

**Independent Living Centre
(Tas) Inc.
Financial Statements
2012 – 2013**

INDEPENDENT LIVING CENTRE (TAS) INC
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

		2013	2012
		\$	\$
Revenue	2	788,804	763,291
Employee benefits expense		(465,224)	(592,059)
Occupancy expenses		(149,196)	(78,584)
Depreciation and amortisation	2	(26,499)	(19,348)
Administration expenses	2	<u>(80,987)</u>	<u>(87,320)</u>
<i>OPERATING SURPLUS/(DEFICIT)</i>		<u>66,898</u>	<u>(14,020)</u>

INDEPENDENT LIVING CENTRE (TAS) INC
STATEMENT OF FINANCIAL POSITION
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

	Note	2013 \$	2012 \$
CURRENT ASSETS			
Cash and cash equivalents	3	448,295	338,248
Accounts receivable and other debtors	4	9,858	5,338
Other current assets	5	1,038	988
TOTAL CURRENT ASSETS		<u>459,191</u>	<u>344,574</u>
NON CURRENT-ASSETS			
Property, plant and equipment	6	54,261	60,522
TOTAL NON-CURRENT ASSETS		<u>54,261</u>	<u>60,522</u>
TOTAL ASSETS		<u>513,452</u>	<u>405,096</u>
CURRENT LIABILITIES			
Accounts payable and other payables	7	104,916	54,035
Provisions	8	50,074	58,410
TOTAL CURRENT LIABILITIES		<u>154,990</u>	<u>112,445</u>
NON-CURRENT LIABILITIES			
Provisions	8	24,736	25,823
TOTAL NON-CURRENT LIABILITIES		<u>24,736</u>	<u>25,823</u>
TOTAL LIABILITIES		<u>179,726</u>	<u>138,268</u>
NET ASSETS		<u>333,726</u>	<u>266,828</u>
EQUITY			
Building Reserve	9	230,000	230,000
Education Reserve	9	30,000	30,000
Accumulated funds		73,726	6,828
TOTAL EQUITY		<u>333,726</u>	<u>266,828</u>

INDEPENDENT LIVING CENTRE (TAS) INC
STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

	Note	Accumulated Funds \$	Building Reserve \$	Education Reserve \$	Total \$
2012					
Balance at 1 July 2011		20,848	230,000	30,000	280,848
Net surplus/deficit for year		(14,020)			(14,020)
Transfers		-	-	-	-
Balance at 30 June 2012		<u>6,828</u>	<u>230,000</u>	<u>30,000</u>	<u>266,828</u>
2013					
Balance at 1 July 2012		6,828	230,000	30,000	266,828
Net surplus/deficit for year		66,898			66,898
Transfers		-	-	-	-
Balance at 30 June 2013		<u>73,726</u>	<u>230,000</u>	<u>30,000</u>	<u>333,726</u>

INDEPENDENT LIVING CENTRE (TAS) INC
STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

	Note	2013 \$	2012 \$
Cash Flows from Operating Activities			
Receipts from Grants		743,915	691,418
Receipts from Customers		33,384	26,616
Payments to Suppliers and Employees		<u>(666,360)</u>	<u>(734,454)</u>
		110,939	(16,420)
Interest Received		<u>19,346</u>	<u>24,060</u>
Net Cash from Operating Activities	10	130,285	7,640
 Cash Flows from Investing Activities			
Proceeds from Sales of Assets		-	-
Purchase of Plant and Equipment		(20,238)	(17,434)
Purchase of Motor Vehicles		-	-
Purchase of Leasehold Improvements		<u>-</u>	<u>-</u>
Net Cash used in Investing Activities		(20,238)	(17,434)
 Cash Flows from Financing Activities			
Net Cash from Financing Activities		<u>\$ -</u>	<u>\$ -</u>
Net Increase/(Decrease) in cash held		110,047	(9,794)
Cash and Cash Equivalents at Beginning of period		<u>338,247</u>	<u>348,041</u>
Cash and Cash Equivalents at End of period	3	<u><u>448,294</u></u>	<u><u>338,247</u></u>

INDEPENDENT LIVING CENTRE (TAS) INC
NOTES TO FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

Note

1 Significant Accounting Policies

Independent Living Centre (Tas) Inc has elected to early adopt the Australian Accounting Standards - Reduced Disclosure Requirements as set out in AASB1053: *Application of Tiers of Australian Accounting Standards* and AASB2010-2: *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements*.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the Associations Incorporation Act (Tasmania) 1964. The association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statement have been rounded to the nearest dollar.

