

**INDEPENDENT AUDIT REPORT TO THE MEMBERS
OF MEALS ON WHEELS ASSOCIATION OF TASMANIA INC.
ABN: 38 422 135 443**

Opinion

We have audited the special purpose financial report of Meals on Wheels Association of Tasmania Inc. (the Association), which comprises the statement of financial position as at 30 June 2022, the statement of comprehensive income, statement of changes in equity, statement of cash flows, notes to the financial statements, including a summary of significant accounting policies, and the statement by the members of the Board of Management.

In our opinion, the accompanying financial report of Meals on Wheels Association of Tasmania 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 registered entity's financial position as at 30 June 2022, and of its financial performance for the year ended on that date; and
- b) complying with Australian Accounting Standards to the extent described in Note 1, and Division 60 the Australian Charities and Not-for-profits Commission Regulation 2013.

Basis for Opinion

As is common for an Association of this type, it is not practical for Meals on Wheels Association of Tasmania Inc. to maintain an effective system over Meal Income until initial entry in the accounting records. Accordingly, our audit in relation to Meal Income was limited to the amounts recorded.

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 Entity in accordance with 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

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The special purpose financial report has been prepared for the purpose of fulfilling the responsible entities' financial reporting responsibilities under the ACNC Act. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibility of the Board for the Financial Report

The Board of Management of the registered entity are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the ACNC Act and the needs of the members. The Board's responsibility also includes such internal control as the Board determines is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Board is responsible for assessing the registered entities 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 Board either intends to liquidate the registered entity or to cease operations, or have no realistic alternative but to do so.

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.

As part of an audit in accordance with 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 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 entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- Conclude on the appropriateness of the Board'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 entity'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 entity 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 the Board 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.



Michael Ian Derbyshire
Director

Hobart

4 October 2022

**AUDITOR'S INDEPENDENCE DECLARATION
TO MEALS ON WHEELS ASSOCIATION OF TASMANIA INC.
ABN: 38 422 135 443**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2022 there have been no contraventions of:

- (i) the auditor independence requirements as set out in the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.



Bentleys Tasmania Audit Pty Ltd
Registered Audit Company
Michael Ian Derbyshire
Director

4 October 2022

Meals on Wheels Association of Tasmania Inc.

ABN 384 2213 5443

Financial Report

For the Year Ended 30 June 2022

Meals on Wheels Association of Tasmania Inc.

For the Year Ended 30 June 2022

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Meals on Wheels Association of Tasmania Inc.

Report by the Board

30 June 2022

Your Board submit the financial report of the Association for the financial year ended 30 June 2022.

1. General information

Board members

The names of Board members at the date of this report are:

Barry Stubbs (President)

Barry was born in Ulverstone Tasmania, but now lives in Hobart. He is a retired teacher with a keen interest in History. He co-authored a book called Down Wapping, which pieces together the stories of people who once lived in the area now known as Hunter Street and along the banks of the Hobart Rivulet. Working as a volunteer for Meals on Wheels enables Barry to gain a sense of being useful or needed. One of his hobbies is seeking out new coffee shops around Hobart. He also has a real passion for travel and loves exchanging his stories. Another aspect of Meals on Wheels that he enjoys is meeting amazing people who have their own stories to tell.

Kate Kelly (Vice President): Katie holds a Bachelor of Bachelor of Arts in sports Administration and a Post Graduate Certificate in Frontline Management. Katie has worked in the sporting industry in both government and not for profit at the international, national, state and community club level for over 20 years. As a consequence of working in this area, Katie has a comprehensive understanding of the health benefits of sport and physical activities to individuals and communities.

Katie is currently working as a Policy Analyst in the State Government, a role which requires, analysis and advice on policy issues relating to Tasmanian population groups. Katie is acutely aware of the importance on people being able to remain in their homes, be as independent and physically active as possible and be connected to their community, and believes that Meals on Wheels is a key enabler in helping this to occur. Katie first become involved in Meals on Wheels at a young age when she helped to deliver rosters and meals to clients in Railton and particularly enjoyed school holiday Fridays when the Goliath Cement Works would dish out the hot chips!

