES			
Employee benefits	9	3,816	1,306
Other financial liabilities	10	289,440	181,236
TOTAL NON-CURRENT LIABILITIES		<u>293,256</u>	<u>182,542</u>
TOTAL LIABILITIES		<u>342,207</u>	<u>202,991</u>
NET ASSETS		<u><u>(311,312)</u></u>	<u><u>(171,773)</u></u>
EQUITY			
Retained earnings	11	<u>(311,312)</u>	<u>(171,773)</u>
TOTAL EQUITY		<u><u>(311,312)</u></u>	<u><u>(171,773)</u></u>

The accompanying notes form part of these financial statements.

NewHope Medical Ltd.

ABN 15 621 650 986

**Statement of Changes in Equity
For the Year Ended 31 December 2019**

2019

	Retained Earnings	Total
	\$	\$
Balance at 1 January 2019	<u>(171,773)</u>	<u>(171,773)</u>
Profit attributable to members	<u>(139,539)</u>	<u>(139,539)</u>
Balance at 31 December 2019	<u><u>(311,312)</u></u>	<u><u>(311,312)</u></u>

2018

	Retained Earnings	Total
	\$	\$
Profit attributable to members	<u>(171,773)</u>	<u>(171,773)</u>
Transactions with owners in their capacity as owners		
Balance at 31 December 2018	<u><u>(171,773)</u></u>	<u><u>(171,773)</u></u>

The accompanying notes form part of these financial statements.

NewHope Medical Ltd.

ABN 15 621 650 986

Statement of Cash Flows For the Year Ended 31 December 2019

	Note	2019 \$	2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		144,590	47,261
Payments to suppliers and employees		(253,158)	(195,927)
Interest received		-	8
Net cash provided by/(used in) operating activities	15	<u>(108,568)</u>	<u>(148,658)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment		<u>(959)</u>	<u>(21,296)</u>
Net cash provided by/(used in) investing activities		<u>(959)</u>	<u>(21,296)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from borrowings		<u>108,250</u>	<u>181,236</u>
Net cash provided by/(used in) financing activities		<u>108,250</u>	<u>181,236</u>
Net increase/(decrease) in cash and cash equivalents held		(1,277)	11,282
Cash and cash equivalents at beginning of year		11,282	-
Cash and cash equivalents at end of financial year	5	<u>10,005</u>	<u>11,282</u>

The accompanying notes form part of these financial statements.

NewHope Medical Ltd.

ABN 15 621 650 986

Notes to the Financial Statements

For the Year Ended 31 December 2019

The financial report covers NewHope Medical Ltd. as an individual entity. NewHope Medical Ltd. is a not-for-profit Company, registered and domiciled in Australia.

The functional and presentation currency of NewHope Medical Ltd. is Australian dollars.

1 Basis of Preparation

In the opinion of those charged with Governance the Company is not a reporting entity since there are unlikely to exist users of the financial statements who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs. These special purpose financial statements have been prepared to meet the reporting requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

The financial statements have been prepared in accordance with the recognition, measurement and disclosure requirements of 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* and AASB 1054 *Australian Additional Disclosures*.

2 Summary of Significant Accounting Policies

(a) Income Tax

The Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(b) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Grant revenue

Government grants are recognised at fair value when received.

Other income

Other income is recognised on an accruals basis when the Company is entitled to it.

(c) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis.

Notes to the Financial Statements

For the Year Ended 31 December 2019

2 Summary of Significant Accounting Policies

(d) Property, plant and equipment

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

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Company, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Plant and Equipment	10% - 33.33%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(e) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(f) Employee benefits

Provision is made for the Company'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 wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

(g) Going concern

Notwithstanding the Company's deficiency in net assets, the financial report has been prepared on the going concern basis. This basis has been adopted as the Company has received a guarantee of continuing financial support from the NewHope Baptist Church to allow the Company to meet its liabilities and it is the belief of the directors that such financial support will continue to be made available.

(h) Adoption of new and revised accounting standards

The Company has adopted all applicable standards which became effective for the first time at 31 December 2019, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company.

Notes to the Financial Statements

For the Year Ended 31 December 2019

2 Summary of Significant Accounting Policies

(i) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Company has decided not to early adopt these Standards.

3 Critical Accounting Estimates and Judgments

Those charged with governance make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - impairment of property, plant and equipment

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

Key estimates - employee benefits

As described in the accounting policies, employee benefits are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes.

4 Revenue

	2019	2018
	\$	\$
Revenue		
- administration and management fees	93,209	30,654
- fees	29,724	12,280
- rental income	11,504	4,335
	<u>134,437</u>	<u>47,269</u>

5 Cash and Cash Equivalents

	2019	2018
	\$	\$
Cash at bank and in hand	10,005	11,282
	<u>10,005</u>	<u>11,282</u>

NewHope Medical Ltd.

