

NewHope Community Care Inc.

ABN 85 716 630 562

Financial Statements

For the Year Ended 31 December 2022

NewHope Community Care Inc.

ABN 85 716 630 562

Contents

For the Year Ended 31 December 2022

	Page
Financial Statements	
Committee Members' Report	1
Statement of Profit or Loss and Other Comprehensive Income	3
Statement of Financial Position	4
Statement of Changes in Equity	5
Statement of Cash Flows	6
Notes to the Financial Statements	7
Committee Members' Declaration	14
Auditor's Independence Declaration	15
Independent Audit Report	16

NewHope Community Care Inc.

ABN 85 716 630 562

Committee Members' Report

31 December 2022

The committee members present their report on NewHope Community Care Inc. for the financial year ended 31 December 2022.

Committee members

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

Allan Demond (President)
Chris Meyers (Chairperson)
Andrew Gale (Treasurer)
Surette Southwood (Secretary)
Murray Baird
Amanda Carruthers
Tristan Ellett
Darryn Hockley
Liza Somers

Principal activities

The principal activities of NewHope Community Care Inc. during the financial year consisted of providing emergency relief and benevolent care for the benefit of those in the Whitehorse and surrounding community in order to relieve their poverty, suffering, misfortune, helplessness and destitution.

Currently NHCC achieves this through: food parcels, various forms of emergency relief, COACH and KidsHope mentoring and English Second Language Classes. Many initiatives have commenced from the heart of those who have walked a challenging road themselves and who now seek to help others. Partnerships with other churches as part of Whitehorse Churches Care, the Whitehorse Council, Box Hill Police, state and federal government, and other local networks and agencies are also significant.

Significant changes

No significant change in the nature of these activities occurred during the year.

Operating result

The profit of the Association for the financial year amounted to \$ 163,041 (2021: \$ 175,071).

NewHope Community Care Inc.

ABN 85 716 630 562

Committee Members' Report

31 December 2022

Events after the reporting date

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

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 2022 has been received and can be found on page 15 of the financial report.

Signed in accordance with a resolution of the Committee of Management:

Committee Member.....
Darryn Hockley

Committee Member.....
Surette Southwood (Secretary)

Dated this 15th day of MAY 2023

Newhope Community Care Inc.

ABN 85 716 630 562

Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 31 December 2022

		2022	2021 Restated
	Note	\$	\$
Revenue	4	792,437	701,818
Expenses			
Operations Manager and Team costs		(221,875)	(181,567)
Relief Care		(15,386)	(31,302)
Relief Care - Farsi speaking Community		(10,272)	(5,230)
Property - 522 Middleborough Rd		(2,961)	(2,146)
Advocacy & Coach & Learn English		(1,978)	(3,182)
House of Hope		(61,907)	(17,912)
Finance, Audit, Legal & Management Fees		(298,586)	(265,752)
Volunteers & Communication		(811)	(1,226)
Partnerships and Community Relationships		(15,620)	(18,430)
		<u>(629,396)</u>	<u>(526,747)</u>
Profit for the year		<u>163,041</u>	<u>175,071</u>
Other comprehensive income, net of income tax			
Total comprehensive income for the year		<u>163,041</u>	<u>175,071</u>

The accompanying notes form part of these financial statements.

Newhope Community Care Inc.

ABN 85 716 630 562

Statement of Financial Position

As At 31 December 2022

	Note	2022 \$	2021 Restated \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		1,492	1,660
Trade and other receivables	5	4,999	21,347
TOTAL CURRENT ASSETS		<u>6,491</u>	<u>23,007</u>
NON-CURRENT ASSETS			
Property, plant and equipment	6	878,357	901,112
Other assets - loan to related parties		742,301	534,735
TOTAL NON-CURRENT ASSETS		<u>1,620,658</u>	<u>1,435,847</u>
TOTAL ASSETS		<u>1,627,149</u>	<u>1,458,854</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	3,985	3,331
Employee benefits		12,317	9,382
TOTAL CURRENT LIABILITIES		<u>16,302</u>	<u>12,713</u>
NON-CURRENT LIABILITIES			
Employee benefits		5,008	3,812
Borrowings - bank loans		4,465	3,996
TOTAL NON-CURRENT LIABILITIES		<u>9,473</u>	<u>7,808</u>
TOTAL LIABILITIES		<u>25,775</u>	<u>20,521</u>
NET ASSETS		<u>1,601,374</u>	<u>1,438,333</u>
EQUITY			
Reserves	8	30,960	35,960
Retained earnings		1,570,414	1,402,373
TOTAL EQUITY		<u>1,601,374</u>	<u>1,438,333</u>