Sue Williams (Secretary): Sue is now retired but she trained as a teacher and has worked as a teacher, educator and trainer and later as manager and CEO - all with not for profit, non- government organisations. Sue is a born and bred Tasmanian but lived and worked in NSW for 18 years. She returned to Tasmania in 2006. She has been a Board member of the Sexual Assault Support Service for the past 10 years and served 5 of those as the Chair of the Board. She is also a qualified workplace trainer and assessor. Sue first encountered Meals on Wheels when she often accompanied her mother, who was a volunteer in the 1970s, on her runs. She was recruited as a Board member in 2013, became Secretary in 2015, has acted as President and is once again Secretary.

Charles Von Stieglitz (Treasurer): Charles originally from Evandale in the North of Tasmania. He moved to Hobart in 2010 to study at UTas. After graduating with a business degree in 2014 he joined Accru Hobart as an accountant. Outside of work he enjoys all things sport, particularly watching Hawthorn play. By becoming part of Meals on Wheels Charles hopes to support the local Tasmanian Community.

Shoshana Wall Shoshana Wall GAICD has more than 20 years experience working in senior positions in government, utilities and the private sector, specialising in the delivery of infrastructure and customer service in complex multi stakeholder environments, particularly in start up organisations. Over her career she has counselled CEOs and senior leaders of government and private organisations including the NSW Treasury, NSW Department of Customer Service, NSW Department of Premier and Cabinet, PEXA, the Property Council of Australia and John Holland Group. She is also a graduate of the Australian Institute of Company Directors.

She is creating a new home in Tasmania and is also a director on the National Automobile Museum of Tasmania and the Burdekin Association in Sydney.

Meals on Wheels Association of Tasmania Inc.

Report by the Board

30 June 2022

Madeline Sheehan Madeline was born and raised in Tasmania, has completed an Arts degree and is a qualified lawyer. She has experience in private practice and specialises in commercial and governance issues. She is currently employed in the state owned company Tas networks. She is looking for an opportunity to join a worthwhile organisation to utilise her legal and governance skills.

Rachel Jansen Rachel commenced operating her own consultancy Jansen Consulting Services trading as Finding Facts and Solutions in early 2022. Her organisation provides independent investigation services across a variety of industries as well as HR and compliance supports to businesses. Rachel has worked in private enterprise, government services and the for purpose area over the past 20 plus years. She has held roles in operational and business administration, quality, compliance and risk management, and is an experienced human resource practitioner. Rachel joins the Board to give back to the Tasmanian Community and support the impending change program and policy shift for Meals on Wheels in the aged care sector.

Ramesh Marcandan Ramesh is a recruitment, human resources and workforce planning professional with experience working across Government, private, public and not for profit sectors. He has experience in HR functions and a strong interest in continuously developing capabilities in the field of HR and people and culture. He is currently undertaking further study in a dual Diploma in HR Management and Leadership and Management, while working full time in the Tasmanian health department. He feels the time is right to bring his experience and skills to a Board position with an organisation that promotes a worthy cause and provides a valuable service to the community.

Meals on Wheels Association of Tasmania Inc.

Report by the Board

30 June 2022

2. Principal activities

The principal activities of Association during the financial year were:

To deliver meals to people of all ages, who through sickness, age or disability cannot reasonably obtain a meal for themselves and who wish to remain with dignity and independence in their own homes. Recipients can receive a meal on a long or short term basis and delivery is available 5 days per week.

Significant changes

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

Meals on Wheels Association of Tasmania Inc.

Report by the Board

30 June 2022

1. Operating results and review of operations for the year

Operating result

The net surplus of the Association for the financial year amounted to\$ 558,392 (2021: \$ 278,227)

Signed in accordance with a resolution of the Members of the Board.

