

Meals on Wheels Moreton Bay Region Inc

17 219 787 936

Financial Statements

For the Year Ended 30 June 2022

Meals on Wheels Moreton Bay Region Inc

17 219 787 936

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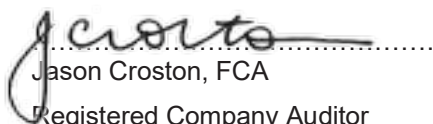
For the Year Ended 30 June 2022

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AUDITOR'S INDEPENDENCE DECLARATION

As auditor for the audit of Meals on Wheels Moreton Bay Region Inc. for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

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



Jason Croston, FCA

Registered Company Auditor

Brisbane

SRJ Walker Wayland

Dated: 19 October 2022

Meals on Wheels Moreton Bay Region Inc

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Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2022

		2022	2021
	Note	\$	\$
Revenue	4	1,109,548	-
Finance income		1,447	-
Other income	4	999,124	-
Employee benefits expense		(1,452,165)	-
Depreciation		(130,766)	-
Cost of sales		(593,512)	-
Other expenses	5	(390,971)	-
Finance expenses		(38)	-
Surplus/(deficit) for the year		(457,333)	-

The accompanying notes form part of these financial statements.

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Statement of Financial Position As At 30 June 2022

	Note	2022 \$	2021 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	549,941	-
Trade and other receivables	7	99,535	-
Inventories	8	41,082	-
TOTAL CURRENT ASSETS		690,558	-
NON-CURRENT ASSETS			
Property, plant and equipment	9	587,879	-
TOTAL NON-CURRENT ASSETS		587,879	-
TOTAL ASSETS		1,278,437	-
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	81,267	-
Employee benefits	11	103,304	-
TOTAL CURRENT LIABILITIES		184,571	-
NON-CURRENT LIABILITIES			
Employee benefits	11	22,575	-
TOTAL NON-CURRENT LIABILITIES		22,575	-
TOTAL LIABILITIES		207,146	-
NET ASSETS		1,071,291	-
EQUITY			
Accumulated surplus		1,071,291	-
TOTAL EQUITY		1,071,291	-

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity
For the Year Ended 30 June 2022

2022

	Accumulated surplus	Total
	\$	\$
Balance at 1 July 2021	-	-
Capital contributions received	1,528,624	1,528,624
Surplus/(deficit) for the year	(457,333)	(457,333)
Balance at 30 June 2022	1,071,291	1,071,291

The accompanying notes form part of these financial statements.

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Statement of Cash Flows For the Year Ended 30 June 2022

	Note	2022 \$	2021 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		2,009,137	-
Payments to suppliers and employees		(2,270,583)	-
Interest received		1,446	-
Interest paid		(38)	-
Capital contributions received		1,528,624	-
Net cash provided by/(used in) operating activities	13	<u>1,268,586</u>	-
CASH FLOWS FROM INVESTING ACTIVITIES:			
Movement in property, plant and equipment		<u>(718,645)</u>	-
Net cash provided by/(used in) investing activities		<u>(718,645)</u>	-
Net increase/(decrease) in cash and cash equivalents held		<u>549,941</u>	-
Cash and cash equivalents at end of financial year	6	<u><u>549,941</u></u>	-

The accompanying notes form part of these financial statements.

Meals on Wheels Moreton Bay Region Inc

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Notes to the Financial Statements For the Year Ended 30 June 2022

The financial report covers Meals on Wheels Moreton Bay Region Inc as an individual entity. Meals on Wheels Moreton Bay Region Inc is a not-for-profit Association, registered and domiciled in Australia.

The functional and presentation currency of Meals on Wheels Moreton Bay Region Inc is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

The association is a not-for-profit entity for the purposes of preparing the financial report.

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*.

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

2 Summary of Significant Accounting Policies

(a) 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 entity 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.

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

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Association expects to receive in exchange for those goods or services.

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Association have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Meals on Wheels Moreton Bay Region Inc

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Notes to the Financial Statements For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Association are:

Grant revenue

Revenue in the scope of AASB 1058 is recognised on receipt unless it relates to a capital grant which satisfied certain criteria, in this case the grant is recognised as the asset is acquired or constructed.

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.

The performance obligations are varied based on the agreement.

Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control and within grant agreements there may be some performance obligations where control transfer 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 methods to reflect the transfer of benefit.

Sale of goods and meals

Revenue from the sale of goods and meals comprises revenue earned from the sale of goods and meals purchased and prepared for resale. Sales revenue is recognised when the control of goods and meals passes to the customer.