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 31 December 2022

2022

	Retained Earnings	Rent Assistance Reserve	Advocacy Reserve	Asylum Seekers Reserve	BUV Reserve	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 January 2022	1,402,373	-	22,960	8,000	5,000	1,438,333
Profit attributable to members of the parent entity	163,041	-	-	-	-	163,041
Transfer to/(from) reserve	5,000	-	-	-	(5,000)	-
Balance at 31 December 2022	1,570,414	-	22,960	8,000	-	1,601,374

2021

	Retained Earnings	Rent Assistance Reserve	Advocacy Reserve	Asylum Seekers Reserve	BUV Reserve	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 January 2021	1,217,367	14,935	22,960	8,000	-	1,263,262
Profit attributable to members of the parent entity	175,071	-	-	-	-	175,071
Transfer to/from reserve	9,935	(14,935)	-	-	5,000	-
Balance at 31 December 2021	1,402,373	-	22,960	8,000	5,000	1,438,333

Newhope Community Care Inc.

ABN 85 716 630 562

Statement of Cash Flows For the Year Ended 31 December 2022

	Note	2022 \$	2021 Restated \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		813,985	686,836
Payments to suppliers and employees		(606,900)	(507,499)
Interest paid		(157)	(100)
Net cash provided by/(used in) operating activities	11	<u>206,928</u>	<u>179,237</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment		-	(16,864)
Loans to related parties - payments made		(207,566)	(165,569)
Net cash provided by/(used in) investing activities		<u>(207,566)</u>	<u>(182,433)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Repayment of borrowings		470	412
Net cash provided by/(used in) financing activities		<u>470</u>	<u>412</u>
Net increase/(decrease) in cash and cash equivalents held		(168)	(2,784)
Cash and cash equivalents at beginning of year		1,660	4,444
Cash and cash equivalents at end of financial year		<u>1,492</u>	<u>1,660</u>

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 December 2022

The financial report covers NewHope Community Care Inc. as an individual entity. NewHope Community Care Inc. is a not-for-profit Association, registered and domiciled in Australia.

The functional and presentation currency of NewHope Community Care Inc. is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

In the opinion of those charged with Governance the Association 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*.

Compliance with Australian Accounting Standards

These financial statements do not comply with all the recognition and measurement requirements in the Australian Accounting Standards. The material accounting policies adopted in these special purpose financial statements are set out in Note 2.

The Association has not assessed how its significant accounting policies differ from the recognition and measurement requirements contained in the Australian Accounting Standards that do not apply to it.

2 Summary of Significant Accounting Policies

(a) Income Tax

The Association 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 Association 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.

Donations revenue

Revenue from donations is recognised on receipt.

Interest revenue

Interest revenue is recognised when received.

Notes to the Financial Statements

For the Year Ended 31 December 2022

2 Summary of Significant Accounting Policies

(b) Revenue and other income

Other revenue

Other revenue is recognised when the right to receive the revenue has been established.

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

(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.

(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.

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

Land and buildings

Land and buildings are measured using the cost model.

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 Association, commencing when the asset is ready for use.

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

Notes to the Financial Statements

For the Year Ended 31 December 2022

2 Summary of Significant Accounting Policies

(f) Employee benefits

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements.

(g) Change in classification in financial statements

The Association has changed classification of income and expenses to better reflect the activities of the organisation. The reclassification has been applied retrospectively, so the relevant comparative amounts have been restated.

(h) Adoption of new and revised accounting standards

The Association has not adopted any standards other than those listed in Note 1. There have been no changes to those financial standards and so there have not been any material adjustments to the reported financial position, performance or cash flow of the Association.

(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 Association 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 - useful lives of assets

The Association determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

Notes to the Financial Statements

For the Year Ended 31 December 2022

3 Critical Accounting Estimates and Judgments

Key estimates - employee benefits

As discussed in note 2, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

4 Revenue

	2022	2021 Restated
	\$	\$
- Donations	610,619	538,074
- June appeal	94,010	35,355
- Rental income	52,008	62,004
- Relief Care income	7,180	66,385
- House of Hope	28,620	-
	792,437	701,818

5 Trade and Other Receivables

	2022	2021 Restated
	\$	\$
Current		
Trade and other receivables	4,999	21,347
	4,999	21,347

6 Property, plant and equipment

	2022	2021
	\$	\$
Land and buildings		
At cost	1,002,372	1,002,372
Accumulated depreciation	(130,960)	(111,922)
Total land and buildings	871,412	890,450
Plant and equipment		
At cost	48,526	48,526
Accumulated depreciation	(41,581)	(37,864)
Total plant and equipment	6,945	10,662
Total property, plant and equipment	878,357	901,112

At the balance date the Bendigo Bank currently held the first registered mortgage over the property situated in Blackburn North, VIC at 522 Middleborough Road.