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Board Member:

SM Williams

Dated this •

3rd October, 2022

Meals on Wheels Association of Tasmania Inc.

Board Declaration - per section 60.15 of the Australian Charities and Not-for-profits Commission Regulation 2013


The Board declare that in the Board's opinion

there are reasonable grounds to believe that the Meals on Wheels Association of Tasmania Inc. 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 (Cth)*.

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

Signed in accordance with a resolution of the Board:

Board Member 

Board Member 

Dated this 3rd October 2022

Meals on Wheels Association of Tasmania Inc.
Statement of Comprehensive Income
For the Year Ended 30 June 2022

	2022	2021
	\$	\$
Income		
Operating grants	2,412,170	1,839,360
COVID-19 government assistance		37,500
Interest income	30	4,566
Meals income	2,259,779	1,957,375
Other income	108,972	90,368
Total income	<u>4,780,951</u>	<u>3,929,169</u>
Less:Expenses		
Accounting and audit fees	5,377	8,750
Advertising	6,439	18,765
Bad debts	5,484	
Cleaning expenses	18,667	27,514
Cost of merchandise	12,957	6,715
Depreciation	111,271	56,177
Amortisation	57,719	70,897
Donations	21,863	16,897
Equipment< \$300	46,069	63,101
Utilities	20,990	26,032
Honoraria	2,950	7,408
Insurance	84,056	60,519
IT expenses	16,383	17,261
Lease interest	4,343	6,461
Meals expense	1,972,931	1,659,432
Meeting expense	2,014	2,119
Motor vehicle expenses	167,986	124,014
Outside services		
Permits, licenses and fees	1,369	1,587
Postage, printing and stationery	72,732	58,674
Rental expense		
Repairs and maintenance	18,964	7,608
Salaries	1,349,337	1,216,104
Subscriptions	5,906	8,514
Sundry expenses	49,826	42,722
Superannuation contributions	127,703	110,160
Telephone	33,786	30,542
Travel and accommodation	5,437	2,969
Total expenses	<u>4,222,559</u>	<u>3,650,942</u>
Net surplus for the year	<u>558,392</u>	<u>278,227</u>
Other comprehensive income		
Total comprehensive income	<u>558,392</u>	<u>278,227</u>

The accompanying notes form part of these financial statements.

Meals on Wheels Association of Tasmania Inc.
Statement of Financial Position
As At 30 June 2022

	Note	2022	2021
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	2,382,918	1,925,612
Trade and other receivables		140,518	135,803
Prepayments		82,045	75,855
Investments			
TOTAL CURRENT ASSETS		<u>2,605,481</u>	<u>2,137,270</u>
NON-CURRENT ASSETS			
Plant and equipment	4	389,906	335,723
Right-of-use asset	5a	103,860	161,333
TOTAL NON-CURRENT ASSETS		<u>493,766</u>	<u>497,056</u>
TOTAL ASSETS		<u>3,099,247</u>	<u>2,634,326</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	6	299,730	173,067
Employee benefits	7	149,522	115,025
Lease liability	1(n)	39,933	81,944
TOTAL CURRENT LIABILITIES		<u>489,185</u>	<u>370,036</u>
NON-CURRENT LIABILITIES			
Lease liability	1(n)	63,928	88,139
Employee benefits	7	42,522	39,532
TOTAL NON-CURRENT LIABILITIES		<u>106,450</u>	<u>127,671</u>
TOTAL LIABILITIES		<u>595,635</u>	<u>497,707</u>
NET ASSETS		<u>2,503,612</u>	<u>2,136,619</u>
EQUITY			
Accumulated surpluses		2,503,612	1,945,220
Restricted reserve			191,399
TOTAL EQUITY		<u>2,503,612</u>	<u>2,136,619</u>

The accompanying notes form part of these financial statements.