The financial statements were authorised for issue on 20 August 2013.

(a) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(b) 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 losses.

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The depreciable amount of all fixed assets is depreciated on a straight-line basis over their useful lives commencing from the time the asset is available for use.

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

Computer Server & Related Equipment	30%
Motor Vehicles	20%
Plant and Equipment	10%

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in profit or loss when the item is derecognised.

INDEPENDENT LIVING CENTRE (TAS) INC
NOTES TO FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

(c) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the association commits itself to either purchase or sell the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified "at fair value through profit or loss" in which case transaction costs are recognised immediately as expenses in profit or loss.

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method or cost. Where available, quoted prices in an active market are used to determine fair value.

(d) Cash and Cash Equivalents

Cash includes cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less.

(e) Employee Benefits

Provision is made for the association's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on costs. Employee benefits payable later than one year have been measured at present value of the estimated future cash outflows to be made for those benefits.

(f) Income Tax

The association has not adopted the principles of tax effect accounting as it is exempt from income tax under section 50-45 of the Australian Income Tax Assessment Act 1997.

(g) Revenue

Non-reciprocal grant revenue is recognised in the profit or loss when the association obtains control of the grant and it is probable that the economic benefits from the grant will flow to the association and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the association incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

**INDEPENDENT LIVING CENTRE (TAS) INC
NOTES TO FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013**

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from the rendering of services is recognised upon the delivery of the service to the customers.

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

(h) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. 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.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(i) Leases

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred over the lease term.

2 Note to the Income Statement

The net surplus/(deficit) includes the following items of revenue and expense:

	2013	2012
	\$	\$
(a) Operating Revenue		
Professional Fees	14,453	4,029
Grant Income	668,650	660,939
Other Grant Income	62,904	52,849
Parental Leave Payments Received	1,220	9,430
Subscriptions	385	325
Sundry	10,482	9,085
Education Fees Charged	4,424	2,195
Donations	6,940	379
Interest	19,346	24,060
	<u>788,804</u>	<u>763,291</u>

INDEPENDENT LIVING CENTRE (TAS) INC
 NOTES TO FINANCIAL STATEMENTS
 FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

	2013	2012
	\$	\$
(b) Expenses		
Depreciation		
Leasehold Improvements	5,364	5,354
Plant and Equipment	2,708	2,759
Computer Equipment	12,260	5,067
Motor Vehicles	6,167	6,168
	<u>26,499</u>	<u>19,348</u>
Rental expense on operating leases	53,677	53,251
Key management personnel compensation	101,465	99,315

3 Cash Assets (and Cash Equivalents)

Cash and cash equivalents in the cash flow statement reconcile to the following balance sheet amounts.

Bendigo Bank Community Account	104,045	10,649
Tasmanian Perpetual Trustees Cash Management	37,115	34,668
Tasmanian Perpetual Trustees Term Investment	306,935	292,731
Cash on Hand	200	200
	<u>448,295</u>	<u>338,248</u>

4 Accounts Receivable and Other Debtors

Accounts Receivable and Other Debtors	<u>9,858</u>	<u>5,338</u>
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5 Other Assets

Prepayments	<u>1,038</u>	<u>988</u>
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6 Property, Plant and Equipment at Cost

Leasehold Improvements	78,819	78,819
Accumulated Depreciation	(78,819)	(73,455)
	<u>-</u>	<u>5,364</u>
Plant and Equipment	36,840	27,181
Accumulated Depreciation	(25,972)	(24,276)
	<u>10,868</u>	<u>2,905</u>
Motor Vehicles	61,672	61,672
Accumulated Depreciation	(30,799)	(24,632)
	<u>30,873</u>	<u>37,040</u>

INDEPENDENT LIVING CENTRE (TAS) INC
 NOTES TO FINANCIAL STATEMENTS
 FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

	2013	2012
	\$	\$
Computer Equipment	60,217	111,975
Accumulated Depreciation	<u>(47,697)</u>	<u>(96,762)</u>
	<u>12,520</u>	<u>15,213</u>
 Total Property Plant and Equipment	 <u><u>54,261</u></u>	 <u><u>60,522</u></u>

7 Accounts Payable and Other Payables

Trade Creditors	46,673	8,004
GST & PAYG Payable	14,243	18,232
Unexpended Grants	7,376	-
Accrued expenses	16,572	16,894
 Bendigo Bank Mastercard	 4,597	 435
Other Grants/Income received in Advance	<u>15,455</u>	<u>10,470</u>
	<u><u>104,916</u></u>	<u><u>54,035</u></u>

8. PROVISIONS

Current

Annual Leave	30,954	35,147
Long Service Leave	<u>19,120</u>	<u>23,263</u>
	<u><u>50,074</u></u>	<u><u>58,410</u></u>

Non-Current

Long Service Leave	<u><u>24,736</u></u>	<u><u>25,823</u></u>
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9 Reserves

(a) Building Reserve

The building reserve records funds set aside for the future provision of building facilities for the centre, potentially including the acquisition of land and buildings in the centre's own right.