Notes to the Financial Statements

For the Year Ended 31 December 2022

7 Trade and Other Payables

	2022	2021 Restated
	\$	\$
Current		
Trade payables	6,718	7,106
GST Receivable	(5,760)	(6,313)
PAYG	3,027	2,538
	<u>3,985</u>	<u>3,331</u>

8 Reserves

	2022	2021
	\$	\$
Rent Assistance Reserve		
Opening balance	-	14,935
Transfers out	-	(14,935)
	<u>-</u>	<u>-</u>
Advocacy Reserve		
Opening balance	22,960	22,960
	<u>22,960</u>	<u>22,960</u>
Asylum Seekers Reserve		
Opening balance	8,000	8,000
	<u>8,000</u>	<u>8,000</u>
BUV Reserve		
Opening balance	5,000	-
Transfers in	-	5,000
Transfers out	(5,000)	-
	<u>-</u>	<u>5,000</u>
Total	<u>30,960</u>	<u>35,960</u>

(a) Rent Assistance Reserve

Relates to funds received from the parent community of Blackburn Primary School to provide financial support for a family in need.

(b) Advocacy Reserve

Relates to general income set aside for the next financial years to address advocacy issues.

(c) Asylum Seekers Reserve

Relates to general income set aside for the next financial years to address relief care for asylum seekers.

Notes to the Financial Statements

For the Year Ended 31 December 2022

8 Reserves

(d) BUW Reserve

Relates to the Baptist Union of Victoria contribution to a director's training course.

9 Auditors' Remuneration

	2022	2021
	\$	\$
Remuneration of the auditor [rdl.accountants] for:		
- auditing the financial statements	2,475	2,385
- preparation of financial statements	968	938
	<u>3,443</u>	<u>3,323</u>

10 Contingencies

In the opinion of those charged with governance, the Association did not have any contingencies at 31 December 2022 (31 December 2021:None).

11 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:

	2022	2021 Restated
	\$	\$
Profit for the year	163,041	175,071
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	22,754	22,041
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	16,348	(21,182)
- increase/(decrease) in trade and other payables	654	(2,833)
- increase/(decrease) in provisions	4,131	6,140
Cashflows from operations	<u>206,928</u>	<u>179,237</u>

12 Events after the end of the Reporting Period

The financial report was authorised for issue on _____ by those charged with governance.

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

Newhope Community Care Inc.

ABN 85 716 630 562

Notes to the Financial Statements

For the Year Ended 31 December 2022

13 Statutory Information

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

Newhope Community Care Inc.
522 Middleborough Road
Blackburn North Vic 3130

NewHope Community Care Inc.

ABN 85 716 630 562

Committee Members' Declaration

The committee members declare that in the committee's 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*.

Committee Member
Darryn Hockley

Committee Member
Surette Southwood (Secretary)

Dated this 15th day of MAY 2023

AUDITOR'S INDEPENDENCE DECLARATION UNDER DIVISION 60 OF THE AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012 TO THE DIRECTORS OF NEWHOPE COMMUNITY CARE INC.

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2022 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

5 May 2023
Blackburn, Victoria

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEWHOPE COMMUNITY CARE INC.

Report on the Financial Report

Opinion

We have audited the accompanying financial report, being a special purpose financial report, of NewHope Community Care Inc. (the association), which comprises the statement of financial position as at 31 December 2022, the statement of profit or loss and other 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 Community Care Inc. 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 association's financial position as at 31 December 2022 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 association 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 confirm that the independence declaration required by the *Australian Charities and Not-for-profits Commission Act 2012*, which has been given to the committee of the association, would be in the same terms if given to the committee as at the time of this auditor's report.

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 committees' 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 Committee Members for the Financial Report

The committee members 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 2 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 committee members' responsibility also includes such internal control as the committee members 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 members are responsible for assessing the association'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 committee members either intend to liquidate the association 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 association'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 association'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 association 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.

A handwritten signature in black ink, appearing to read 'Matthew Hung', with a stylized flourish at the end.

Matthew Hung, CA
rdl.accountants

17 May 2023
Blackburn, Victoria