Meals on Wheels Association of Tasmania Inc.
Statement of Cash Flows
For the Year Ended 30 June 2022

	2022	2021
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	2,255,064	2,066,115
Receipts from government	2,220,771	2,064,547
Interest received	30	4,566
Other receipts	48,563	99,405
Payment to suppliers & employees	(3,900,015)	(3,920,402)
Depreciation		
Net cash provided by operating activities	11 <u>624,412</u>	<u>314,231</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of property plant and equipment	87,306	26,546
Purchase of property plant and equipment	(192,350)	(167,733)
Purchase of investments		31,769
Net cash used by investing activities	<u>(105,044)</u>	<u>(109,418)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayments of lease liability	(57,719)	(46,862)
Lease interest	(4,343)	(6,461)
Net cash used by financing activities	<u>(62,062)</u>	<u>(53,323)</u>
Net increase/(decrease) in cash and cash equivalents held	457,306	151,490
Cash and cash equivalents at beginning of year	<u>1,925,612</u>	<u>1,774,122</u>
Cash and cash equivalents at end of financial year	3 <u>2,382,918</u>	<u>1,925,612</u>

The accompanying notes form part of these financial statements.

Meals on Wheels Association of Tasmania Inc.
Statement of Changes in Equity
For the Year Ended 30 June 2022

2022

	Accumulated surpluses	Restricted reserve	Total
Note	\$	\$	\$
Balance at 1 July 2021	1,945,220	191,399	2,136,619
Net surplus/(deficit) for the year	558,392		558,392
Transfer to income		(191,399)	
Balance at 30 June 2022	2,503,612		2,503,612

2021

	Accumulated surpluses	Restricted reserve	Total
Note	\$	\$	\$
Balance at 1 July 2020	897,623	960,769	1,858,392
Net surplus/(deficit) for the year	278,227		278,227
Transfer to reserves		(769,370)	
Balance at 30 June 2021	1,945,220	191,399	2,136,619

The accompanying notes form part of these financial statements.

Meals on Wheels Association of Tasmania Inc.
Notes to the Financial Statements
For the Year Ended 30 June 2022

1 Summary of Significant Accounting Policies

The financial report is for the Meals on Wheels Association of Tasmania Inc. as an individual entity. Meals on Wheels Association of Tasmania Inc. is incorporated in Tasmania.

(a) Basis of preparation

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of *the Australian Charities and Not-for-profits Commission Act 2012 (Cth)*. The Board has determined that the Association is not a reporting entity. The Association is a not for profit entity for financial reporting purposes.

The financial statements have been prepared in accordance with the minimum requirements of the *Australian Charities and Not-for-profits Commission Act 2012 (Cth)* and therefore comply with the following Australian Accounting Standards as issued by the Australian Accounting Standards Board

- 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.

No other Accounting Standards have been intentionally applied in the compilation of this financial report. These special purpose financial statements comply with all the recognition and measurement requirements in Australian Accounting Standards.

The financial report, except for the cash flow information, 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 amounts presented within the financial statements have been rounded to the nearest dollar.

(b) Comparative figures

Comparative figures have been adjusted to conform to changes in presentation for the current financial year where required.

(c) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments.

Meals on Wheels Association of Tasmania Inc.
Notes to the Financial Statements
For the Year Ended 30 June 2022

1 Summary of Significant Accounting Policies

(d) Trade and Other Receivables

The Association considers accounts receivable to be fully collectible, accordingly no allowance for expected credit losses is required.

(e) Property, plant and equipment

Property, plant and equipment are carried at cost. All assets are depreciated over their useful lives to the Association.

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

Fixed asset class	Depreciation rate
Motor Vehicles	10 - 20 %
Furniture and office equipment	10- 20 %

(f) Financial instruments

Financial instruments are recognised initially on the date that the Association becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Association classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)
- fair value through other comprehensive income - debt investments (FVOCI - debt)

Financial assets are not reclassified subsequent to their initial recognition unless the Association changes its business model for managing financial assets.