(b) Income Tax

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

(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 payables are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(d) Volunteer services

No amounts are included in the financial statements for services donated by volunteers.

Notes to the Financial Statements

For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies

(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) Leases

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

The method of not recognising operating leases on the statement of financial position does not comply with *AASB 16 Leases*.

(g) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the first-in-first-out basis and is net of any rebates and discounts received. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

Inventories acquired at no cost, or for nominal consideration are valued at the current replacement cost as at the date of acquisition, which is the deemed cost.

(h) 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 significantly less than fair value have been recorded at the acquisition date fair value.

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 asset's useful life to the Association, commencing when the asset is ready for use.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

Notes to the Financial Statements

For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies

(h) Property, plant and equipment

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

Fixed asset class	Depreciation rate
Plant and Equipment	10-30%
Motor Vehicles	18.75%
Office Equipment	10-20%
Computer Equipment	40%
Leasehold Improvements	2.5%
Kitchen Equipment	20%

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

(i) Employee benefits

Provision is made for the Association's liability for employee benefits, those 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.

Long-term provisions recognised for long service leave has been measured on the undiscounted basis. The probability that an employee may satisfy vesting requirements has not been taken into account. This treatment of long service leave entitlements does not comply with *AASB 119 Employee Benefits*.

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 - provisions

As described in the accounting policies, provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

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.

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Notes to the Financial Statements For the Year Ended 30 June 2022

4 Revenue and Other Income

Revenue from continuing operations

	2022	2021
	\$	\$
Revenue		
Meals - Home care packages	174,170	-
Meals - Kitchen sales	2,569	-
Meals - NDIS	76,916	-
Meals - Served	29,081	-
Meals - Subsidised	826,812	-
Total Revenue	1,109,548	-

	2022	2021
	\$	\$
Other income		
Catering	9,761	-
Donations	13,700	-
Fundraising	16,939	-
Grants - Non-recurrent	18,823	-
Grants - Recurrent	870,724	-
Sundry income	124	-
Wage subsidies	69,053	-
Total other income	999,124	-

Meals on Wheels Moreton Bay Region Inc

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Notes to the Financial Statements For the Year Ended 30 June 2022

5 Result for the Year

The result for the year includes the following specific expenses:

	2022	2021
	\$	\$
Other expenses:		
Advertising	6,515	-
Audit fees	5,432	-
Bank fees	4,986	-
Board expenses	1,268	-
Cleaning	19,432	-
Computer expenses	13,189	-
Consultancy fees	34,853	-
Contractors	26,972	-
Freight and delivery	2,223	-
Health and safety expenses	9,102	-
Insurance	7,742	-
Loss on disposal of fixed assets	2,698	-
Meals on wheels levies	6,054	-
Motor vehicle expenses	21,787	-
NDIS meals payable	52,655	-
Printing	18,608	-
Rent	8,202	-
Repairs and maintenance	35,465	-
Small equipment and utensils	2,167	-
Subscriptions	32,912	-
Sundry expenses	5,654	-
Telephone and internet	15,779	-
Travel and accommodation	4,527	-
Utilities	41,363	-
Waste disposal	7,814	-
Water	3,572	-
Total other expenses	390,971	-

6 Cash and Cash Equivalents

	2022	2021
	\$	\$
Cash at bank and in hand	443,671	-
Short-term deposits	106,270	-
Total cash and cash equivalents	549,941	-

Meals on Wheels Moreton Bay Region Inc

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Notes to the Financial Statements For the Year Ended 30 June 2022

7 Trade and Other Receivables

	2022	2021
	\$	\$
CURRENT		
Trade receivables	99,535	-
Total current trade and other receivables	99,535	-

8 Inventories

	2022	2021
	\$	\$
CURRENT		
At cost:		
Stock on hand	41,082	-
Total current inventories	41,082	-

9 Property, plant and equipment

	2022	2021
	\$	\$
Plant and equipment		
At cost	327,679	-
Accumulated depreciation	(202,025)	-
Total plant and equipment	125,654	-
Motor vehicles		
At cost	126,079	-
Accumulated depreciation	(37,521)	-
Total motor vehicles	88,558	-
Office equipment		
At cost	19,082	-
Accumulated depreciation	(9,724)	-
Total office equipment	9,358	-
Computer equipment		
At cost	63,000	-
Accumulated depreciation	(49,001)	-
Total computer equipment	13,999	-

Meals on Wheels Moreton Bay Region Inc

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Notes to the Financial Statements For the Year Ended 30 June 2022