ABN 15 621 650 986

Notes to the Financial Statements For the Year Ended 31 December 2019

6 Other Assets

	2019	2018
	\$	\$
CURRENT		
Accrued income	6,371	1,737
	<u>6,371</u>	<u>1,737</u>

7 Property, plant and equipment

Plant and equipment		
At cost	22,255	21,296
Accumulated depreciation	(7,736)	(3,097)
Total plant and equipment	<u>14,519</u>	<u>18,199</u>

8 Trade and Other Payables

	2019	2018
	\$	\$
CURRENT		
Trade payables	6,714	1,926
GST payable	11,389	4,463
Credit card	411	412
Accrued expenses	19,724	8,824
	<u>38,238</u>	<u>15,625</u>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

9 Employee Benefits

	2019	2018
	\$	\$
CURRENT		
Annual leave	10,667	4,824
	<u>10,667</u>	<u>4,824</u>
	2019	2018
	\$	\$
NON-CURRENT		
Long service leave	3,816	1,306
	<u>3,816</u>	<u>1,306</u>

NewHope Medical Ltd.

ABN 15 621 650 986

Notes to the Financial Statements For the Year Ended 31 December 2019

10 Other Financial Liabilities

	2019	2018
	\$	\$
CURRENT		
Deferred income	46	-
	<u>46</u>	<u>-</u>
	2019	2018
	\$	\$
NON-CURRENT		
Loans from related parties	289,440	181,236
	<u>289,440</u>	<u>181,236</u>

11 Retained Earnings

	2019	2018
	\$	\$
Retained earnings (accumulated losses) at the beginning of the financial year	(171,773)	-
Net profit/(loss) for the year	(139,539)	(171,773)
Retained earnings at end of the financial year	<u>(311,312)</u>	<u>(171,773)</u>

12 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 \$ 10 each towards meeting any outstandings and obligations of the Company. At 31 December 2019 the number of members was 1.

13 Auditors' Remuneration

	2019	2018
	\$	\$
Remuneration of the auditor [rdl.accountants] for:		
- auditing the financial statements	2,438	-
- preparation of financial statements	563	-
Total	<u>3,001</u>	<u>-</u>

14 Contingencies

In the opinion of those charged with governance, the Company did not have any contingencies at 31 December 2019.

NewHope Medical Ltd.

ABN 15 621 650 986

Notes to the Financial Statements

For the Year Ended 31 December 2019

15 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2019	2018
	\$	\$
Net profit/(loss) for the financial year	(139,539)	(171,773)
Non-cash flows in profit:		
- depreciation	4,639	3,097
Changes in assets and liabilities:		
- (increase)/decrease in other assets	(4,634)	(1,737)
- increase/(decrease) in trade and other payables	22,613	15,625
- increase/(decrease) in employee benefits	8,353	6,130
Cashflows from operations	<u>(108,568)</u>	<u>(148,658)</u>

16 Events after the end of the Reporting Period

The financial report was authorised for issue on 06 July 2020 by those charged with governance.

Since Covid 19 has been declared a pandemic, measures put in place by Government to limit the spread of the virus have had a significant impact in the Australian economy. These measures have not had significant impact on the operations and income of the Company. In addition, the Company is receiving the cash flow boost from the Government and rent subsidy from NewHope Community Care.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

17 Statutory Information

The registered office and principal place of business of the company is:

NewHope Medical Ltd.
522 Middleborough Road
BLACKBURN NORTH VIC 3130

NewHope Medical Ltd.

ABN 15 621 650 986

Directors' Declaration

The directors declare that in the directors' opinion:

- there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
- the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Signed in accordance with subsection 60.15(2) of the *Australian Charities and Not-for-profit Commission Regulation 2013*.

Director 
Anthony Stokes

Director 
Surette Southwood

Dated this 8th day of JULY 2020

AUDITOR'S INDEPENDENCE DECLARATION UNDER DIVISION 60 OF THE AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012 TO THE DIRECTORS OF NEWHOPE MEDICAL LTD

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2019 there have been:

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



Matthew Hung, CA
rdl.accountants

22 July 2020
Blackburn, Victoria

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEWHOPE MEDICAL LTD

Report on the Financial Report

Opinion

We have audited the accompanying financial report, being a special purpose financial report, of NewHope Medical Ltd (the company), which comprises the statement of financial position as at 31 December 2019, the statement of profit or loss and comprehensive income, 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 responsible persons' declaration.

In our opinion the financial report of NewHope Medical Ltd has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- a. giving a true and fair view of the company's financial position as at 31 December 2019 and of its performance for the year ended on that date; and
- b. complying with Australian Accounting Standards to the extent described in Note 1 and complying with Division 60 of the *Australian Charities and Not-for-profits Commission Act Regulation 2013*.

Basis for Opinion

We have conducted our audit in accordance with the 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 company in accordance with the ethical requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and 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

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 directors' financial reporting responsibilities under the *Australian Charities and Not-for-profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of Directors for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the accounting policies described in Note 1 to the financial report is appropriate to meet the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and is appropriate to meet the needs of the members. The directors' responsibility

also includes such internal control as the directors 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 directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibility for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. 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.

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

- Identify and assess the risks of material misstatement of the financial report, 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 expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 company'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 report 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 company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance 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.



Matthew Hung, CA
rdl.accountants

22 July 2020
Blackburn, Victoria