Meals on Wheels Association of Tasmania Inc.
Notes to the Financial Statements
For the Year Ended 30 June 2022

1 Summary of Significant Accounting Policies

Financial assets

Amortised Cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Association's financial assets measured at amortised cost comprise trade and other receivables, cash and cash equivalents and investments in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Fair Value through Other Comprehensive Income

There are no financial assets classified as fair value through other comprehensive income.

Financial Assets through Profit or Loss

There are no financial assets classified as fair value through profit and loss.

Impairment of Financial Assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost
- debt investments measured at FVOCI

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Association considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Association's historical experience and informed credit assessment and including forward looking information.

The Association uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

Meals on Wheels Association of Tasmania Inc.
Notes to the Financial Statements
For the Year Ended 30 June 2022

1 Summary of Significant Accounting Policies

Financial assets

The Association uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Association in full, without recourse to the Association to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Association in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade Receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Association has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Association renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other Financial Assets Measured at Amortised Cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Association measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Association comprise trade payables, bank and other loans and lease liabilities.

(g) 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.

Meals on Wheels Association of Tasmania Inc.
Notes to the Financial Statements
For the Year Ended 30 June 2022

1 Summary of Significant Accounting Policies

(h) Leases

The Association as a lessee

At the lease commencement, the Association recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Association believes it is reasonably certain that the option will be exercised. Finance leases are recognised at an amount equal to the present value of the minimum lease payments determined at the inception of the lease or initial recognition in the case of first application of AASB 16 Leases.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received. The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease.

The Association as a lessor

The Association does not act as a lessor in any leasing arrangements.

(i) 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 year. Employee benefits have been measured at the amounts expected to be paid when the liability is settled.

Contribution made by the Association to an employee superannuation fund are charged as expenses when incurred.

Meals on Wheels Association of Tasmania Inc.
Notes to the Financial Statements
For the Year Ended 30 June 2022

1 Summary of Significant Accounting Policies

(j) Revenue and other income

Revenue is measured at the fair value of the consideration received or receivable net of the amount of goods and services tax (GST) payable to the Australian Taxation Office

Operating Grants/Subsidies - under AASB 15

Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations, then the revenue is recognised when control of each performance obligation is satisfied.

Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control and with grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract. Where control is transferred over time, generally the input methods being either costs or time incurred are deemed to be the most appropriate method to reflect the transfer of benefit.

Operating Grants/Subsidies - under AASB 1058

Assets arising from grants in scope of MSB 1058 (i.e. agreements that are not enforceable or do not have sufficiently specific performance obligations) are recognised at their fair value when the asset is received. These assets are generally cash.

The Association then considers whether there are any related liability or equity items associated with the asset which are recognised in accordance with the relevant accounting standard.

Once the assets and liabilities have been recognised, then income is recognised for any difference between the recorded assets and liability.

Grant income is recognised when expensed in accordance with the terms of the funding agreement.

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

(k) Income tax

No provision for income tax has been raised as the association is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(l) 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 Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Meals on Wheels Association of Tasmania Inc.
Notes to the Financial Statements
For the Year Ended 30 June 2022

1 Summary of Significant Accounting Policies

(m) Economic dependence

Meals on Wheels Association of Tasmania Inc. is dependent on both the State and Commonwealth Governments for the majority of its revenue used to operate the business. At the date of this report the Board members have no reason to believe the Government will not continue to support Meals on Wheels Association of Tasmania Inc.

(n) Adoption of new and revised accounting standards

The Association has adopted all standards which became effective for the first time for the period ending 30 June 2021, all required changes in respect of adopting these standards have been made to the reported financial position, performance or cash flow of the Association.

New accounting standards for application in future periods

New accounting standards for application in future periods. The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Standard AASB 2020-1 Amendments to Australian Accounting Standards Classification of Liabilities as Current or Non-current amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. This standard applies to annual reporting periods beginning on or after 1 January 2022. The entity has decided against early adoption of this Standards.