9 Property, plant and equipment

	2022	2021
	\$	\$
Leasehold improvements		
At cost	445,051	-
Accumulated amortisation	(204,459)	-
Total leasehold improvements	240,592	-
Kitchen equipment		
At cost	263,373	-
Accumulated depreciation	(153,655)	-
Total kitchen equipment	109,718	-
Total property, plant and equipment	587,879	-

10 Trade and Other Payables

	2022	2021
	\$	\$
CURRENT		
Accrued expense	16,955	-
GST payable	7,401	-
PAYG payable	13,214	-
Superannuation payable	8,436	-
Trade payables	35,261	-
Total current trade and other payables	81,267	-

11 Employee Benefits

	2022	2021
	\$	\$
CURRENT		
Provision for annual leave	103,304	-
Total current employee benefits	103,304	-
NON-CURRENT		
Provision for long service leave	22,575	-
Total non-current employee benefits	22,575	-

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Notes to the Financial Statements For the Year Ended 30 June 2022

12 Contingencies

In the opinion of those charged with governance, the Association did not have any contingencies at 30 June 2022 (30 June 2021:None).

13 Cash Flow Information

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

	2022	2021
	\$	\$
Surplus/(deficit) for the year	(457,333)	-
Cash flows excluded from profit attributable to operating activities		
- Capital contributions received	1,528,624	-
Non-cash flows in profit:		
- depreciation	130,766	-
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(99,535)	-
- (increase)/decrease in inventories	(41,082)	-
- increase/(decrease) in trade and other payables	81,267	-
- increase/(decrease) in employee benefits	125,879	-
Cashflows from operations	<u>1,268,586</u>	-

14 Events after the end of the Reporting Period

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.

15 Statutory Information

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

Meals on Wheels Moreton Bay Region Inc
3 Mundin Street
Petrie QLD 4502

Meals on Wheels Moreton Bay Region Inc

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Responsible Persons' Declaration

The responsible persons declare that in the responsible persons' 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*.

Responsible person KATE VROMANS



Dated

18/10/2022

Responsible person BEV BRANDIS - TREASURER



18/10/2022.

INDEPENDENT AUDITOR'S REPORT

To the Members of Meals on Wheels Moreton Bay Region Inc.

Report on the Audit of the Financial Report

Qualified Opinion

We have audited the financial report of Meals on Wheels Moreton Bay Region Inc., which comprises the statement of financial position as at 30 June 2022, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statement, including a summary of significant accounting policies, and the Statement by the Members of the Committee.

In our opinion, except for the effects of the matters described in the *Basis for Qualified Opinion* section of our report, the financial report of Meals on Wheels Moreton Bay Region 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 30 June 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 Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Qualified Opinion

Capital Contribution

We were unable to obtain sufficient appropriate audit evidence regarding the opening retained earnings balance, being the capital contribution of \$1,528,624. This amount relates to the amalgamation of Meals On Wheels Pine Rivers & District Inc., Caboolture Meals On Wheels Assn Inc., Bribie Island Meals On Wheels Association Inc. and Burpengary Meals On Wheels which now form Meals on Wheels Moreton Bay Region Inc. Therefore, we do not express any opinion on this balance or the effect this may have, if any, on the financial statements.

Inventory

We were unable to attend the stocktake performed counting physical inventories at the end of the 2022 financial year. The total inventory quantity held at 30 June 2022 is stated in the balance sheet at \$41,081.79. We were unable to satisfy ourselves by alternative means concerning this inventory balance as at 30 June 2022. Therefore we do not express any opinion on this balance or the effect this may have, if any, on the financial statements.

Recoverability of Debtors

As at 30 June 2022 the trade and other receivables of the Association includes Trade Debtors of \$98,277.59 relating to client meal plans. No allowance for doubtful debts has been made in respect of these amounts. We were unable to obtain sufficient appropriate audit evidence to substantiate the recoverability of this outstanding amount and therefore we do not express any opinion on this balance or the effect this may have, if any, on the financial statements.

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 Association in accordance with *the Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of Matter – Basis of Accounting

We draw attention to Note 2 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Association's 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.

Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is 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 is appropriate to meet the needs of the members. The management's responsibility also includes such internal control as the officers determine is necessary to enable the preparation of the 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, Management is 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 Management either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Management are responsible for overseeing the Association's financial reporting process.

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 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 the 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Association.
- Conclude on the appropriateness of Association'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.



Jason Croston
SRJ Walker Wayland
Director

Date: 19 October 2022

Address: Unit 3, 27 South Pine Road, BRENDALD QLD 4500