(b) Education Reserve

The education reserve was created to designate funds received for the specific purpose of providing educational resources and services to the centre's clients. Funds will be drawn from this reserve as relevant expenditure is incurred in future.

INDEPENDENT LIVING CENTRE (TAS) INC
 NOTES TO FINANCIAL STATEMENTS
 FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

10 Note to the Cash Flow Statement

a) Reconciliation of net cash provided by operating activities to surplus for the year

	2013	2012
	\$	\$
Surplus for the Year	66,898	(14,020)
Non-cash flows in profit from ordinary activities		
- Depreciation	26,499	19,348
- Provisions for staff entitlements	(9,423)	17,979
	<u>83,974</u>	<u>23,307</u>
Changes in assets and liabilities		
- Decrease/(Increase) in trade receivables	(4,520)	1,173
- Decrease/(Increase) in prepayments	(50)	609
- Increase/(Decrease) in trade and other payables	50,881	(17,449)
Cash from operating activities	<u><u>130,285</u></u>	<u><u>7,640</u></u>

b) Non-cash investing and financing activities

Independent Living Centre (Tas) Inc. did not enter into any non-cash investing and financing activities for the year ended 30 June 2013.

c) Financing Facilities

Unsecured credit card facility

Amount used	4,597	435
Amount unused	403	4,565
	<u>5,000</u>	<u>5,000</u>

11 Members Guarantee

The Independent Living Centre (Tas) Inc is incorporated under the Associations Incorporation Act 1964 (as amended). The members are liable in the event of winding up to the amount not exceeding \$2 per member in accordance with the association's constitution.

12 Related Party Transactions

There were no related party transactions for the association during 2012/13.

13 Financial Risk Management

The association's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements are disclosed in Notes 3, 4 and 7.

INDEPENDENT LIVING CENTRE (TAS) INC
NOTES TO FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

	2013	2012
Financial assets	\$	\$
Cash and cash equivalents	448,295	338,248
Accounts receivable and other debtors	9,858	5,338
Total financial assets	<u>458,153</u>	<u>343,586</u>
Financial liabilities		
Financial liabilities at amortised cost:		
Accounts payable and other payables	<u>104,916</u>	<u>54,035</u>

Independent Living Centre (Tas) Inc

Committee Declaration

For the Year Ended 30 June 2013

In the opinion of the committee the financial report as set out on pages 1 to 11:

1. Presents a true and fair view of the financial position of the association as at 30 June 2013 and its performance for the year ended on that date in accordance with Australian Accounting Standards.
2. At the date of this statement, there are reasonable grounds to believe that the association will be able to pay its debts as and when they fall due.

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


Chairman


Dated



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INDEPENDENT LIVING CENTRE TAS INC

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Report on the Financial Report

We have audited the accompanying financial report of Independent Living Centre Tas Inc, which comprises the statement of financial position as at 30 June 2013, the statement of profit and 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 certification by members of the committee on the annual statements giving a true and fair view of the financial position of the association.

Committees' Responsibility for the Financial Report

The committee of the Independent Living Centre Tas Inc are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Associations Incorporation Act (Tasmania) 1964* and for such internal control as the committee determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of APES 110 Code of Ethics for Professional Accountants and Associations Incorporation Act (Tasmania) 1964.

Auditor's Opinion

In our opinion the financial report of Independent Living Centre Tas Inc is in accordance with the Association Incorporations Act (Tasmania) 1964, including:

- Giving a true and fair view of the association's financial position as at 30 June 2013 and of its performance for the year ended on that date; and
- Complying with Australian Accounting Standards – Reduced Disclosure Requirements.
- We obtained the information we required for the audit and the Independent Living Centre Tas Inc at 30 June 2013; and
- The rules relating to the administration of the funds of the Independent Living Centre Tas Inc have been observed



Crowe Horwath



Carol Scholes-Robertson
Partner

Launceston

Date: 23 August 2013