(o) Restricted Reserve

Restricted reserves represent amounts not otherwise recorded in the financial statement for which the Association has set aside accumulated surpluses for specific purposes being either internal or external restrictions. The amount at 30 June 2021 represents the amount of unspent grant funds for which there is no present obligation or liability, and this has been recognized as income in 2022.

2 Critical Accounting Estimates and Judgments

The Board members 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, however as additional information is known then the actual results may differ from the estimates.

The significant estimates used in preparing the financials are described as per below.

Key estimates - Revenue Recognition

For many of the grant agreements received, the determination of whether the contract includes sufficiently specific performance obligations was a significant judgement involving discussions, review of the grant documents and consideration of the terms and conditions. Grants received by the Association have been accounted for under AASB 1058 based on the terms and conditions and decisions made. If this determination was changed then the revenue recognition pattern would be different from that recognised in this financial report.

Key estimates - Employee Benefit.

Meals on Wheels Association of Tasmania Inc.
Notes to the Financial Statements
For the Year Ended 30 June 2022

2 Critical Accounting Estimates and Judgments

For the purpose of measurement, the entity expects that most employees will not take their annual leave entitlements within a 12 month period in which they are earned, but this will not have a material impact on the amounts recognised in respect of obligations for employees' leave entitlement.

Key Judgement- Right of use Asset Lease Term

The Association determines the lease term as the non-cancellable period of a lease, this covers option to extend the lease if the Association is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Association is reasonably certain not to exercise that option. In assessing whether an Association is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, the Association has considered all relevant facts and circumstances that create an economic incentive for the Association.

3 Cash and Cash Equivalents

	2022	2021
	\$	\$
Cash at bank	2,382,018	1,924,712
Petty cash	900	<u>900</u>
	<u>2,382,918</u>	<u>1,925,612</u>

4 Plant and Equipment

	2022	2021
	\$	\$
Motor vehicles		
At cost	544,917	483,515
Accumulated depreciation	(280,863)	<u>(268,379)</u>
Total motor vehicles	264,054	<u>215,136</u>
Office equipment		
At cost	261,332	245,473
Accumulated depreciation	(135,480)	<u>(124,886)</u>
Total office equipment	125,852	<u>120,587</u>
Total plant and equipment	<u>389,906</u>	<u>335,723</u>

Meals on Wheels Association of Tasmania Inc.
Notes to the Financial Statements
For the Year Ended 30 June 2022

5 Right-of-use Asset

The amounts recognised in relation to leases where the Association is a lessee are shown below:

(a) Building leases

	2022	2021
	\$	\$
At cost	161,580	290,661
Accumulated amortisation	(57,720)	(129,328)
Total	<u>103,860</u>	<u>161,333</u>

6 Trade and Other Payables

	2022	2021
	\$	\$
Trade payables	264,223	184,481
GST payable/(receivable)	(2,545)	(247)
ATO Integrated Account	38,052	(11,167)
	<u>299,730</u>	<u>173,067</u>

7 Employee Benefits

	2022	2021
	\$	\$
Current liabilities		
Annual leave	63,472	53,044
Long service leave	86,050	61,982
	<u>149,522</u>	<u>115,026</u>
Non-current liabilities		
Long service leave	42,522	39,532
	<u>42,522</u>	<u>39,532</u>

8 Capital Commitments

There are no capital commitments as at 30 June 2022 (2021: Nil).

9 Auditors' Remuneration

	2022	2021
	\$	\$
Remuneration of the auditor of the Association, Crowe Audit Australia, for:		
- auditing and grant acquittal audit and assistance with compilation of the financial statements	<u>5,350</u>	<u>4,850</u>

Meals on Wheels Association of Tasmania Inc.
Notes to the Financial Statements
For the Year Ended 30 June 2022

10 Contingent Liabilities and Contingent Assets

The Association has received grant funds with associated agreements whereby unexpected grant funds may be repayable to the funding provider in the future in the event of either cessation of the funded services or upon triggering of a repayment clause in a funding agreement.

There are no other contingent assets or liabilities as at reporting date.

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
	\$	\$
Net surplus/(deficit) for the year	558,392	278,227
Non cash flows excluded from surplus attributable to operating activities		
Depreciation	111,271	56,077
Amortisation	57,719	70,897
Gain/Loss on disposal of asset	(60,409)	
Lease interest	4,343	6,460
Changes in assets and liabilities		
- (increase)/decrease in trade and other receivables	(4,715)	(38,567)
- (increase)/decrease in prepayments	(6,190)	(20,370)
- increase/(decrease) in reserves	(191,399)	
- increase/(decrease) in trade and other payables	126,663	(38,648)
- increase/(decrease) in employee benefits	37,487	(19,641)
- (increase)/decrease in other liabilities	(8,749)	19,696
Cashflow from operations	<u>624,412</u>	<u>314,231</u>

12 Events after the end of the Reporting Period

The Coronavirus (COVID-19) pandemic continues to impact both communities and businesses throughout the world including Australia and the community where the entity operates. The scale, timing and duration of the potential impacts on the College is unknown, as are and future mitigating factors. The entity continues to closely monitor the impacts of COVID-19 and will respond as appropriate.

No other matters or circumstances have arisen since the reporting date which significantly affected or may significantly affect the operations of the entity, the results of the operation, or the state of affairs of the entity in future years.

13 Association Details

The registered office of the Association is:
 103A Grove Road
 Glenorchy, TAS 7010

**AUDITOR'S INDEPENDENCE DECLARATION
TO MEALS ON WHEELS ASSOCIATION OF TASMANIA INC.
ABN: 38 422 135 443**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2022 there have been no contraventions of:

- (i) the auditor independence requirements as set out in the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.



Bentleys Tasmania Audit Pty Ltd
Registered Audit Company
Michael Ian Derbyshire
Director

4 October 2022

Liability limited by a scheme approved under Professional Standards Legislation.

**INDEPENDENT AUDIT REPORT TO THE MEMBERS
OF MEALS ON WHEELS ASSOCIATION OF TASMANIA INC.
ABN: 38 422 135 443**

Opinion

We have audited the special purpose financial report of Meals on Wheels Association of Tasmania Inc. (the Association), which comprises the statement of financial position as at 30 June 2022, the statement of comprehensive income, statement of changes in equity, statement of cash flows, notes to the financial statements, including a summary of significant accounting policies, and the statement by the members of the Board of Management.

In our opinion, the accompanying financial report of Meals on Wheels Association of Tasmania 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 registered entity's financial position as at 30 June 2022, and of its financial performance for the year ended on that date; and
- b) complying with Australian Accounting Standards to the extent described in Note 1, and Division 60 the Australian Charities and Not-for-profits Commission Regulation 2013.

Basis for Opinion

As is common for an Association of this type, it is not practical for Meals on Wheels Association of Tasmania Inc. to maintain an effective system over Meal Income until initial entry in the accounting records. Accordingly, our audit in relation to Meal Income was limited to the amounts recorded.

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 Entity in accordance with 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

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The special purpose financial report has been prepared for the purpose of fulfilling the responsible entities' financial reporting responsibilities under the ACNC Act. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibility of the Board for the Financial Report

The Board of Management of the registered entity are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the ACNC Act and the needs of the members. The Board's responsibility also includes such internal control as the Board determines is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Board is responsible for assessing the registered entities 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 Board either intends to liquidate the registered entity or to cease operations, or have no realistic alternative but to do so.

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.

As part of an audit in accordance with 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 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 entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- Conclude on the appropriateness of the Board'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 entity'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 entity 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 the Board 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.



Michael Ian Derbyshire
Director

Hobart

4 October 2022